



Trust in the Future

The Report of the Bureaucracy Task Force: November 2002



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“ In order for the Council to discharge its remit it has to engineer cultural and relationship change through the development, at national and local levels, of genuine partnership working ”

Sir George Sweeney, *Task Force Chairman*



Foreword



Too much management time has been spent chasing and accounting for funding and not enough on raising standards and relevance of teaching and learning.

'Success for All – Reforming Further Education and Training', pp5, the DfES June 2002

We all know what we mean by the term bureaucracy when we talk of cutting it: we mean unnecessary (in reality or in our perception) administrative burdens imposed on us by our own organisation or an external one. Whatever our role and place in the hierarchy of our work-place, these burdens are infuriating at best and damaging to health at worst – and we know that they often stop us doing our jobs.

Something unexpected happened when the Task Force began its work. We had thought that our task was something like reducing the number of screws, nuts and bolts holding a model together. To mix metaphors, it was an over-engineered model and needed some fairly radical pruning. However, we came to recognise quite early on that the number of screws, rivets, nuts, bolts and bits of sticking plaster which the sector was complaining about were holding together a model which couldn't work well anyway.

If we took some fixings off it would help a bit but the model still wouldn't do what it was intended to do. We needed to do something different if there were to be any significant long-term gains (for the sector and for learners).

We needed to redesign the model so that it was fit for purpose and then challenge the Learning and Skills Council¹, the Department for Education and Skills (DfES) and others to tackle its re-engineering and manufacture. That is what we've done. We have predicated our recommendations on the need for a new and quite different relationship between the LSC, nationally and locally, and providers.

This year's Reith lectures by Onora O'Neil considered the issue of trust and public accountability and gave the Task Force pause for thought and encouragement at several points along the way. We are not advocating any less accountability but a different kind (in quantity and quality) of accountability – what I heard Onora O'Neil call 'more intelligent accountability'.

The Task Force reached the judgement very early on that pursuing a speedy 25% reduction in bureaucracy would have no lasting impact on the sector. Because of this, we have deliberately

¹ Henceforward termed the LSC or the Council

not focused on quick but temporary reductions in bureaucracy. We have opted instead to treat the cause not the symptoms of the malaise (though, along the way, we and LSC officers have suggested a number of changes which will be of immediate benefit). It is of course, quicker and easier to whip out a few screws, throw them away and hope things don't fall apart. What we are proposing is not about quick fixes but I and all other members of the Task Force are convinced that what is to be gained, **if** colleges and the LSC accept our recommendations, is well worth the wait.

There is a feeling in the sector that, during the LSC's short life-time, the bureaucratic load has increased rather than reduced. The Better Regulation Task Force commented:

It would be unfortunate if George Sweeney and one part of the Department were successful at reducing burdens, only for the LSCs and another part of the Department to load on yet more. The DfES should guard against this.

'Local Delivery of Central Policy', pp 37 Better Regulation Task Force, July 2002

There have been some significant improvements (listed in the body of report) but they often seem to be outweighed by the remorseless accretion of new demands, so the Task Force has considered how to monitor the increase in bureaucracy as well as how to cut it.

It would be very remiss of me not to acknowledge the strong support the Task Force has received from principals and other colleagues working in sector colleges and from groups such as the Association of Learning Providers (ALP) and Association of Colleges (AoC). This support has, not surprisingly, sometimes been tinged with a hint of scepticism. For many colleagues seeing will be believing!

We have limited our scope to sector colleges in the first instance, while recognising that there are other providers coming under the LSC's remit. We hope that, if we can get it right here, the lessons learned can be translated and applied more widely.

For the Task Force the report signposts the work that **must** be done in the next few years. We look forward to responses from the LSC, the DfES, the Inspectorates, Qualifications and Curriculum Authority (QCA) and other organisations which share with us a commitment to reduce the burden of bureaucracy.



Sir George Sweeney, *Task Force Chairman*



Executive Summary

Cutting bureaucracy has been an aim of successive governments, but it has not proved an easy task.

The further education (FE) sector is full to overflowing with regulation and administration, much of it aimed at monitoring levels and kinds of activity to ensure contract compliance, reconcile data and assure funding claims.

Over-regulation and excessive administrative burdens distract and pre-occupy colleges so that the learner and learning can at times seem like incidentals rather than the heart of further education.

Much of the over-regulation with which the LSC and colleges struggle is inherited from the LSC's predecessors – the Further Education Funding Council (FEFC) and the Training and Enterprise Councils (TECs).

Crucially, the LSC has a wider remit than its predecessors: it has planning and quality improvement responsibilities as well as being a funding authority.

In line with Government and the DfES policy, the Learning and Skills Council set up the Bureaucracy Task Force in November 2001 to recommend changes which would achieve a substantial reduction in bureaucracy.

It soon became clear to the Task Force that any lasting gains could not be achieved within the existing pattern of culture and relationships.

The Task Force's recommendations are premised on the need for a new relationship between the LSC and providers.

