



# **The Information Authority**

## **Identifying and Quantifying the Provider Data Burden**

### **Executive Summary**

**5th June 2008**

## Acknowledgements

We would like to express our thanks to all providers and individual consultees who contributed to the research for this study for their time and assistance.

## 1 Executive Summary

- 1.1 This is the final report of the 'Identifying and Quantifying the Provider Data Burden' study and reflects findings from consultations undertaken during February, March and April 2008, as presented to the *information authority* Board on 4<sup>th</sup> June 2008.
- 1.2 A total of 117<sup>1</sup> providers contributed to the study either through in-depth interviews, responses to a detailed structured questionnaire or to a shorter e-survey. The results of the research among the smaller group of providers consulted in-depth via interviews and structured questionnaires can be treated as robust due to the depth of the research in these areas. The results of the quantitative research with the wider sample (including e-survey response) are also robust as they cover sufficient breadth of the sector.

### Key Findings

- 1.3 The balance of the executive summary details our findings regarding the nature, incidence and impact of the provider 'data burden', and summarises our conclusions and recommendations for next steps:
- Nature – what are the characteristics of burden; which external parties are its primary originators and with which processes and types of data stream is it most associated?
  - Incidence - are there variances between providers in their interpretation and experiences of data burden (according to different organisational types, sizes, types of provision and levels of administrative/system capacity)?
  - Impact – what level of resources are providers currently committing to satisfy the data demands of external parties?

### Nature of the 'data burden'

- 1.4 Three-quarters of providers have identified the significance of the data burden imposed by third parties on their organisation, as either "Fairly" or "Very" significant.
- 1.5 There are some clear cross-cutting issues for providers of all types regarding causes of the data burden; specifically:
- *Duplication of data* – for example: a significant number of providers have highlighted concerns with the volume of repeat requests by different Learning & Skills Council (LSC) offices for data already supplied via the providers' Individualised Learner Record (ILR) collections.

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<sup>1</sup> Our stratified sample covered 10% or above of each of the three broad provider groups: General FECs, specialist and 6<sup>th</sup> form colleges; Local Authority / Adult Education; and Private sector / Other WBL. From our response rates for each of these, a good degree of confidence can be placed on the first two groups, with more moderate level of confidence on the third. However, the latter is a typically 'hard to reach' group.

- *External inconsistency* – notably the continuing variations in specification and processes for data transfer across different awarding bodies; and varying interpretation of data management / data audit rules, particularly in relation to the LSC’s data audits.
  - *Perceived lack of transparency* – a sizeable number of comments raised by providers regarding their uncertainty around derivation of performance indicators from data submitted by providers, and problems faced in replicating these, for example, the Minimum Levels of Performance used by the LSC.
  - *Timescales and deadlines* – where providers perceive these to be either tight and/or inconsistent, particularly those imposed by local LSC and Connexions offices (an example of the latter cited by providers being 14-19 initiatives data required by Connexions and local authorities).
  - *Lack of importance / relevance of data to the provider* – many providers stated that they do not use the data collected for the Staff Individualised Record (SIR - now managed by Lifelong Learning UK (LLUK)) for their own purposes.
- 1.6 The LSC – national and local offices – is the most prominently cited originator of data burden by providers, with Connexions offices (relating to learner tracking data demands) and awarding bodies (candidate transactions) also featuring consistently in provider responses.
- 1.7 Three broad categories of data demand have been identified: statutory and regular returns (and all data-related activities around these); process-related data demands; and ad hoc data demands.
- 1.8 Statutory and regular returns:
- Providers rate the ESF ILR the most burdensome of the national LSC’s statutory and regular data returns; provider perceptions of a lack of clarity behind much of the data required, and excessive paperwork seen to be outside standard provider data collection – are among the reasons most cited for this. We note that for the 2008/09 ILR specification, the number of data items has been reduced, although this remains an area of concern for many providers.
  - Among other third party regular returns, LLUK’s SIR collection and local LSC data returns are rated as the most burdensome.
- 1.9 Process-related transactions:
- Areas of greatest data burden associated with different data-centred processes are with: Connexions learner tracking data transactions, LSC data audits and awarding body candidate transactions.

