

***The information authority***

Paper 5: LSC response to the Data Burden  
report

Author: Una Bennett

Date: 22<sup>nd</sup> September 2008

## **1. What are we asking the board to do?**

The board had asked the LSC to respond formally to the Oakleigh report on 'Identifying and quantifying the provider data burden'. The board is asked to confirm whether it is content with the response.

## **2. Introduction**

*The information authority* had commissioned Oakleigh Consulting to undertake an assessment of provider data burden to ensure that the authority was focusing on the main areas of data burden. The report was discussed at the board meeting in June 2008, and the LSC was asked to produce a formal response for the issues in its control.

The LSC's response is attached in Appendix A and outlines 'in progress' or planned improvements. The issues of inconsistent audit requirements and Train to Gain data are not addressed. (On Train to Gain, *the information authority* had agreed that the Bureaucracy Reduction Group should lead on improvements for this programme). The LSC response does not include a firm action plan.

*The information authority* is taking forward work which will support the resolution of some of the issues e.g.

- The authority is sponsoring a study with the LSC audit team on reducing paper-based learner documentation.
- Identifying with providers specific inconsistencies in audit requirements
- A number of ad hoc data requests are being analysed in detail to identify the causes e.g. origin, short timelines

## **3. FE Sector Implications**

It is not yet clear whether the proposed actions will significantly reduce the data burden for the FE sector.

## **4. Next Steps**

The secretariat will continue to work with the LSC on driving through the planned improvements.

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## **Appendix A**

### **LSC response to *the information authority's* report on Identifying and Quantifying the Provider Data Burden**

**Date: 23 September 2008**

**Author: Tim Barrett, LSC**

#### **1.0 Introduction**

This paper provides the LSC's response to *the information authority's* report on Identifying and Quantifying the Provider Data Burden. The report recommendation and proposed actions are shown at the end of this paper. The recommendations relevant to the LSC are shaded grey.

#### **2.0 Specific LSC actions**

- The LSC will monitor the performance of the new improved strategic reporting platform, Global MI, in relation to *the information authority's* concerns for the academic year 09/10.
- Planning and Modelling System (PAMS) and Allocations and Management Payment System (AMPS) will be managed by a single business owner to improve consistency between the two systems for 2009/10
- The LSC will look at its data collection needs; both ILR and non-ILR and work with *the information authority* to propose a new formal collection schedule for 2010/11
- The LSC will work with the Data Service to improve data quality support for academic year 2009/10
- The LSC has agreed to work with *the information authority* to look at simplified audit requirements.

#### **3.0 Ad-hoc Data Demands**

##### **3.1 Response summary**

The LSC welcomes the findings of the report and appreciates the effort of both *the information authority* and learning providers in its creation. The LSC believes that the report strengthens the case for, and informs the future of the strategic direction regarding systems and processes that we have taken in recent years, and we believe the benefits of this strategy will soon be felt by the sector.

The sector has undergone, and continues to be subject to considerable change, with the recent introduction of a number of significant initiatives such as Demand Led Funding, There is a burden associated with these change as colleagues across the sector get used to new definitions, measures and systems, and we are confident moving forward that *the information authority* will help manage the burden of change upon the sector.

Although the report provides a snapshot rather than a direction of travel, we are confident that where we can we have, and will continue to reduce the level of data burden on providers. The advent of the Data Service, the redesign of the local and regional structure, together with the development of a strategic reporting platform, will act as enablers to improving the responsiveness and transparency of data flows and communication across the sector.

It is worth remembering that the pace of change has been fast. We accept that partnership teams are not yet fully supported by standard reports and data and, if they were, it is likely that providers would be more comfortable with the change. Over the last year, colleagues in the LSC MI function have worked with regional teams to put an appropriate infrastructure in place, mainly driven by the move to Demand Led Funding

It must be understood that given the fundamental structural change to the organisation of the sector, the Machinery of Government change creates significant challenges for the stability and continuity of the sector. Within this context, the LSC will be naturally conservative regarding changes to its business practices in order to reduce the risks associated with the transition to the new structures. That said the LSC is keen to make what changes it can to improve its system whilst maintaining the business of the sector. Furthermore, we believe that this report is a significant contribution to the debate regarding the operation of the Skills Funding Agency and the Young Peoples Learning Agency.

