



Estyn

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a Hyfforddiant yng Nghymru

Her Majesty's Inspectorate
for Education and Training in Wales

The effectiveness of performance management and review (PMAR) in further education institutions



BUDDSODDWR MEWN POBL
INVESTOR IN PEOPLE



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Publication Section

Estyn

Anchor Court

Keen Road

Cardiff

CF24 5JW or by email to publications@estyn.gsi.gov.uk

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Introduction

- 1 This report is published in response to a request in the annual Ministerial remit to Estyn for 2008-2009. It evaluates the arrangements that further education institutions have made for managing the performance of their teaching staff following the establishment of the Pay Wales Agreement in 2006. These arrangements are commonly called 'PMAR', which stands for performance management and review.
- 2 As part of the research for this report, Estyn inspectors visited 15 further education institutions in Wales in the summer and autumn of 2008. The institutions visited were selected on the basis of geographical location and include those providers who were visited as part of Estyn's cyclical inspections of further education institutions. On their visits inspectors met the senior managers responsible for the introduction and establishment of arrangements for performance management and review (PMAR) and scrutinised relevant documentation. They reviewed data on the progression of teachers and inspected a sample of teachers' portfolios. This report also draws on the findings of recent inspection reports on arrangements for the management of teachers' performance in individual providers.

Background

- 3 There has been a strong commitment in the Welsh Assembly Government to ensure that further education institutions continue to raise standards. In this context, the government have supported the introduction of a pay system which encourages staff to perform at a high level.
- 4 In Estyn's 'Review of the Further Education Inspection Cycle (1997-2002)'¹ we found that, over the six years of the previous cycle, providers often lacked an effective system to appraise teaching staff and middle managers. A key recommendation in the report encourages providers to establish effective appraisal systems and use them to manage the performance of all staff.
- 5 Prior to the introduction of the PMAR scheme, institutions' arrangements for performance management differed considerably. A few providers had well-established appraisal schemes which included graded teaching observations carried out by managers. However, appraisal in most providers did not involve managers' direct observation of teacher activity and were generally focussed on identifying teachers' development needs. Most institutions did not set targets for teachers and there was little review of performance.
- 6 Most institutions had some arrangements for observing classes, but these were frequently undertaken only by peers, not managers, and were often ungraded. Generally, providers did not have comprehensive systems to ensure consistent grading of lesson activity. They could not therefore identify and reward good performance with enough discrimination.
- 7 Estyn inspection reports in the current cycle (from 2004) record improvement in the quality and effectiveness of appraisal systems in further education. Systems now appear far more robust and effective. In the Chief Inspector's Annual Report 2005-2006, we judged that 'the procedures for managing staff performance were good. In most cases, staff agree personal targets which link well to institution-wide aims. Managers regularly review the performance of staff against these targets (p28)².
- 8 In 2002-2003, the Welsh Assembly Government put in place a three-year pay initiative for the further education sector after agreement between fforwm, representing further education institutions in Wales, and the trade union side, representing teaching staff employed in the sector. The corporations/governing bodies of the further education institutions have overall responsibility for settling the pay and conditions of their staff.
- 9 While the agreement related mainly to pay matters, it also included the establishment of a system of Performance Management and Review (PMAR) for all staff in teaching posts. The PMAR system provided the mechanism for staff to access the upper pay spine for teaching staff if they met certain criteria in relation either to academic leadership or teaching excellence.

¹ www.estyn.gov.uk/publications/FEReviewE.pdf; http://www.estyn.gov.uk/publications/cy_FEReviewW.pdf

² http://www.estyn.gov.uk/publications/Annual_Report_2005_06.pdf;
http://www.estyn.gov.uk/publications/cy_Annual_Report_2005_06.pdf