#### 1.10 Ad hoc data:

- Providers typically deal with a broad mix of different types of ad hoc data demands and the data burden (in terms of time and complexity of such demands) can vary greatly. Most frequently cited originators include the national and local LSC offices, as well as the police and employers, among many others.

#### **Incidence of the 'data burden'**

#### 1.11 Providers across different organisational types show some variation in their preoccupations with aspects of data burden:

- General further education (FE) colleges and sixth form colleges: common concerns relate to duplication of data requests (e.g. data already submitted via the ILR collections), external consistency of data demands (predominantly the awarding bodies) and the lack of importance / relevance of the data for their own business purposes (e.g. the SIR collection).
- General FE colleges and specialist colleges appear to find the data demands associated with the FE and WBL ILR collections more difficult than other types of providers. The proportionately larger size of general FE colleges, in terms of learner volumes, is one factor which may affect this, as it can impact upon the relative difficulty of certain data-related activities, such as validation. These provider types, along with sixth form colleges, find local LSC data returns more problematic than other types of provider.
- Local authority providers: this group report concerns about the proportionality of data demands and the volume of data required.
- Private sector work based learning providers are unhappy about the burden of creating/retaining paper records and the impact of the data burden on their resources caused chiefly by LSC data audit and ESF requirements.

#### 1.12 There is also evidence that 'size does matter' regarding provider interpretation of the scope of data burden; for example:

- Perceived difficulty of completing the FE ILR return increases with the size of the organisation.
- Local LSC data returns appear to be more problematic the larger the organisation.
- Conversely, the SIR data return seems more problematic for smaller organisations (although all sizes of provider rate it unimportant for their own business purposes).

#### 1.13 However, organisation size does not seem to be a factor in the data burden associated with other types of data demand for providers, i.e. process data transactions and ad hoc returns. Similarly, a review of the issues providers reported in their unstructured responses to the surveys and in interviews did not show any marked variation in terms of their size.

## Impact of the 'data burden'

- 1.14 Resources committed by providers to administer the different types of data demand relate primarily to:
- Directly attributable staff costs – time spent by core data administrators and other staff; and
  - Other indirectly attributable costs – including annual training costs for staff involved in preparing, collecting, submitting data to external bodies; and annual systems development or modification costs required to produce regular data for external parties.
- 1.15 Distinction needs to be made between those areas of resource cost which are proportionately high but represent a relatively important activity to the majority of providers (i.e. data management or administration activities that closely reflect their own business needs), and resource costs which can be attributed to low value-adding activities. The sector-wide cost impacts of the latter may be less significant than the former but are a crucial part of considering how the data burden might be reduced.
- 1.16 Key variances between different transaction types in this regard (by level of resources committed versus the perceived 'value-added' nature of the activities to providers' own business needs) are summarised below:

### *Ad hoc data demands (resource impact – low; value-added factor – low)*

- 1.17 Ad hoc data demands: staffing resources required to deal with these types of demand are the least 'value-adding' to providers (i.e. peripheral to the providers' use of data collected, prepared or analysed for their own purposes). These demands are therefore important to consider in determining the quantitative impact of the 'data burden' on providers across the sector.
- 1.18 Indicative provider administration costs for these types of data demands are £c1 per learner per annum, which extrapolated on the basis of total LSC-funded learner numbers gives an indicative cost for the sector as a whole as: c£5.3m. This represents approximately 3% of total estimated effort spent dealing with all external data demands (compared with 67% of total estimated provider time on statutory and regular returns data activities).

### *ILR-related data activities (resource impact – high; value-added factor – high)*

- 1.19 The most notable areas with greatest resource impact on providers are the various LSC ILR returns and all data activities associated with these. However, this reflects the integral nature of ILR data to the majority of providers' own learner management information processes, and much of this data activity would be incurred in any event by providers to meet their own information needs.
- 1.20 Nevertheless, the areas of activity within this which can be said to be least 'value-adding' from the provider perspective are typically:

- Data validation which is required for the purposes of the LSC for submitted returns, but which would not be an integral part of the provider's own data quality activity.
  - Excessive time spent in trying to interpret and analyse information derived from ILR data returns.
- 1.21 Of the total resource ILR-related resource costs, somewhere between 3 – 7% relates to validation and analysis activities within which there is scope for improving process efficiencies.