### **3.2 "Ad-hoc" data demands**

The LSC has no desire to create or maintain unnecessarily bureaucratic systems and is committed to simplification of the system where possible. As such the LSC regrets the burden created by ad-hoc requests for data however *the information authority* and the LSC will need to work together to better understand the business drivers for these requests.

We believe that, in part, the need for ad-hoc requests is based on the length of time between an event occurring and it being reported, the quality of the data available and the limited scope of the formal collections. For example, Students can be enrolled in Learner Responsive activity in August, but this will not be formally reported until December. This means that any data on enrolments required before that date, including Connexions or Diplomas for example, will result in an Ad-Hoc collection

The LSC and providers sometimes have to respond to urgent policy drivers or local initiatives, and without up to date information ad-hoc reporting is inevitable and addressing this issue will require work from the LSC, the Data Service and *the information authority*. We propose to work with *the information authority* to review the impact of changed collection timetables in reducing ad-hoc requests, and we would hope to bring the results of such a review to subsequent boards.

We also need to recognise that where data is incomplete or not credible this will drive request for further data submissions in order to support the policy and planning requirements at a local, regional and national level. The LSC believes that there is scope for *the information authority* and the data service to provide enhanced support to providers regarding the completeness and credibility of their data. The LSC will review

and publish its requirements for data quality and work with the data service to put in place a support framework.

The LSC is also required to report on more areas than are covered by formal data collections, such as learner destinations, which in turn drives ad-hoc data requests. The LSC will work with *the information authority* to formalise a non-ILR data timetable where feasible for the 2010/11 academic year.

The LSC recognises the need for consistent and rapidly distributed management information across regions and has already invested in strategic management information systems, such as aggregated datasets on which regional teams can base their reporting systems, as from the end of September. These cubes will drive all standard LSC reports such as Skills for Life and Learner Volumes.

By October, some key standard reports will be available across the LSC to support the planning and allocations process, with reports supporting the performance process following by early 2009. These will provide a consistent basis for discussions with providers and will be supported by documentation on business and technical definitions.

The report has highlighted the potential benefit of our strategic reporting initiative; as a result the LSC will commit to establish key performance indicators for these changes. The LSC recognises that this is of interest in addressing the report and will monitor the effectiveness of our new systems in reducing ad-hoc reporting and share the results with *the information authority* and the sector.

Although our initial focus is on the internal LSC audience, information will be shared directly with providers. Clearly these systems improvements will raise the level of understanding across LSC and the sector, reducing the need for further follow up. It is our intention to move all reporting to this consistent platform, however we recognised that in supporting the providers and local partners, some ad-hoc may still be required until a sector wide reporting timetable is agreed and enforced.

In the LSC, this impact is felt most acutely in the partnership teams who, in the main, work very closely with providers to develop joint understanding. In most cases, this relationship is strong and providers have fully understood the need for partnership teams to come back to them on occasion to understand fully performance and planning figures, which support the negotiations between the LSC and the provider, where data is used to support both parties. This is often to support the provider in seeking new funding or optimising their current provision. Where the provider requires this support from their partnership teams it is in the providers' interest to supply their view of their activity. We believe that, in the short term, removing this dialogue would not be beneficial, however we would appreciate further views in how data is used to support this dialogue.

Further, the introduction of the Data Service will provide a consistent and extensive service to learning providers and the wider sector. The Data Service is in its infancy but is already engaging across the sector to improve systems and processes. The Service has been set up to tackle many of the issues highlighted by the report, around consistency and transparency. The Data Service has a committed helpdesk that will provide direct support to local LSC colleagues and in time, to providers. This will help to manage a consistent, corporate message and will enable the proactive response to sector-wide issues with a sector-wide solution.

We understand that key business support systems such as PAMS and AMPS drive data requirements. There are inconsistencies between these systems and it is important that we develop a nationally consistent requirement for data that supports both systems. The LSC will review the data required to support the use of these systems, in order to seek to standardise the data and suggested aligning the data collection cycle with the business requirement for the data.