- 10 The criteria for determining incremental access to the second and third points on the upper pay spine (UP2 and UP3) were established in the third year of the agreement. The criteria are listed in the next section of the report.
- 11 All colleges began to implement the PMAR system from 1 April 2006 to provide a mechanism for teaching staff on upper pay point 1 to progress to the higher pay points. This is known in the sector as 'threshold progression'. The PMAR system drew closely on guidelines for managing performance set out in the Joint Agreement on Performance Management in further education institutions agreed between the Association of Colleges and the relevant trade unions in England in July 2004.
- 12 The purpose of the PMAR system is to support and assist teaching staff in their professional development. If an institution is to succeed, teams and individuals need to be clear about their roles, to receive feedback regularly on how they are performing and to receive encouragement to develop their capabilities.
- 13 The PMAR system has no relationship to providers' arrangements for managing the capability of staff or to any disciplinary procedures.
- 14 In the PMAR system, there is general agreement that one or two meetings will take place between the teacher and the reviewer as part of the annual performance appraisal cycle. The meetings include the setting of personal targets and a formal review at the end of the year to measure performance against the targets. The reviewer is normally the teacher's line manager. In order to enhance the performance of teaching staff, there is an expectation that PMAR will identify and guide continuing professional development.
- 15 Teachers have to meet PMAR criteria to access the higher pay points of the upper pay spine for teaching excellence. These include:
 - two years at the relevant lower point on the upper pay scale;
 - two assessed teaching observations, based on Estyn's lesson observation criteria;
 - participation in relevant continuing professional development (CPD);
 - up-to-date subject knowledge; and
 - overall contribution to student learning and the work of the department and/or college.
- 16 The teacher has to produce evidence in portfolio form to illustrate how they have met the nationally-agreed criteria and their own performance targets.
- 17 The observation and evaluation of teaching sessions are a key part of PMAR. In most cases, observation is undertaken by the line manager or another suitably-trained manager. The reviewer undertakes the observations during the teacher's normal timetabled teaching sessions. In most cases, the process involves a minimum of two observations in the previous 18-month period. Both parties agree the teaching sessions that the reviewer will observe.

- 18 The PMAR criteria that teachers have to meet in order to access the higher pay points for academic leadership include:
- leadership in internal verification;
 - mentoring new teaching staff;
 - quality leadership roles;
 - significant course leadership roles;
 - development of learners' key skills; and
 - dissemination of good teaching practice.
- 19 The decision on how many staff, in any given institution, are appointed to the upper spine of the pay range on the basis of academic leadership is made by managers in consultation with relevant unions.
- 20 The Webb Report, published in December 2007, endorses the importance of continuing professional development and recommends that “teaching/lecturing staff in schools and further education institutions should have an entitlement to continuing professional development of not less than 10 days per year and that staff teaching on work-related programmes should have a period of immersion in the appropriate work environment (recommendation 124)”³. This recommendation recognises the impact of teaching practitioners' and leaders' standards on the quality of learners' outcomes.

³ Webb A (December 2007) Promise and Performance: The report of the independent review of the mission and purpose of Further Education in Wales in the context of the Learning Country: Vision into Action

Main findings

- 21 The national scheme for PMAR has provided all further education institutions with a system which they use well to establish broadly consistent arrangements for managing the performance of teaching staff.
- 22 Performance management arrangements for teaching staff have become well-established in all institutions visited and inspected as part of this survey.
- 23 Most of the providers had some form of performance management system prior to the introduction of the PMAR system in 2006. However, the previous systems varied too much and many were based primarily on identifying individual teachers' staff development needs, rather than the quality of their teaching or academic leadership.
- 24 The institutions visited as part of this survey have introduced performance management systems that are based on a comprehensive appraisal of teachers' performance as well as their development needs. Most institutions have robust systems for individual performance review, focused on the extent to which individuals achieve previously-set personal targets.
- 25 All institutions have comprehensive arrangements for managers to observe teachers working with learners. In most cases, the lesson observation schemes are rigorous and identify appropriate actions for improvement, which are subsequently monitored.
- 26 All institutions visited have integrated the arrangements for the performance management of teachers into their other arrangements for managing quality effectively. Most providers visited take appropriate account of standards achieved by learners in their performance management arrangements.
- 27 The national system for performance management focuses strongly on compliance with the quality indicators for teaching and assessment in Estyn's common inspection framework. However, it does not refer explicitly enough to the impact of these on learners and the standards that they achieve. In practice, most providers' performance management systems are more comprehensive than those in the national agreement and include an assessment of the impact of teaching on learners. A minority of providers do not give enough emphasis to the impact of teachers' performance on the effectiveness of learning.
- 28 A majority of institutions have good arrangements for moderating the findings of lesson observations. Managers in these institutions also take account of the impact of teaching on learners' standards when observing lessons. However, inspection findings since the introduction of the scheme show that the lesson grades awarded by college managers in a minority of institutions are often more generous than those awarded by Estyn inspection teams. In these institutions, the records of observations emphasise teaching performance rather than its effectiveness in securing better outcomes for learners.