*Achievement, assessment & award data activities (primarily candidate-related data transactions with awarding bodies) (resource impact – high; value-added factor – med-high)*

- 1.22 Of the different types of data demand for other data streams and processes, candidate data transactions with awarding bodies have been consistently ranked across the majority of sampled providers as the area taking the largest balance of staff time resource, after the ILR returns.

### **Current Baseline – Activity costs and 'value-added' factors**

*What does this represent?*

- 1.23 We have developed a range of estimates (identified via in-depth consultation with a cross-sample of 16 providers) of the resource time costs for different types of data transactions typically incurred by providers.
- 1.24 Providers were asked to give resource time estimates – per annum – of total hours spent by staff within their organisations in dealing with external data demands for the benefit of third parties, across a range of pre-defined transaction types.
- 1.25 These include estimates for average attributable administrative time spent by providers in 'dealing with data' in different ways, i.e:
- Preparing data
  - Collecting data
  - Holding data
  - Inputting data
  - Validating data
  - Submitting data
  - Analysing data
- 1.26 These types of activity cost are not generally measured by providers and so estimates are a 'snapshot' of current activity levels across provider organisations.

*What do these estimates show?*

- 1.27 The areas of data transaction shown are broadly representative of the main data activities undertaken by providers for the benefit of third parties.

- 1.28 However, the resource cost estimates show the total cost of data-related activity to the provider, which potentially includes a proportion of time that a provider would need to spend to collect and use much of the same data for its own internal management purposes.
- 1.29 This is particularly relevant, for example, to the costs of data activities shown for the LSC data collections (the ILR returns). These represent a high proportion of the estimated activity costs to meet external data demands, but feedback from providers also indicates that the data collected are also viewed as important for their own business needs.
- 1.30 To illustrate the relative importance of the different data activities to providers, we have shown the 'value-added' and 'data burden' ratings given by providers alongside resource cost estimates.
- 1.31 These ratings give an indication of which activities are seen by providers to be least 'value adding', i.e. most burdensome, but in identifying priority areas for attention we have also taken into account full qualitative feedback given by providers.
- 1.32 Our findings demonstrate that the majority of providers acknowledge the underlying purpose of many of these data demands, but are frustrated with residual process and system inefficiencies.

*How can the estimates be interpreted for the sector as a whole?*

- 1.33 Average resource cost estimates for sampled providers have been scaled up to provide an indicative 'order of magnitude' for the wider FE and skills provider sector. This does not exclusively represent the 'cost of data burden' to the sector for the reasons explained above, but illustrates the proportions of current provider resources deployed in meeting external data requirements.
- 1.34 This has been based on estimated transaction costs per learner, to take some account of variations in organisation size.

Current baseline of provider administration costs indicating areas of 'added value' / data burden