The LSC recognises the difficulty in providing full ILR data to support the requirement of the Connexions information service. As this requirement sits outside the LSC, we will seek the support of *the information authority* and the Data Service in providing innovative ways of meeting the needs of the connexions service.

Going forwards, the impending Machinery of Government (MoG) changes will dramatically change the relationship that a provider has with funding bodies. There is a risk that the changes will increase the data burden on providers, either through an increase in the number of interfaces (providers needing to work with more than one funding body) or through the development of new systems and measures that will need to be learned and understood by, potentially, a new set of staff.

In any design work for the Skills Funding Agency and the Young Peoples Learning Agency, we would expect the recommendations of this report to be considered. The FE Data Service and *the information authority* are fundamental to ensuring that improvements in the use of data are made in this area.

In conclusion, we are confident that we have improvements in development to address some of these concerns, particularly with respect to the availability of consistent data across the sector, and we will work with *the information authority* and the Data Service on the other potential improvements noted here. However our overriding concern will be the maintenance of funding and planning systems during the forthcoming changes.

## **4.0 European Social Fund (ESF)**

### **4.1 Volume of Data required for ESF**

The ESF Policy Team welcomes the opportunity to comment on the above report. Overall the report and its findings are consistent with the anecdotal reports from regional colleagues.

The LSC recognises that providers find ESF data submission an onerous task. For the ESF Programme 2007-2013, some fields of the ILR have been removed and this has been recognised in the report. It should be highlighted that the LSC played a key role in reducing the burden for 07-13 Programme by negotiating for the reduction in additional data for both ESF and match.

Rather than wishing to take a defensive stance of the data requirements, it would be more productive to make a more holistic representation of how ESF contributes to the overall objectives of both the LSC and providers in improving skills and qualification attainment.

From some of the provider comments it is also necessary to explain why the ESF ILR data needs to be collected.

## **4.2 Background**

The European Social Fund (ESF) is just one of the European Structural Funds managed by the European Commission for the European Union. It performs a major function of the European Union's Lisbon Agenda (2000) which includes a key focus on empowering the individual through:-

- Improving the skills base
- Accessible learning & vocational training
- Sustainable employment & growth
- A socially cohesive society

There is an identifiable synergy between the aims and objectives of ESF and the LSC. For the 2000-2006 ESF Programme the LSC has spent approximately £1.3bn of ESF on beneficiaries. In particular ESF focuses on hard to reach groups, giving unemployed and disadvantaged people the training and support they need to enter the job market. ESF money is additional to the mainstream funding and needs to be matched by core funding from central government through the LSC's status as a Co-financing organisation.

## **4.3 Data Requirements**

The requirements of the management of ESF are set by a hierarchy of the European Commission regulations, a Managing Authority for the ESF Programme in England (ESF Division [DCSF] through Government Offices) then the Co-financing Organisations.

Therefore the data required by the LSC needs to be set at a level that satisfies the European Commission that ESF has been targeted and spent on the beneficiaries deemed eligible under the Programme. Thus, the LSC requires more information on ESF learners in order to establish that they meet the criteria specified by the particular Measure of the Programme.

For example people eligible for funding under Policy Field 1.1 (or Measure 1.1) of the Objective 3 Programme need to be long term unemployed and includes:

- 16-18 year olds in labour market without qualifications, skills or work experience
- and those of all ages without relevant work experience
- people who without guidance, counselling and training will remain unemployed
- people who are long-term unemployed and returners to the labour market
- people who need integrating into the labour market, particularly lone parents
- those with no or low qualifications, or needing to upgrade skills
- unemployed people living in rural communities
- people who previously worked in declining industries and those preparing for employment

- transition to different work situations and those experiencing skills intensification in their current employment
- part-time, temporary and contract employees

Long term unemployed means adults less than 1 year unemployed and young people more than 6 months unemployed.