- 29 A few institutions have begun to work together to share good practice in lesson observations in relation to performance management. However, there are no formal external moderation systems.
- 30 Overall, most institutions manage the threshold progression scheme rigorously and fairly. Ninety-three percent of the teachers who applied for threshold progression in the first year of the scheme were successful. Twenty-seven per cent of those who were eligible did not apply. There was considerable variation between institutions in the percentage of eligible teachers who applied for threshold progression in the first year of the scheme.
- 31 Most institutions have found that the introduction of the arrangements for performance management have encouraged teachers to take part in more continuing professional development activities. Teachers' involvement in industrial secondments has been particularly effective in a few institutions.
- 32 From 2007-2008 onwards, providers have funded, from their own resources, the additional costs of threshold progression of teachers' salaries. However, a few institutions say they have not allowed teachers to progress from UP2 to UP3 due to the lack of specific external funding. At least one institution claims that they cannot afford to continue to implement the threshold progression scheme as they would have to make other staff redundant to pay the increased costs.
- 33 All providers have some form of system for managing the performance of technical and support staff. However, these vary widely. Only a few institutions have plans to apply the principles of threshold progression to enhance the salaries of technical and support staff, even when they are on instructor grades. None of those visited has implemented these plans thus far.

Recommendations

Further education institutions should:

- R1 improve the rigour of lesson observations, particularly in identifying outstanding features; and
- R2 work with other providers in the sector to share the following best practices in:
- judging the effectiveness of teaching performance;
 - integrating the systems of performance management and review with other arrangements for managing quality; and
 - enabling teachers to take up secondments to industry.

fforwm should:

- R3 help providers to share best practices, particularly in relation to the performance management of technical and support staff.

The effectiveness of performance management and review (PMAR) in further education institutions in Wales

Performance management of teachers

- 34 Performance management arrangements for teaching staff have become well-established in all further education institutions visited as part of this survey.
- 35 Most of the providers had some form of performance management system prior to the introduction of the PMAR system in 2006. However, the previous systems varied too much and were frequently based only on the identification of the individual teachers' staff development needs. The institutions visited have all taken the opportunity provided by the introduction of the national system of PMAR to introduce performance management systems that are based on the appraisal of teachers' performance as well as their development needs. Most now have robust systems for individual performance review, focused on the extent to which individuals achieve agreed targets. All institutions have comprehensive arrangements for managers to observe teachers working with learners.
- 36 Most institutions agree that only lessons with no important shortcomings can meet their own quality standards. However, a few institutions do not grade lessons, and others grade lessons but do not disclose the grades awarded to teachers.
- 37 Most institutions have reviewed their arrangements for the management of quality and quality assurance in order to make sure that they fit their arrangements for performance management. In most cases, the systems now form part of integrated, and often robust, procedures for improving quality and standards. In a few cases, institutions are working together to share good practice and to take part in each other's internal inspection arrangements.
- 38 Most institutions inspected by Estyn since 2004 have had better inspection grades than they achieved in the previous cycle of inspection. Institutions' own data on performance also show an upward trend in learners' outcomes. However, it is very difficult to isolate the impact of performance management from a wide range of other actions that institutions are taking to improve the experiences and outcomes of learners. In particular, most institutions have introduced performance management and review at the same time as they have improved their arrangements for quality assurance management more generally.

The criteria in the national system

- 39 The national agreement refers to indicators in Estyn's common inspection framework in relation to teaching excellence. These include:
- evidence of consistent and effective session planning to meet learning needs;
 - evidence of consistent and effective use of a range of appropriate strategies for teaching and learning; and

- evidence of consistent and effective monitoring of student progress and provision of clear and constructive feedback.
- 40 The national agreement also requires teachers to:
- participate in relevant continuing professional development (CPD);
 - demonstrate up-to-date subject knowledge; and
 - make a professional contribution to student learning and the overall work of the department and college.
- 41 All institutions require teaching staff to take part in annual performance management activities, whether they are eligible for threshold progression or not. In most cases, teachers are only required to produce a portfolio of evidence if they are making an application for threshold progression.
- 42 The national system for performance management focuses strongly on compliance with the indicators for teaching and assessment in Estyn's common inspection framework. However, it does not refer explicitly enough to the impact of these on learners and the standards that they achieve.
- 43 In practice, most institutions' performance management systems are more comprehensive than those in the national agreement and include an assessment of the impact of teaching on learners. Even the institutions that do not directly assess the impact on learners in their performance management schemes have found that many teachers applying for threshold progression do include such evidence, such as value-added data and an analysis of learners' success rates, in the portfolios of evidence they submit to support their application.