Category of Data Demand	Type of Data Transaction (1)	Average Time Cost per Learner per annum (2)	Indicative Sector Costs (based on Learner costs) (3) (£'000)	Time Costs per Provider per annum (4) (£'000)			Value-added factor (5) (Importance rating) (1 = 'High importance' & 5 = 'Low importance')	Data Burden Factors (6) (Min .rating is 1 = Low burden and max. rating is 5 = High burden)				Frequency of issues raised relating to this type of data demand (7)
				Low	High	Average		Difficulty	Lack of Clarity	External Inconsistency	Internal Inconsistency	
Statutory /regular returns	National LSC ILR FE Returns	£ 11.66	£ 39,230	£ 26	£ 173	£ 89	1.24	3.09	2.12	2.56	2.36	19
	National LSC ILR WBL Returns	£ 35.03	£ 36,462	£ 14	£ 96	£ 35	1.14	3.09	2.28	2.65	2.48	20
	National LSC ILR ACL Returns	£ 20.84	£ 16,136	£ 17	£ 228	£ 83	1.72	2.73	2.25	2.31	2.06	2
	National LSC ILR ESF Returns	£ 31.83	£ 16,346	£ 2	£ 21	£ 11	2.14	3.03	2.83	2.75	2.51	18
	Total Local LSC Statutory/Regular returns	£ 0.55	£ 2,851	£ 1	£ 13	£ 4	1.83	3.02	2.94	3.06	2.8	16
	Total LLUK Statutory/Regular returns (including Staff Individualised Record)	£ 0.50	£ 1,673	£ 1	£ 4	£ 2	3.21	2.84	3	2.6	2.49	8
	Total HE-related Returns (HEFCE)	£ 5.33	£ 985	£ 1	£ 6	£ 3	1.66	2.76	2.52	2.39	2.02	5
Process data transactions	Total QA & Inspection Data Demands (including Ofsted quality inspections)	£ 1.33	£ 6,870	£ 1	£ 30	£ 7	1.23	3.22	2.16	2.53	2.47	6
	Total Funding Distribution & Audit Data Demands (including LSC data audits)	£ 0.64	£ 3,303	£ 1	£ 25	£ 5	1.51	2.82	2.33	2.61	2.34	14
	Total Achievement, Assessment, Award Data Demands (including Awarding Body candidate data transactions)	£ 3.17	£ 16,415	£ 1	£ 127	£ 33	1.22	2.92	2.16	2.93	2.23	25
	Total Learner Financial Support Data Demands (including Jobcentre Plus and EMA)	£ 1.61	£ 617	£ 8	£ 29	£ 17	1.64 - EMA 1.89 - JC+	2.48 - EMA 2.73 - JC+	1.82 - EMA 2.50 - JC+	2.37 - EMA 2.90 - JC+	1.92 - EMA 2.50 - JC+	5 - EMA 5 - JC+
	Total Learner Tracking Data Demands (including Connexions learner data transactions)	£ 0.15	£ 609	£ 0.2	£ 2	£ 1	2.71	2.70	3.07	3.33	3.24	13
	Total Franchising/Contracts - Data demands	£ 0.41	£ 2,105	£ 1	£ 4	£ 2	1.20	2.28	2.00	1.75	1.80	4
Ad-Hoc	Total Ad-hoc Data Demands:	£ 1.01	£ 5,249	£ 1	£ 26	£ 8						
	National LSC			£ 1	£ 8	£ 3	1.38	N/A	2.25	3.44	2.63	37
	Local LSCs			£ 1	£ 13	£ 4	1.55	N/A	2.55	3.00	2.60	
	Awarding Body			£ 1	£ 2	£ 2	1.50	N/A	2.00	1.33	2.00	6
	Connexions			£ 0.2	£ 0.7	£ 0.4	2.67	N/A	2.67	3.00	3.00	
	Employers			£ 2	£ 5	£ 3	2.80	N/A	3.00	3.50	3.75	
	Local Authorities (Education/Social Services)			£ 0.4	£ 2	£ 1	2.17	N/A	2.33	3.00	2.40	
	Other Learning Provider			£ 0.5	£ 2	£ 1	3.00	N/A	2.00	2.00	2.00	
	Police			£ 0.2	£ 0.2	£ 0.2	3.00	N/A	2.00	2.00	2.00	

## Notes to Table

1. Type of data transaction: these were defined through preliminary consultations with providers.
2. Average time cost per learner per annum: costs based on individual learner numbers for our sampled providers.
3. Indicative sector costs: average time costs per learner have been scaled up based on available data (from the LSC and other sources) on the most currently available learner numbers attributable to specific types of transaction.
4. Time costs per provider per annum: costs based on the range and the mean averages for our sampled providers.
5. 'Value-added' factor: represents full provider responses to rating of importance (defined as: How important is the data for the provider's own business purposes?). A low rating (1) indicates that the data activity is seen to be important (proportionately low burden).
6. Data burden factors: full provider ratings for data burden perception metrics – as defined for this study. A low rating indicates a low level of burden (i.e. a low rating 'How clear is the purpose or justification for the data demand? would be '1 – Very clear').
7. Frequency of issues raised: as derived from our sampled providers (from surveys and interviews) – indication of areas cited by providers as of greatest concern re: data burden.

## Conclusions

1.35 The areas which the majority of providers have identified as least 'value-adding' include:

- Ad hoc data demands (outside current key data collections and processes, particularly associated with the police, employers and Connexions, but also a significant number of issues raised on ad hoc data requested by the national and local LSC offices).
- Learner tracking data demands (and in particular Connexions data).
- ESF ILR data demands (relative to the other ILR collections).
- LLUK data demands (specifically: the Staff Individualised Return).
- Train to Gain data requirements (unpredictability of these and onerousness of the associated audit processes).
- Data preparation and retention activities to meet internal audit requirements (LSC data audits), where these are seen as disproportionate due to inconsistent interpretation by audit teams of funding rules.
- Added resource costs (inefficiencies) in dealing with the residual variations in specification and processes for data transfer across different awarding bodies.