Learner data collected by the providers and submitted to the LSC must therefore be at a level of detail that satisfies the eligibility criteria above if it is under measure 1.1. There are twelve different measures in the Objective 3 Programme alone.

#### **4.4 Match Data Requirements**

All ESF is match funded through Co-financing. For every £45 spent on ESF provision £55 must be found as match from LSC mainstream funding. The learners to be used as match, funded through the mainstream programmes, must meet the criteria set by the ESF measure. Therefore, the level of detail required for the data collected and submitted will be the same as that required for ESF.

#### **4.5 Superfluous Data Collections**

Providers are required to complete data that satisfy the ESF and match requirements. Even if a provider is not in receipt of ESF, it will still be required to collect learner information of sufficient detail so that it can be flagged as match. In both cases the provider might regard the collection of such data as superfluous as it is not used within the provider organisation itself, nor can it be seen as of direct benefit to providers.

However, the learning path is often complex and can include a mixture of ESF and non ESF funding over different periods of time. The learner may well, at some point in time, undertake learning with a provider that is non ESF, yet on the learner's pathway ESF has intervened. In other words, providers that do not run ESF contracts, may have learners who accessed courses via an ESF funded route, and therefore benefit from income, now, in delivering non-ESF education or training.

LSC Partnership Teams in the regions have been informing providers of the necessity of ESF match data. It will fall outside of the LSC's control as to how far this message is communicated within the provider organisation itself and whether changes in personnel are taken into account. It is therefore recognised that the importance and relevance of ESF and ESF match data may not be clear to all those managing data within providers.

#### **4.6 Improving Lives**

At the level of management information and data reporting, it is easy for the LSC and providers to become disconnected from the impact that ESF funding can make to learners' lives. As ESF focuses on some of the hardest to reach groups in society, it follows that it can have a major impact in improving people lives. Regional events and publicity promote the ESF impact by using case studies. The LSC is always open to creative thinking from providers which could further advertise the benefits of the funding stream.

## **4.7 Paper Records**

European Commission audit requirements demand that all learner and financial records are kept, hard copy, until 3 years after the closure of the ESF Programme. For the 2000-2006 ESF Programme this is likely to mean that paper records must be kept until 2015.

ESF Division (DCSF) and the LSC are looking at electronic options and will inform providers as and when these develop.

## **5.0 Shortfalls in targeted guidance**

Many of the issues identified link to those discussed in Ad-hoc data demands. Again, the move to DLF has shown how the LSC is working hard to communicate to both providers and LSC colleagues. Indeed, a series of events have already been run that involve both LSC and provider staff, addressing one of the recommendations of the report.

The LSC aims to provide information as soon as it is available. However, it should be noted that the LSC does not set the agenda or the timetable for funding planning, which is part of a wider public sector planning and funding cycle.

In this ever-changing sector, there is much to communicate and we respect the autonomy of the sector to align LSC communications within their own organisations priorities and plans. We would however be happy to explore with *the information authority* ways to improve this process. . We will not re-establish a system of circulars which challenges our ability to fully manage messages at a regional and sub regional level.

The LSC prides itself on the improvements that we have made in our relationship with providers and view this relationship as a partnership. And we believe that dialogue is a better form of communication than abstract documentation

As set out above, the introduction of the Data Service will have an impact. It is too early to fully understand how this will change our relationship with providers, and work must be carried out under the MOG agenda to understand further how this will work in the future.

In conclusion, the LSC will continue to use existing channels to communicate to providers but recognize the role that *the information authority and* the Data Service will play in the near future (and will ensure that it works with them to understand how the LSC can reduce the level of burden).

The information authority - 'LSC response to the Data Burden report'

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>

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<p>Inconsistencies in data / format requirements and unclear reasons for requirements across different Connexions local offices.</p>	<p><i>Short-term:</i> 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	<p>Range of costs impacted: c£0.5K - £2K per provider per annum (or average c£0.15 per learner per annum).</p> <p>Potential target: c10% efficiency saving.</p>
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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.</p> <p>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</p>	✓			✓	✓	LSC	<p>Complexity: Med</p> <p>Timescale: Short-Med-term</p>	Not quantified.

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