



Leading learning and skills

Summary Report

ILR Fact Finding Review: Impact on Success Rates

Report prepared by the LSC with contributions from KPMG and Ofsted

1 September 2009

Contents

	Paragraphs
Introduction	1
Background	2 - 6
Purpose	7
Scope	8 - 12
Detailed Findings	13 - 29
Conclusions and Next Steps	30 - 42

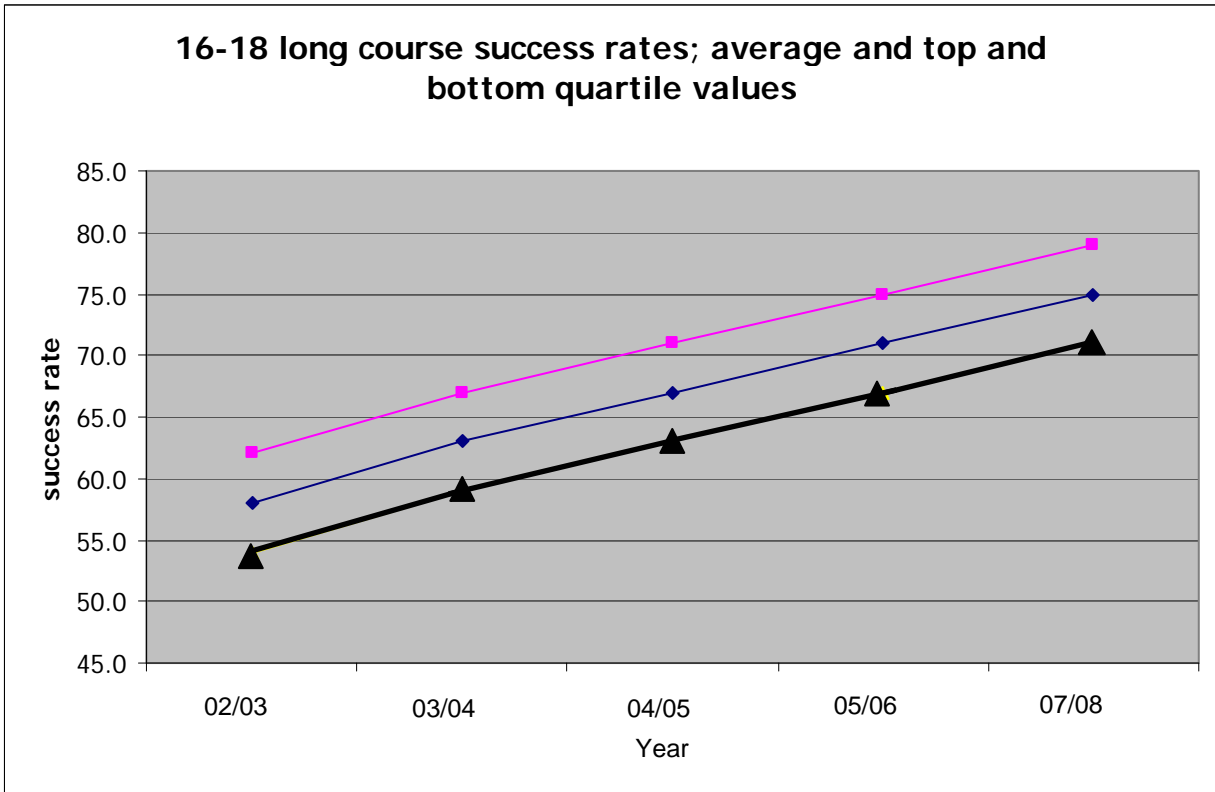
Introduction

1 This report has been prepared by the LSC from the information gathered from seven fact finding visits during May and June 2009. Each visit was conducted by a team comprising the LSC, Ofsted and KPMG. We would like to take this opportunity to thank all of the colleges who were involved in this review of data management.

Background

2 Success rates within the learning and skills sector are used as a principal measure in reviewing the quality of delivery and are a key indicator of the quality of provision. Encouragingly, the sector’s qualification success rates have been improving significantly year on year since 2003. For example the overall long course success rate for general FE colleges has improved from 58% to 75% in the five years to 2007/08:

Figure 1: Success rate improvements since 2002/03



The fact finding visits were focussed on a subset of these data.