1.36 However, many of the issues raised consistently by providers relate not to specific data demands but to shortcomings in communication and relationship management between providers and the originators of data demands. Many issues also point to deficiencies in communication between different originators of data demands, or data users, regarding the potential to better co-ordinate data requirements as directed at providers.

- 1.37 There is clear evidence that many providers – of all types and sizes – are still experiencing high levels of frustration with national and local office LSC data demands (outside the main ILR collections) that are poorly defined, with limited or no guidance for how to address these, and requiring short timeframes for delivery.
- 1.38 A significant number of queries have specifically been raised relating to how well the ILR data is being used and disseminated within the LSC. Providers have typically cited the resource impact in dealing with the duplication of requests for information (from the LSC, including local offices) that should already be available through previous submissions, and requests for the same data in a variety of formats.
- 1.39 What is also clear from consultee feedback is that providers are also keen to see better evidence of the ‘quid pro quo’ from deploying resources to meet various data demands. This means that there is a need to move away from the tendency to view the provider as ‘conduit’ for data supply towards an operational model that sees the provider as proactive partner in identifying value-added data for their own and for the wider sector’s strategic and operational needs. This is as much a behavioural and relationship management issue as it is operational – acknowledging the mutual dependencies between providers and other sector stakeholders for effective supply and demand of high quality data.
- 1.40 The plans for dissolution of the LSC by 2010 will mean that responsibility for carrying forward design principles for a more efficient, effective and accountable service will fall to the new Skills Funding Agency and the Young People’s Learning Agency, at least in relation to funding data streams. However, consideration should be given now to the actions that can be taken to implement improvements in the short and medium terms, which will prepare the ground for the new status quo.

## Recommendations

- 1.41 We have focussed our recommendations on the priority areas evidenced by this review.
- 1.42 We have also drawn upon the five principles of better regulation established by the Better Regulation Executive<sup>2</sup> as a starting point for definition of desired outcomes against which proposed actions have been mapped. These are:
- Transparency
  - Consistency
  - Proportionality
  - Accountability
  - Targeting
- 1.43 For each area/action, we have shown which indicative current administrative costs could be taken into account in devising targets for reducing the cost impact of current data burden priorities.
- 1.44 The table below summarises all priority recommendations.

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<sup>2</sup> [www.berr.gov.uk/bre/](http://www.berr.gov.uk/bre/)

- 1.45 The *information authority* has shared this report's findings with the Learning & Skills Council, which will be providing a formal response to findings in relation to its processes for the next *information authority* Board. The *information authority* will be taking forward other issues raised with the relevant authorities.

## Priorities and Actions

Problem	Proposed Actions / Further work	Desired Outcomes					Stakeholders Affected / To be Consulted	Complexity / Timescale (S/T – immediate; M/T – up to 6mths; L/T – over 6mths)	Target Resource costs (from cost model)
		Better Transparency	Better Consistency	Greater Proportionality	Improved Accountability	Better Targeting			
Ad hoc data demands by LSC which duplicate data already supplied (including that via ILR collections).	Eliminate frequency and volume of data demands made by national and local LSC offices for data which can be extracted from ILRs.	✓	✓		✓		LSC	Complexity: Med Timescale: Med-term	Range of costs impacted: c£1K - £8K per provider per annum.
Inconsistencies in LSC data audit requirements / Lack of standardised requirements across Regional audit teams.	<p>Review of current requirement definitions / guidance for audit teams.</p> <p>Further clarity required in funding guidance on where audit controls/risk can be addressed through alternative evidence.</p> <p>Review audit practices elsewhere (other sectors) to identify opportunities to refine requirements based on risk assessments.</p> <p><i>Quick win:</i> removal of requirement for physical learner signatures / allowance of electronic signatures (with specific ref. to WBL).</p>	✓	✓	✓	✓	✓	LSC	Complexity: Med Timescale: Med-term	<p>Range of costs impacted: c£1K - £25K per provider per annum (or average c£0.60 per learner per annum).</p> <p>Potential target: c10% efficiency saving.</p>
Variations in awarding body specifications and data format requirements (e.g. inconsistencies in exam entry data requirements).	Review progress made by QAA / NAA on examination system modernisation agenda and identify actions to be raised again with DIUS/DCSF/Ofqual.		✓	✓			Ofqual QAA NAA DIUS / DCSF	<p>Complexity: Low (for awareness-raising)</p> <p>Timescale: Short-term (for awareness-raising)</p> <p>Note: longer term activities to streamline variations expected to be Complex given high no's of potential stakeholders (awarding bodies) involved.</p>	<p>Range of costs impacted: average c£3 per learner per annum (or c£3K per awarding body per provider per annum).</p> <p>Potential target: c10% efficiency saving.</p>