Observation of lessons

- 44 Most institutions have good arrangements for observing lessons by line managers. Many have a high proportion of managers who have been trained as peer assessors by Estyn, and they use them well. They have also set up their own arrangements to train other managers in lesson observation. A majority of providers have good arrangements for moderating the findings of lesson observations. Managers in these institutions also take account of the impact of teaching on learners' standards when observing lessons.
- 45 However, in a minority of providers inspected since the introduction of the scheme, the grades awarded to lessons by managers have been more generous than those awarded by the Estyn inspection teams. In a few cases, observers fail to make enough distinction between good and outstanding features. In other cases, their judgements are based on compliance with a list of criteria that relate to teaching methods rather than the effectiveness of the methods in securing better outcomes for learners. Observers in these institutions often award a grade 1 to a lesson and then fail to identify features that are outstanding rather than good. They do not take enough account of the impact of the lesson on learners and learning. In these cases, institutions have amended their lesson observation schemes to make them more robust as a result of Estyn inspections.

The eligibility of staff for threshold progression

- 46 As a result of the implementation of the Pay Wales Agreement in 2006, teachers who were eligible to progress to the upper pay points (threshold progression) in 2006 had less time than teachers in subsequent years to prepare evidence to support their claim for progression and were known as 'the exceptional group'. Many of these teachers in the exceptional group had been paid at the top of lecturers' pay scale for many years, rather than just the two years necessary to be eligible for threshold progression.
- 47 In the first year of the scheme (2006), managers informed all teachers who were eligible to progress to the upper pay band (UP2). Colleges made appropriate arrangements for staff to submit evidence in the form of a portfolio, as well as making sure that all eligible teachers were able to meet the other requirements of the scheme.
- 48 None of the institutions in the survey makes any distinctions between the categories of teaching staff who are eligible for progression in relation to the level of work they do. However, technical and support staff who are paid on instructor or assessor grades are not eligible for inclusion within the threshold progression arrangements. Most work-based learning staff are on these grades.
- 49 Most institutions allow all eligible teachers to apply for progression. However, a few colleges in the survey have used additional criteria. For example, they do not allow teachers without a formal teaching qualification to progress to the upper pay bands. Part-time hourly paid teachers who have worked for more than 26 weeks in the previous year are eligible to apply for progression. However, in practice, up until now, many part-time teachers have chosen not to apply.
- 50 Many of the institutions surveyed have decided to introduce performance management systems for technical and support staff that are modelled closely on the principles of the national scheme for teachers. They set targets for staff that relate to the work that they do and set targets for participation in relevant CPD activities. In these institutions, all technical and support staff have an annual review with their line manager. However, none of the institutions surveyed have introduced the concept of threshold progression for technical and support staff, although a few have plans to do so.

Managing the implementation of threshold progression

- 51 Most institutions, particularly the large ones, have set up some form of management group to steer through the implementation of the scheme. Nearly all providers have also set up good arrangements to moderate all aspects of the scheme's operation to ensure internal consistency, particularly in relation to the standards used for the observation of teaching and the scrutiny of portfolios. However, there are no national arrangements to moderate the scheme externally across all providers in order to ensure consistency.
- 52 All institutions visited consulted closely with local branches of the teacher unions before introducing the scheme and reached agreement on the local arrangements for

threshold progression. Senior managers often gave presentations on the scheme to eligible staff. Many also produced good support materials such as lists of answers to frequently asked questions.