3 Provider success rates have taken on increasingly greater importance as they are used by Ofsted to inform inspections and during monitoring visits. More recently, they are also used as part of the Framework for Excellence ratings and are used in the application of Minimum Levels of Performance (MLP) used by the LSC to

analyse performance, inform commissioning decisions, and, where performance falls below the minimum thresholds that are set each year, trigger Notices to Improve. Providers use success rates to inform their self assessment and for measurement against internal performance indicators. Success rates also feed into the calculation of each institution's provider factor which is used as part of the LSC's funding methodology. They are also often used by colleges to inform bonus payments for senior staff.

- 4 Given the key part that success rates play across so many aspects of sector business, ensuring their integrity and consistency is essential. If they improve as a consequence of data discrepancies rather than actual performance then an inflated view of the effectiveness of the provider may be given, the drive for improvement may be compromised, and the choices of learners and other users may be distorted since the headline success rates may suggest that a provider is better than its real performance merits. The work of national agencies, such as LSC, Learning and Skills Improvement Service and Ofsted, may not be as effective as they should be, in targeting their resources
- 5 For all these reasons it is important that the requirements governing the compilation of providers' Individual Learner Record (ILR) should be interpreted and applied consistently by all so that success rates are accurately recorded.
- 6 Concerns have been expressed by some providers in the FE sector that success rates can sometimes be manipulated and improved through completing the ILR in such a way that is not in keeping with the mandatory requirements and guidance issued by the information authority and the funding guidance issued by the LSC. There have been suggestions that this data manipulation goes beyond routine data cleansing (verification of core ILR data fields) to improve the accuracy of the data. In response the LSC, Ofsted, the Data Service and the information authority have undertaken some desk-based analysis and fact finding reviews. We have looked at differences between the ILR returns F01, F04 and F05 from colleges in the FE sector; changes in success rates between years; and changes in recruitment patterns for 2006/07 and 2007/08. The 2007/08 data was used in greater detail.

Purpose of the ILR Fact Finding Review

- 7 The purpose of the review was to conduct a focused analysis of college ILR data relating to unexpected changes in 'starts' for one year, in year cohorts across FO1, FO4 and FO5 returns, to identify 'outliers'. Through the college visits, the review sought to identify the reasons for fluctuations that were higher than the sector average, and to understand the extent to which ILR completion and data management processes differ from college to college. It also tested the effectiveness and level of understanding of the existing rules and guidance for ILR completion, in order to identify areas of ambiguity and make recommendations for improvement.

Scope

- 8 A desktop analysis of ILR data for 2006/07 and 2007/08 for the whole college sector (369 colleges were included in the analysis) indicated that in colleges, and for the cohorts of students ending their courses in 2007-08, there was a 5.8% average difference between the number of starts on the F04 return and the F05 return. About 160 GFE colleges (43%) had differences less than the average and

42 colleges (11%) have differences of 10% or more. From this analysis seven colleges were selected for a detailed visit.

- 9 The fact finding visits were conducted at the seven colleges against ten selected learning aims per college where apparent data inconsistencies were highlighted by the desk based work, and also against learning aims where there appeared to be no data inconsistencies. Six of the colleges were chosen as there were apparent inconsistencies in their ILR data, and the other college was chosen as a 'control'.
- 10 The findings from this review were drawn from an extremely small and focused population of 831 F05 one year, in year starts from a total population of 1,142,788 F05 starts (that represents less than 0.1% of the 16-18 learning aims in 2007/08 population). The fact finding exercise was not a quantification exercise and was not statistically valid as regards identifying audit error rates. The aim was to identify and understand the different approaches that colleges took in ILR completion, and the extent to which those differing approaches affected success rates, and to ensure that data were not being deliberately manipulated.
- 11 During the course of each visit discussions were held with appropriate senior managers and other staff about the way the ILR is compiled and validated, and to explore issues particular to that college.
- 12 The visit team also talked to the course leader(s), course teachers, the heads of the curriculum areas, and relevant data management personnel who have a close link with particular cohorts of learners. At the conclusion of each of the two day visits, the team fed back both orally and in writing to each College Principal and other college representatives to report their initial findings. Each college was given the opportunity to review the findings.