Problem	Proposed Actions / Further work	Desired Outcomes					Stakeholders Affected / To be Consulted	Complexity / Timescale (S/T – immediate; M/T – up to 6mths; L/T – over 6mths)	Target Resource costs (from cost model)
		Better Transparency	Better Consistency	Greater Proportionality	Improved Accountability	Better Targeting			
Inconsistencies in data / format requirements and unclear reasons for requirements across different Connexions local offices.	<p><i>Short-term:</i></p> <p>Review feasibility of introducing protocol requirements (across Connexions offices) for:</p> <ul style="list-style-type: none"> <li>Standardised reporting formats and timetable for data required by Connexions.</li> <li>Aligning Connexions definitions of learners with those required by LSC.</li> <li>Defining clear rationale for need for / proposed use of data requested.</li> </ul> <p><i>Longer term:</i></p> <ul style="list-style-type: none"> <li>Identify nature / timing of specific ad hoc data requirements by Connexions offices and review options for meeting these through existing data collections.</li> </ul>	✓	✓		✓		Connexions  DIUS / DCSF	Complexity: Med  Timescale: Short - Med-term	Range of costs impacted: c£0.5K - £2K per provider per annum (or average c£0.15 per learner per annum).  Potential target: c10% efficiency saving.

Problem	Proposed Actions / Further work	Desired Outcomes					Stakeholders Affected / To be Consulted	Complexity / Timescale (S/T – immediate; M/T – up to 6mths; L/T – over 6mths)	Target Resource costs (from cost model)
		Better Transparency	Better Consistency	Greater Proportionality	Improved Accountability	Better Targeting			
<p>Volume of data collection required for ESF and Train to Gain funding. Issues raised included:</p> <ul style="list-style-type: none"> <li>• Range of fields not utilised by providers for own management information purposes.</li> <li>• Perceived bureaucracy of audit process.</li> <li>• Particular burdens for lead providers in consortia with partners (data management responsibilities).</li> </ul>	<p>Review purpose / rationale for data collected for these areas. [We note that from 2008/09 Train to Gain data will form part of the Employer Responsive collection].</p> <p>Review current guidance for audit – identify scope for reducing audit data requirements on basis of risk assessment.</p> <p>Review requirements for lead providers for consortia – identify feasibility of single system for data entry across all providers.</p>	✓		✓	✓	✓	LSC	<p>Complexity: Med</p> <p>Timescale: Short-Med-term</p>	<p>Range of costs impacted: c£2K – £21K per provider in receipt of ESF/T2G funding per annum).</p> <p>Potential target: c10% efficiency saving.</p>
<p>Perceived shortfalls in targeted guidance for front-line provider staff / Local LSC staff in administering and managing data requirements.</p>	<p>Comprehensive review of current LSC guidance and communication routes for providers – opportunities to improve clarity, openness and timeliness.</p> <p>Identify approach to be taken by Information Authority re: support, guidance and training for front-line provider staff to address changes to ILRs for 08/09. Consideration to be given to joint provider / LSC front-line staff support activities (to engender improvements in relationship management).</p> <p><i>Potential Quick Win:</i> Re-introduce LSC circular letter system (potential to enable better 'audit trail' of communications for providers).</p>	✓			✓	✓	LSC	<p>Complexity: Med</p> <p>Timescale: Short-Med-term</p>	Not quantified.