This relationship must centre around trust and transparency rather than monitoring, supervision and multiple review overlays. It can best be characterised as one of **shared responsibility** between sector colleges and the LSC nationally and locally.

The Task Force believes that the realisation of this relationship is the way to achieve a substantial and lasting reduction in regulatory and administrative burdens.

Fundamental to this transformation is a review of the funding methodology and its accompanying tracking and audit processes. They are inappropriate, given the culture and relationships the Task Force envisages.

Our Recommendations for Action

The Task Force believes the recommendations below present challenges to all organisations involved in the planning, funding and delivery of further education (FE) and training. If they are to be effectively implemented, to the benefit of all but particularly to the benefit of learners, all concerned will need a commitment to:

- vision and values;
- leadership;
- collaborative working;
- the sharing of information and data;
- accountability; and
- a focus on achievement and the prime importance of teaching and learning.

There are particular challenges for the DfES – for example, better co-ordination of policy, greater consonance between policy and strategies and the co-ordination of inspection processes and cycles.

Implementation time-scales are suggested for each recommendation: short-term (within twelve months), medium term (within two years) and long term (within four years). They are organised under the three key themes (culture and relationships; the planning and funding of provision; and audit and data) identified below under 'Action to date and the options for further change'. The consideration of issues detailed there is intended to inform the LSC's response and the action it takes.

In order to monitor, inhibit the growth of, and cut bureaucracy within the further education sector the Task Force recommends:

1 Culture and relationships – enabling activity

1.a Greater transparency

The LSC and colleges should begin to realise the new relationship to which the Task Force believes they should aspire and be committed. On the LSC's side greater transparency and openness will be required at national and local levels so that all partner organisations can be aware of and confident about policy, strategy and resource allocation. The Task Force suggests that local Learning and Skills Councils (local LSCs) should produce, annually, a public document to a standard format outlining their use of funds across all streams and the linkage to agreed targets.

In the context of a transparent and adult relationship, College leaders for their part must promote and demonstrate accountability and openness in their dialogue with the LSC.

Action by: LSC

Timescale: short term



1.b Tracking progress

The LSC should establish an independent panel to monitor the implementation of Task Force recommendations and report to the Council on an annual basis.

Action by: LSC

Timescale: short term

1.c Scrutiny of new demands

The LSC should establish a system to keep bureaucratic demands on institutions, administrators, managers and teachers in check – we recommend a scrutiny group of practitioners and senior Council staff, chaired at the highest level. The scrutiny group should report to full Council on an annual basis. The same group **could** monitor the implementation of those recommendations of the Task Force accepted by LSC (1.b above).

The LSC should consider how best to implement this recommendation at local as well as national levels.

The DfES should replicate for the FE sector its 'star chamber' which monitors and controls additional administrative demands on schools.

Action by: LSC

Timescale: short term

1.d Limiting and funding new administrative requirements

There should be an agreed core data specification required by national and local Councils from colleges. The LSC should, for its own operations, ensure that new activity carries with it as little increase in additional data, administrative, accounting and reporting as possible. These additional requirements and the costs incurred by providers should be subject to approval by the scrutiny group (1.c above).

The LSC should work with the DfES to encourage partner organisations to do likewise.

Action by: LSC

Timescale: medium term

1.e Intervention in inverse proportion to success

College profiling should be developed, in partnership with colleges, and taking account of inspection, the LSC's performance review, audit and self-assessment data, to inform appropriate levels of audit and scrutiny by the Council. Audit and quality assurance mechanisms should apply in inverse proportion to success and in proportion to risk. The frequency and scope of monitoring, audit and inspection schedules should be aligned and, where appropriate, reduced. As examples, positive profiles should result in a reduction to one provider review per year and inspection on a six year cycle.

The LSC should continue discussions with Adult Learning Inspectorate (ALI), Ofsted and other relevant organisations so that audit and inspection can be complementary and supportive activities.

The Task Force endorses the joint working arrangements made between the LSC and the inspectorates under the concordat. In accordance with the LSC's commitment to Getting the Best From Each Other, these principles should be extended further to joint working with other government funders of LSC funded providers, for example JobCentre Plus. Legal obstacles to sharing outcomes of review processes should be swiftly overcome.

The LSC should establish single monitoring/audit arrangements for all LSC funding streams to colleges.

Action by: LSC, ALI, Ofsted, the DfES

Timescale: medium term

1.f Professional development

A significant programme of professional development should be planned and implemented for national and local LSC staff and college staff to underpin and facilitate the desired culture change. It should inform, and be informed by the activities of the National Leadership College. The programme's effectiveness should be monitored by the scrutiny group proposed above (1.c).

Action by: LSC

Timescale: short and medium term

2 The planning and funding of provision

2.a The funding methodology

The LSC should review the funding methodology with a view to simplifying it.