Detailed Findings

- 13 Each fact finding review contained 4 core components:
- Desk-top analysis of data and evidence provided by each college
 - Ofsted-led curriculum discussions
 - Controls assessment to identify operational issues that may impact on the production of the 2007/08 ILR
 - ILR data reconciliation to underlying records.
- 14 The review was focussed on a small cohort of targeted learning aims at each college. The facts about the learners were documented in order to establish the impact of the data management processes on the production of success rates for a given cohort.
- 15 A summary of our findings is presented within this report. The review included a total of 70 learning aims across all colleges (10 per college) and has indicated that 18 (26%) learning aims were compiled from data that could be fully verified (i.e. no data management issues); however 52 (74%) learning aims could not be fully verified to evidence supplied during the visits (i.e. there were actual or apparent inconsistencies between the supporting evidence and ILR returns). Table 1 below sets out an analysis of this work by type of learning aim. It should be noted that a range of inconsistencies were identified, ranging from those which would not have an impact on success rates to inconsistencies which would have a significant impact on success rates (see Tables 2 and 3).

Table 1: Type of learning aim

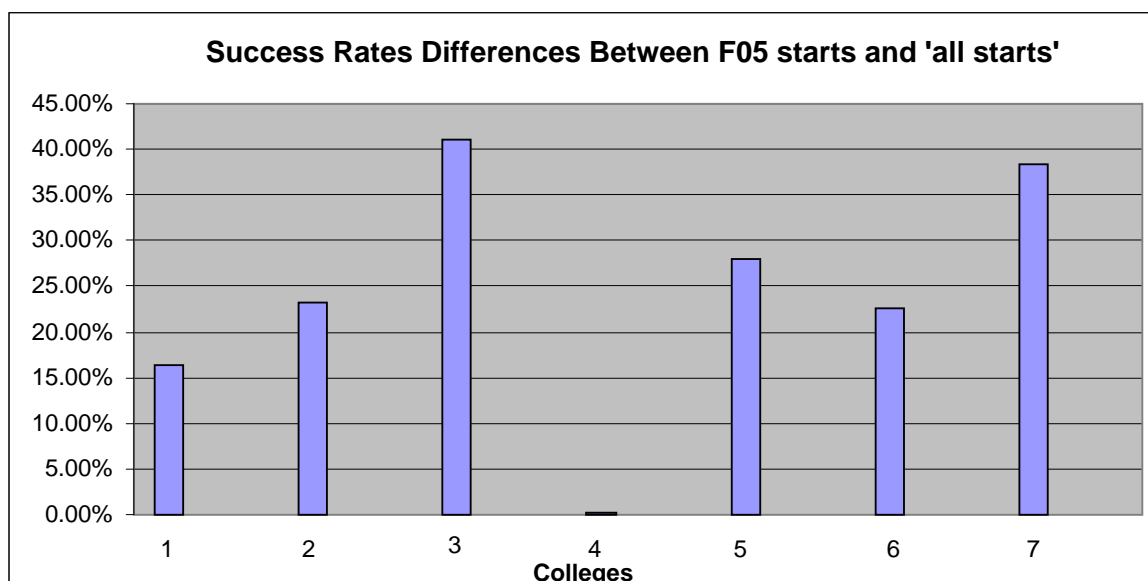
Learning Aim Type	No. Verified	Grand Total	% Verified
AS/A2/GCE/GCSE	9	19	47%
Dip / Cert / Award	7	37	19%
NVQ	2	13	15%
Other		1	0%
Total	18	70	26%

While some of the data inconsistencies were relatively minor in nature, the fact that the team was only able to fully verify 26% of the learning aims tested indicates a worryingly high percentage of data errors and inconsistencies for a cohort that could be reasonably expected to be straightforward for the purposes of data recording.

