

Paper 3 - Late Requests to Change ILR Specification for 2010/11

Date of issue	25 February 2010
Audience	<i>the information authority</i> board
Publication intent	PUBLIC DOCUMENT

Introduction

- 1 This paper is prepared for *the information authority* board to inform it of two late requests to change the ILR for 2010/11 and to ask it to confirm that it supports the recommendations about these changes.

Background

- 2 The last date for sending requests to change the ILR for 2010/11 was 26 June 2009. Recently the shadow Skills Funding Agency has asked that two late changes to the ILR be considered. In summary these are to:
 - identify large employers to implement their funding at a lower rate
 - allow volunteer providers to send data for unfunded apprentices.

Late Change Requests

Identify Large Employers

- 3 The BIS Skills Investment Strategy 2010-11 states that from 2010/11 there will be an 'Expansion of the current piloted approach of the National Employer Service in negotiating lower funding rates to a wider range of large employers in recognition of the economies of scale that can be realised'.
- 4 This means that the Skills Funding Agency will need to introduce a rate reduction for all provision delivered to and by large employers, from 2010/11, in order to deliver efficiency savings of £45m in 2010-11.
- 5 Discussions have taken place between the secretariat and the requestor. Originally the requestor's preferred solution was to ask providers to complete a field on the ILR to indicate where provision was being delivered to a large employer.

Preferred solution

- 6 The secretariat would prefer an automated methodology in which the funding rate to be used for large employers is driven from the Employer identifier field, field A44, in the ILR. This could be achieved by using the employer identifier in the ILR to link to:
- the Employer Data Service (EDS) data base, or
 - a standalone table, electronic list, of large employers.
- 7 At this stage it seems that the EDS database is not sufficiently reliable to support this solution. The Data Service is identifying the impact of the second solution, based on a list.
- 8 The secretariat recognises that it may not be possible to implement this automate solution by 1 August 2010 it has proposed to the Skills Funding Agency the alternative solution below.

Alternative pragmatic solution

- 9 On a temporary basis for 2010/11 the Skills Funding Agency would supply providers with a list of large employers. This list would need to indicate the EDS numbers relating to each large employer. The provider would then use the list to indicate where a learning aim is to be funded at the lower rate. It is likely that the field that would be used for that purpose would be the Contract/Allocation type field, field A02. This field would be renamed and redefined for that purpose.
- 10 The secretariat considers it essential that providers are given a list of large employers with their employer identifiers and not left to decide which employers are large because:
- the criteria for large employers and how this relates to company and sub-company structure and changes in-year to company size and structure could be complex
 - providers are not well placed to decide the size of some employers particularly where the employer may be at the border of meeting the criteria for a large employer
 - different providers would make inconsistent decisions about the size of the same company and then could be subject to investigation by audit

Recommendation

- 11 The secretariat recommends the board:
- supports the preferred option
 - agrees the alternative temporary option if the preferred option cannot be implemented in time for 2010/11

The board is asked to agree the recommendation.

Volunteer Providers Send Data for Un-funded Apprentices

- 12 The Skills Funding Agency request is to allow non LSC funded Apprenticeships to be returned on the ILR for Employer Responsive for those providers who wish to submit them. This is targeted at Apprenticeships only.
- 13 The request for change describes the benefits as:

“There are a number of public sector employers who currently employ Apprenticeships, however because they are funded by the employer they are not returned on the ILR. They have voluntarily asked to submit these learners alongside those which are funded. By collating this information we can better understand the Public Sector, a high profile sector for NAS, and the depth of Apprenticeships within. This is not only about public sector but across all sectors.

The reasons relate to large employers and ESF funding where NAS introduce businesses to Apprenticeships i.e. do all the work but then it is not even recorded. The government is interested in the number of Apprenticeships not just the number of publicly funded Apprenticeships. NAS are interested in our added value and that is currently under recorded. There is therefore a false picture about the value for money of a public body and its work.

We have large volumes of employer investment within large employers. Being able to view apprenticeships across these organisations, whether funded or not, would enable us to see the added value of the service. “
- 14 The secretariat is working with the requestor to clarify the requirement and with the Data Service and Legal Team to impact the change. This work is still at an early stage.
- 15 A copy of the request and the secretariat interim assessment against the change criteria are included at Appendices A and B respectively.
- 16 The ILR and data collections system are not designed to process data for un-funded apprenticeships. A thorough impact assessment of it is estimated to be very complex and expensive. Given the above it may be quicker and more cost effective to pilot small volume transmission of data for un-funded learners. In any case any long-term stable solution would best be achieved by a full assessment of the change as part of the change process for 2011/12 and implementation in 2011/12.

Recommendation

- 17 The board is invited to note and comment on the change.

Author Peter Ashton
Date created 25 February 2010
Publication no.
Document ref. G:\Organisational Data\Information Authority\IA Board\Actions Papers and Minutes\2010\3 March 2010\the information authority-paper3-late requeststochangeilrfor201011-publicpaper-25feb2010.doc
Version