Portfolio of evidence and lesson observations

- 53 Most institutions set up good arrangements to train eligible staff on how to put together a portfolio of evidence. In a few cases, teachers in individual departments worked together to share good practice in constructing and presenting portfolios and they moderated each other's portfolios. A few providers set up mentoring arrangements, but most relied on teachers themselves to create portfolios directly from their own practice.
- 54 All institutions require eligible staff to submit a portfolio of evidence as well as evidence of two recent observations of teaching by managers within the institution. In most cases, at least one of the observations is carried out by the teacher's line manager.
- 55 Most institutions establish panels of managers to review the submitted portfolios and have appropriate arrangements in place to moderate and to verify internally the judgements on the standard of portfolios. In most cases, the senior manager with responsibility for performance management and quality oversees the whole process. Teachers' line managers are also involved closely in reviewing the quality of evidence in portfolios. They also establish arrangements to interview those recommended for progression. In most cases, managers sit on the panels. In a few institutions, the panel also includes a member of the teacher's trade union.
- 56 Normally, institutions require lesson observations to be at least at grade 2 (good with no important shortcomings). A minority of institutions allowed teachers 'in the exceptional group' to take part in a third observation if one of the two done previously was below grade 2. Most colleges regard a lesson at grade 3 or below as unacceptable for threshold progression purposes.

Outcomes of threshold progression

- 57 Nearly all institutions visited have implemented the scheme of threshold progression rigorously.
- 58 In the 15 colleges visited, we found the following percentages of teachers who were successful, who did not apply and who were unsuccessful in year one and year two of the scheme.

	Teachers who were successful	Teachers who did not apply	Teachers who applied but were unsuccessful
2006-2007	67%	27%	6%
2007-2008	55%	40%	5%

- 59 The numbers of teachers who were eligible to apply varied widely in the institutions visited. This variation reflected the size of the college as well as the pay policies of individual institutions and their patterns of recruitment of teachers in recent years. In six institutions, more than 70 teachers in each were eligible to progress.

- 60 In the first year, more than a quarter of all eligible teachers in the 15 institutions visited did not submit a portfolio of evidence. The percentage of teachers submitting portfolios in each institution visited varied widely. In two cases, all eligible teachers applied, while in four institutions more than 40% of the eligible teachers did not apply. Overall, 93% of teachers who applied for progression to the upper pay band were successful. The percentage of successful progression ranged from 75% to 98% in the institutions in the survey group.
- 61 There were no institutions where everyone who applied was successful. In two cases, all eligible teachers applied, but not all were successful. Overall, about 7% of teachers who applied to progress were unsuccessful. In a few cases, a small number of teachers indicated their intention to apply for progression, but withdrew their application before submitting a portfolio.

Threshold progression in 2006 ('the exceptional group') in the 15 institutions in the survey

Institution	Eligible staff	Staff who were successful	Staff who did not apply	Percentage who did not apply	Percentage success (of applicants)
1	160	107	38	24%	96%
2	114	64	47	41%	96%
3	80	43	29	36%	84%
4	79	46	32	41%	98%
5	73	50	21	29%	98%
6	72	56	15	21%	98%
7	68	50	16	24%	96%
8	51	38	10	20%	93%
9	42	31	10	42%	97%
10	34	23	9	26%	92%
11	34	32	0	0%	94%
12	30	23	5	17%	92%
13	29	20	8	28%	95%
14	23	20	0	0%	87%
15	15	6	7	47%	75%
Total	904	609	247	27%	93%

- 62 Teachers, who chose not to apply in the first year of the scheme, were eligible to apply the following and subsequent years. Overall, in the institutions visited, 40% of the eligible teachers did not submit portfolios in the second year. In some institutions, teachers who did not apply in the first year of the scheme made successful applications in the following year. However, a high proportion of the teachers who did not apply in the second year comprised of those who had not applied in the first year.

Threshold progression in 2007 in the 15 institutions in the survey

Institution	Eligible staff	Staff who were successful	Staff who did not apply	Percentage who did not apply	Percentage success(of applicants)
1	37	28	3	8%	82%
2	57	18	39	68%	100%
3	41	20	13	32%	71%
4	11	7	4	36%	100%
5	31	15	15	48%	94%
6	32	26	6	19%	100%
7	24	8	16	67%	100%
8	22	14	7	32%	93%
9	16	8	8	50%	100%
10	pending ⁴				
11	16	14	2	13%	100%
12	0	0	0		
13	25	14	11	44%	100%
14	4	3	1	25%	100%
15	pending				
Total	316	175	125	40%	92%

63 It is difficult to identify the factors that cause such a wide variation in the percentage of teachers who have chosen not to apply for threshold progression. There is no evidence to suggest that there is a correlation between the percentage of eligible teachers who apply and the standards achieved by learners in a particular institution. There is also no correlation between the size or nature of the institution and the percentage of teachers who apply for threshold progression.