A. Desk-top Analysis

- 16 The ILR data for each of the selected colleges were analysed to identify the trends in learners' activity between the ILR returns submitted for each college for the academic years 2006/07 and 2007/08. The full analysis provided the pattern for learning aims against broad age and duration cohorts.
- 17 The analysis identified all of the learner records within the 16-18 learning aims of one year's duration and tracked data between successive ILR returns F01, F04 and F05. The analysis found a significant difference between records submitted in F05 compared with earlier ILR returns. A list of the 'all starts' for each learning aim selected from the ILR activity was compiled, drawn from each of the ILR returns.
- 18 The 'all start' lists were then used in the discussions between Ofsted and the curriculum staff and also in the ILR data reconciliation to underlying records.
- 19 For each, learning aim, success rates were generated using the starts from the original F05 and then with the derived all starts value.
- 20 The differences between the success rates derived from the F05 starts and those derived from the 'all starts' were calculated for each learning aim. This enabled the team to identify the maximum potential impact of utilising the success rate calculation. These differences are shown for selected colleges in Figure 2 below.

Figure 2: Provider Success Rate Characteristics



- 21 As can be seen from the graph above, the colleges selected all had success rate differences well in excess of 10% with the exception of one college which was chosen as a control institution, and had no apparent inconsistencies indicated from the desk-top analysis.
- 22 Overall the desk-top analysis highlighted a significant amount of difference between the records submitted in F05 and those that had been associated with the same cohort (i.e. learning aims and dates that gave a 1 year in year duration) in previous ILR returns.

B. Curriculum Discussions

- 23 During each review Ofsted inspectors led an interview with the senior college representative responsible for the curriculum and quality and with each curriculum manager responsible for the learning aim that was selected.
- 24 The key findings from the interviews are detailed below. They have been grouped by the broad type:
- Good data management practices
 - Practices that unfairly increase reported success rates
 - Data management approaches to nested qualifications
 - Poor data management practice.
- 25 A general comment from all the colleges was that they operate their curriculum in the best interests of the learners and endeavour to ensure that all learners achieve a qualification.

Table 2: Examples of good data management practices

No.	Finding
1	Curriculum managers and course leaders who had ready access to software such as Pro-achieve and used it regularly. 'One source of data' was the mantra and no secondary sources. 'If it's wrong it's your data and you correct it on the central record'. One source of data is always recognised as the best approach. Where this is not the case, the systematic reconciliation processes described at 2 and 3 below in this table, is recommended.
2	A person within the curriculum area assigned to ensure curriculum data was the same as that held by Management Information Service (MIS), who often also chased non-attendance.
3	Regular reconciliation between MIS, registry and curriculum.
4	ILR data, often via software such as Pro-achieve, furnishing the data for annual course reviews (ACR) and curriculum self-assessment. Additional qualification success rates being an integral part of the ACR.
5	A slot on course team meetings' agenda to facilitate constant attention to data.
6	Continuing Professional Development (CPD) for data management staff being included in college CPD programmes.

Table 3: Practices that unfairly increase reported success rates

No.	Finding
1	On a number of occasions it appeared that colleges recruited above their funding targets, then designated which starts were unfunded at the end of the year and removed them from the final ILR. Generally, it appeared to be starts which had failed to complete that were not included in the ILR.
2	Late decisions being made on whether to include starts on additional qualifications to a learner's primary learning goals. These decisions could be made at any time during the year, sometimes when learners were registered with the awarding body and only recording in the ILR the details for the learners who are likely to succeed.
3	Starts to additional learning aims being entered on F01 and F04 but removed from F05 when it becomes clear a learner was not going to achieve the qualification.
4	Changing end dates retrospectively so that successful short courses become long ones and unsuccessful long ones become short or where long courses have their end date extended so that they do not appear on that year's success rates and they are given a better chance of becoming a success the following year.
5	Learners who attend during November to January but have their ILR changed to indicate withdrawal during October thereby gathering funding units but not affecting success rates (since the reference date for success rates is November 1 st).
6	Students from overseas or work-based learning who study alongside LSC funded learners not being included on the ILR where this would reduce success rates.
7	Use of the transfer code to remove students from a line of data and thereby (since the start is removed) not affecting success rates. Alongside this there should be a transfer into a qualification at the same level. This is not happening in all cases. In some cases the transfer in is indicated as an E2E course but there is no clear evidence that this happens. This includes transfers occurring at or near the planned end dates.
8	Simply switching learning aims under the guise of correcting the entry. This can happen during the year and would be one way of managing nested qualifications.