## Performance Measurement

- 1.46 In identifying a strategy for addressing the target of a 20% reduction (by 2010) of the current data burden in the sector<sup>3</sup>, it is important to recognise that:
- The current baseline as outlined in this study is likely to be subject to significant shifts as a result of proposed changes to the structure of the pre and post 19 strategic commissioning landscape.
  - Current baseline of the provider data burden is not only defined in terms of cost, but also represents stakeholder perceptions / levels of satisfaction with current externally imposed data demands.
- 1.47 There are two types of potential target in reducing the cost impact of the sector's data burden:
- Reduction of the overall provider costs in meeting certain types of data demand;
  - Targeting of specifically non value-adding activities.
- 1.48 What will be key for the *information authority* (and DIUS) will be to identify and deliver meaningful changes to the current state, which can be seen to have a positive impact on cost and quality, for providers and key stakeholders.
- 1.49 This means that alongside targets for reducing the business cost impact of the data burden, we recommend that the *information authority* and DIUS should look to develop a series of key change indicators to enable tracking of the trajectory of improvements to stakeholder satisfaction levels with the relevance, transparency, accountability and proportionality of data demands.
- 1.50 This is consistent with advice being given across other government departments. In a recent report on 'Reducing the Cost of Complying with Regulations: Delivery of the Administrative Burdens Reduction Programme, 2007'<sup>4</sup>, the National Audit Office recommends that "Departments should supplement their estimates of reductions in administrative burdens with a broader suite of indicators to evaluate non-quantifiable improvements in the regulatory environment".

## Proposals for approach to performance measurement

- 1.51 We have set out below some suggested key change indicators for each desired outcome. These could form part of a broader 'basket' of measures – including cost targets – for the *information authority* and its partners to measure the impact of positive interventions.

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<sup>3</sup> DIUS Simplification Plan: December 2007

<sup>4</sup> [www.nao.org.uk/pn/06-07/0607615.htm](http://www.nao.org.uk/pn/06-07/0607615.htm)

Desired outcome	Change Indicator / KPI
Better transparency of data requirements for providers and other key stakeholders	<p>Perception by providers / key stakeholders that [specific] data requests/ requirements are clearly defined.</p> <p>Perception by key stakeholders that their [specific] data requests/requirements are well-understood by other relevant bodies.</p>
Better consistency of data requirements across stakeholders	<p>Perception by providers that [specific] data requirements for similar data streams are consistent in definitions of format.</p> <p>Provider perceptions of the extent that data requirements for similar data items meet common data definitions.</p>
Greater proportionality of data requirements	<p>Perception by providers / key stakeholders that [specific] data requirements are proportionate to the purpose of the data.</p> <p>Perception by providers / key stakeholders that [specific] data requirements are proportionate to the risks of not making the data available.</p>
Improved accountability and justification for data demands placed on providers	Perception by providers / key stakeholders that the rationale and business case for [specific] data requests/requirements is clearly defined.
Better targeting of data requirements	<p>Perception by providers / key stakeholders that [specific] data requests / requirements are properly targeted to the relevant process.</p> <p>Perception by providers / key stakeholders that [specific] data requests / requirements are properly targeted to the nature of data suppliers (e.g. variations in provider organisational capacity).</p>
Better use of data	Satisfaction levels (providers and key stakeholders) with the clarity of uses to which data supplied is being put.
Improved supply of data	<p>Satisfaction levels (providers and key stakeholders) with the relevance and quality of data supplied by other parties.</p> <p>Satisfaction levels (providers and key stakeholders) with the dissemination of data.</p> <p>Perception by providers / key stakeholders that data supplied adds value to the quality of management information available for core business needs.</p>

### ***Further work to track performance against targets / indicators of change***

- 1.52 We recommend that this is addressed through an ‘advisory group’ of providers representing a mix of type and size of organisation, as a longitudinal investigation into changes in the cost base and satisfaction levels with selected ‘low value-adding’ data demands.
- 1.53 Tracking of changes in these resource costs would need to be undertaken in a consistent way across the advisory group of providers, for example, through a defined time-recording / other cost capture methodology. Provider funding for this exercise should be considered as an incentive to secure provider interest and participation.
- 1.54 Alongside the tracking of changes to resource costs, we recommend that satisfaction levels and other key change indicators are tracked with the same provider ‘advisory group’, with the option of extending this exercise to a wider provider sample.