64 The reasons given by teachers for not applying for threshold progression are very varied. They include the following:

- an objection, in principle, to the concept of threshold progression;
- lack of time or inclination to prepare the portfolio;
- concern about not meeting the standards;
- concerns about doing enough part-time teaching to collect the evidence;
- disgruntlement about the perceived higher demands of the scheme in the college sector, in comparison with the school sector;
- long-term health problems;
- lack of confidence in their ability to progress successfully; and

⁴ The arrangements for threshold progression were incomplete.

- awareness that their lack of participation in CPD activities would not meet the required standard.
- 65 There is no evidence that the teachers who chose not to apply for threshold progression are poorer performers than those who have progressed across the threshold successfully.
- 66 In the first two years of the scheme, about 7% of teachers who have applied have not been successful. The most common reasons for lack of success include:
- incomplete records of evidence, for example lack of lesson observations;
 - failure to take part in enough CPD activities; and
 - not enough evidence of planning learning and assessment.
- 67 All institutions send a letter to all teachers who submit a portfolio notifying them of the outcome of their application for threshold progression. A senior college manager normally writes the letter and this reinforces the status of the process. If they have failed to meet the criteria, they get a written record of the reasons and advice on the action they need to take to meet the necessary standard. Frequently, the letter to successful applicants will also advise them of actions to take to drive further improvement. This becomes part of the evidence for target-setting in the performance management process.
- 68 Most institutions have only used the threshold progression scheme to assess teaching excellence. They do not use information from the scheme to assess the suitability of applicants for management or academic leadership. When academic leadership posts become available, most institutions continue to use their previous arrangements for appointing staff to the posts and do it through a process of selection of applicants. While the threshold progression scheme is well-suited to assessing teaching excellence, it is not as well-suited to assessing management skills required for academic leadership.
- 69 All institutions have appropriate arrangements to handle appeals against decisions on progression. Most base these upon arrangements for managing appeals and grievances previously agreed with their local union branches.

The costs of PMAR

- 70 The costs of funding the progression of teachers to UP2 were funded by the Welsh Assembly Government up until the 2007-2008 financial year. In the 2007-2008 and 2008-2009 years, institutions have had to bear the cost themselves of funding threshold progression for eligible lecturers who fulfil the necessary requirements and are able to move from UP1 to UP2 and UP3 (in 2007-2008 and 2008-2009) and from UP2 to UP3 in 2008-2009. The Welsh Assembly Government penalises financially any institution that fails to make an annual pay award. However, there are no sanctions for institutions that do not implement threshold progression.

- 71 Many institutions have yet to implement the arrangements fully for the progression of teachers from UP2 to UP3. Most claim that this is for financial reasons and due to the lack of ring-fenced funding from the Welsh Assembly Government for threshold progression. At least one institution claims that it will not implement progression of lecturers from UP2 to UP3 because of the likelihood of redundancies for other staff if they direct funding to reward staff for threshold progression.

The benefits of PMAR

- 72 The major benefit of the scheme has been the development of clear links between the management of teachers' performance and providers' more general arrangements for the management of quality. Managers and teachers in the further education sector now make far more consistent and transparent links between the performance of teachers and experience of learners in the classroom than they did in the last inspection cycle.
- 73 Teaching staff that are going to be eligible for threshold progression in the next few years have become more systematic in the way they maintain records of their planning activities.
- 74 The threshold progression scheme does not require teachers to present evidence of the impact of their work on learners' outcomes, but many teachers include evidence, such as value-added data, DVDs of learners' practical work and presentations, records of learners' success, and rates of learners' attendance and progression.
- 75 Most institutions have found that the introduction of the arrangements for performance management have encouraged teachers to take part in more continuing professional development activities (CPD). Institutions now provide more systematic opportunities for teachers to take part in CPD. More teachers now apply to take part in staff development that is directly related to teaching, learning and assessment. A few institutions report that teachers are now undertaking more industrial secondments to improve their knowledge about current industrial and commercial practices. This is a welcome development because up-to-date knowledge among teachers about relevant industrial practices has been an area of weakness that has been identified in past Estyn inspection reports.

The remit author and survey team

Eleanor Davies HMI	Remit author
Jo Fowler AI	Survey team
Bernard Hayward HMI	Survey team