Table 4: Data Management Issues in respect of Nested Qualifications

Throughout the course of the visits the review team found that colleges employed various approaches to “nested” qualifications. Nested qualifications include:
The BTEC national award (6 unit), certificate (12 units including the award 6), and diploma (18 qualifications including the certificate 12) suite of qualifications;
The BTEC first certificate (3 units) and diploma (6 units including the certificate 3);
Introductory certificate (3 units) and diploma (6 including the certificate 3).
The different approaches to enrolling and recording learners on nested qualifications included:
Enrolling starts onto the larger qualification and amending the ILR learning aim to a smaller one during the year when it becomes clear that the learner is not going to achieve the larger one. Thus 10 learners on the national certificate who end up with 5 certificates and 5 awards becomes two 100% success rates, each for 5 learners, rather than one 50% success rate
Enrolling all onto the smaller qualification and stepping up those students who are able to achieve. Decisions have been made later in the year without consultation with the learner and thus maximising learner success rates
A variation on ‘nesting’ - whereby two qualifications, not necessarily at the same level or from the same awarding body, are included in the one course e.g.:
<ul style="list-style-type: none"> Learners enrolled for a two term NVQ3 qualification with the option of achieving the NVQ2 after semester one. Each learner ends up on the ILR as starting and achieving a long qualification at level 2 or 3 and thereby maximising success rates
Learners enrolled on a GCSE mathematics course with the option of taking numeracy at level 2 during the year. Any student who does not achieve the GCSE qualification has their ILR line changed to achieving a target qualification of numeracy.
It was apparent from the different approaches described above that the issue of nested qualifications is a complex area that requires further consideration and the development of clearer guidance. Some of the approaches described above may be considered good practice when undertaken in a timely manner, but in other instances may be a way of unfairly increasing success rates.

Table 5: Examples of poor data management practice

No.	Finding
1	Using learning aim codes which were wrong and not correcting them until later in the year (or in some cases not finding the error until the college prepared for our visits, thus resulting in the wrong learning aim contributing to funding. Sometimes the wrong learning aim was from a different awarding body.
2	Learners recorded as studying for and achieving two learning aims when registers indicated they actually only studied for and achieved one. Reconciliation procedures between MIS, registry and curriculum, had failed to identify the “errors”.
3	Poor register maintenance and insufficient reconciliation between curriculum managers, registry, and IS.
4	Registers that were assigned to courses and could not be used to track attendance for each of the different learning aims within a course.

C. Controls Assessment

26 The college controls and general issues that impact on the production of the ILR were assessed during interviews with the senior members of staff responsible for the production and submission of the ILR returns.

27 A summary of the findings is given below.

- the majority of colleges did not have assurance arrangements in place to review the controls and to test the accuracy of ILR data on an annual basis
- most of the colleges selected used course level registers and ran mixed learning aim events and the registers did not clearly identify the learners specific learning aims
- the controls review identified that most of the colleges described detailed processes to develop and validate their course masterfile prior to enrolment. However, the testing has indicated that the accuracy of the course masterfile for the majority of the sample was poor. A number of the colleges had problems with the accuracy of the course master files that impacted on the accuracy of the F01 ILR return
- an area of good practice identified was the number of colleges who had specific administrative staff linked to support curriculum teams with their data.

D: ILR Data Reconciliation to Underlying Records

28 For each of the 10 learning aims sampled the attendance of the learners in the F05 (all starts) was reconciled to the registers supplied by the college.

29 In addition the following issues were noted:

- Learners appeared on registers to end of the college year but were not present in the final ILR. There have also been examples of withdrawn learners with register dates beyond 1st November but having an ILR date in October (i.e. funding was generated but was not part of the Ofsted success rate calculation). Both examples have the potential to have a direct impact on learner success rates;
- There were a number of observations when differences between ILR data and actual records could potentially result in either positive or negative funding impacts on the college; and
- There were a number of difficulties in tracking learner additionality courses, including generic start and planned end dates.

Conclusions

- 30 The findings from the ILR fact finding reviews indicate that all the colleges included in the fact finding visits, including the college selected as a 'control' adopt different and potentially inappropriate approaches to the completion of ILR returns (see table 3). A number of poor data management practices were also identified at table 5. Although some of the data management practices identified were contrary to published guidance, it was noted some aspects of the guidance is not as clear as it might be. However, it was clear that the interpretation of the guidance adopted by colleges enhances or maximises success rates.
- 31 Some of the practises identified at the fact-finding visits have led to an artificial increase in success rates. The guidance is not always clear and interpretations differ between colleges.
- 32 The guidance for ILR completion needs to be clarified, strengthened and simplified.
- 33 The different approaches that are adopted in respect of data management for nested qualifications highlight the complexity of this issue and demonstrate that it requires review. Some approaches to nested qualifications do contribute to an unfair increase in success rates.

Recommendations

- 34 **Colleges must cease the practices identified in table 3 with immediate effect, as they clearly conflict with the spirit and intention of the ILR specification guidance and the funding guidance. This applies in respect of all remaining ILR returns relating to 2008/09 and for 2009/10 onwards.**
- 35 Colleges should address the address the examples of poor data management identified at table 5, through tightening and amending of internal college practices.
- 36 There is an immediate need to make clear the rules that govern ILR completion. The LSC, working with the information authority, should issue a clarification to the sector to indicate those aspects of the ILR guidance that are mandatory.
- 37 The ILR guidance for future years should be strengthened and simplified. The mandatory expectations should be highlighted.
- 38 A joint project group should be established, drawing representation from across the sector, the LSC, the data service and the information authority, to consider the issues identified through this review, and develop recommendations for ensuring that success rate data, and the ILR generally, is compiled and reported in an accurate and consistent manner.
- 39 The information authority should co-ordinate the establishment of a group of expert data and sector representatives to review the guidance in respect of data management of nested qualifications.
- 40 The LSC should review its audit arrangements to ensure that checks are made in respect of data management, accuracy and integrity as a standard part of the process.
- 41 The LSC should make recommendations for establishing routine information exchange across all partners, representative bodies and Ofsted, to inform risk assessment.

- 42 The SFA should undertake an analysis of ILR data next year to assess the extent to which the issues identified in this review are still an issue for the sector.

This is where the report for the seven colleges concludes. There are additional recommendations arising from the wider review. These are set out below.

The reviews have identified systematic data processing inconsistencies within some of the providers. Should the review be expanded to include the full FE dataset, and the wider provider base including Apprenticeship and TTG providers?

The LSC, The Information Authority, the Data Service and Ofsted should consider the issues raised in this review and consider developing a joint approach between the LSC (including successor bodies) and Ofsted to review data management issues.

The immediate need to reiterate and strengthen guidance in the area of ILR production will be addressed through the letters to be issued by the Chief Executive. The Information Authority should build on this and make links to areas of good practice and align to future audit regime:

- The Information Authority is currently planning a series of good practice workshops, and it would be timely to link into these events. However, it is recommended that all organisations agree what constitutes good practice and that these areas are clearly documented.
- Further work with the sector should be undertaken to ensure that future success rate data is compiled in a consistent manner across all providers. The observations and any consultation should be managed through the IA led Success Rate working group which is being established.
- The working group needs to consider whether agreed recommendations in the form of new guidance and direction will be introduced to impact on the F04 and F05 submissions for 2008/09 and in time for the 2009/10 Ofsted inspection programme which commences in mid to late September 2009.

The overall audit approach should be expanded to incorporate assurance of the validity of success rate data and provide assurance over funding claims and the conformance of success rates to the ILR guidance. The new approach needs to meet the requirements of key stakeholders including the LSC and Ofsted. It should incorporate the following characteristics:

- The criteria for the selection of providers may be linked to but not limited by the organisations selected for Inspection thus providing assurance for the Inspectors prior to the commencement of the Ofsted Inspection.
- An intelligent audit approach should be developed incorporating the tools used in the fact finding reviews to provider analysis of multiple ILR returns.
- Consideration should be given to developing an approach that would provide an opinion for the LSC for funding and a separate assurance for data completeness that includes an assessment of the provider's data quality.
- This approach would allow Ofsted to caveat inspection findings if appropriate. Consideration will need to be given to the what further action would be taken if audit concludes that the data is unreliable e.g.
 - limiting grade in key areas e.g. Leadership and Management ?

- impact of existing provider success rates, would these need to be re-calculated?
- Due to the existing time pressures a phased approach should be reviewed. This would involve undertaking a separate data audit during 2009/10 which would link into LSC Funding Audits and Ofsted inspections and then move to a combined audit/inspection in 2010/11.