Specifically, the LSC should:

- Consolidate funding streams for colleges. For funding year 2003/04, funding agreements with colleges, other than as schedules to the financial memorandum, should be the rare exception.
- Provide three year budget allocations from 2003/04 onwards to enhance stability and predictability.
- End claw-back by breaking the link between the Individualised Learner Records (ILR) and the recovery of funds, enabling colleges to plan and make provision in the context of predictable budget allocations over at least a three year time-span.
- Work with colleges to consider whether the detailed implementation of the funding methodology can be simplified, for example by reviewing the relationship between census dates, tri-annual periods and data returns, or by decreasing the level of very detailed specification which leads to data and audit requirements.

Action by: LSC and the DfES

Timescale: medium and long term



2.b Planning

The LSC should:

- Develop coherent and effective planning processes and instruments incorporating 'proportional' monitoring and evaluation frameworks.
- Review its support for capital programmes to make them more planning-led. Project approvals should reflect the differing starting points of institutions – both in buildings and finances.

Action by: LSC

Timescale: short term

3 Reducing the data collection burden

3.a ILR materiality tolerance

The LSC should build a materiality tolerance into current ILR data requirements – a margin of error within which colleges and the LSC would be able to operate without recourse to unjustifiable levels of data reconciliation.

3.b Access to data

Work in progress to develop web-based provider access to LSC data and to enable data collection and validation through the same medium should be supported and accelerated to provide greater feedback to colleges and the opportunity to benchmark against other groups of colleges.

3.c Learning Aims Database (LAD)

The LAD (previously the Qualifications Database) should be reviewed and rationalised so that it is significantly streamlined and easier to use.

Action by: LSC

Timescale: short term

3.d A common core of data

A task group should be set up, including practitioners, to:

- Take forward the work commissioned by the Task Force to agree a common core of data based on what a good college would need to function effectively. Any changes to this core data requirement should be subject to the approval of the scrutiny group proposed above (1.c).
- Consult with current software providers and agree a time-scale for incorporating any changes to existing specifications into their college MIS products.
- Consider whether there are any cost implications and make recommendations on any funding to colleges for additional data.

Action by: LSC

Timescale: medium term

3.e Best use of data

The LSC should, with the assistance of the DfES, work with:

- All, Ofsted and other relevant organisations to continue to improve mutual use of data, information and judgements, with a view to decreasing overlap, duplication and multiple requests for similar or common data and information by different agencies and organisations;

and with

- QCA and awarding bodies to streamline the electronic flow of information (including details of learners' achievements) in a common format between them, providers and the LSC.

Action by: the DfES, LSC

Timescale: medium term

3.f Examination and assessment demands

QCA should work with awarding bodies to reduce the examination and assessment burdens on teaching staff by:

- streamlining and reducing administrative requirements, particularly for student registration and assessment;
- ensuring that assessment modes reference 'fitness for purpose' as a criterion; and
- reducing the frequency and amount of testing and recording associated with all qualifications and particularly NVQs.

Action by: QCA, Awarding Bodies and the DfES including the new post-16 standards unit

Timescale: medium term



Introduction: Background and Purpose

'The new legislation, regulation and controls.... require detailed conformity to procedures and protocols, detailed record keeping and provision of information in specified formats and success in reaching targets. Detailed instructions regulate and prescribe the work and performance...'

'Called to Account', Reith Lectures 2002, Onora O'Neil, 1st May 2002

The Task Force

In line with Government and DfES policy, the Council has committed itself to reducing bureaucracy. The LSC set up the Bureaucracy Task Force in November 2001 and it has been working since to identify actions required to meet this commitment. The Task Force includes college principals, representatives from the Council, Ofsted, ALI, the DfES, work based training and other partner and sector organisations. Details of Task Force membership and how the Task Force approached its work can be found later in this report.

The Context

Cutting bureaucracy has been an aim of successive governments. It has not proved an easy task and it is doubtful if either business or the public sector feel less regulated now than ten years ago. Writing in the Observer recently Simon Caulkin referenced an 'Audit explosion' of 600 public service targets according to the Economist magazine'.²

But the Better Regulation Task Force has acknowledged that all the regulation in the world won't prevent failure.

It is neither practical nor desirable for regulators to seek to remove all risk. Trade-offs between the risk, cost, and benefit of all regulation need to be assessed...

'Achieving Policy Objectives Without Recourse to State Regulation', Better Regulation Task Force

Getting the balance between risk, cost and benefit right is the dilemma and the challenge – for Government and the LSC.

These days, we have substantial evidence (both in the public and the private sectors) that, while regulation and even over-regulation, may prevent some poor, bad or criminal practice, it cannot prevent it all. Neither business collapses nor college collapses have always been prevented by close regulation. Unfortunately, such collapses are often followed by an increased raft of regulation. The sad truth is that, given sufficient incentive or pressure, some people will always find ways to circumvent controls, while most of us just try to get the job done as well as it can be in an over-regulated world.

²Too many sums don't add up', Simon Caulkin, Observer, Sunday May 12th, 2002

The FE sector has a relatively new funding, quality assurance and planning body in the LSC. As the Better Regulation Task Force makes clear, there is a history of creation of new organisations which is stressful at an individual level and not always productive at an organisational one.

The picture is characterised by frequent upheaval and reinvention of the overseeing bodies.

Local Delivery of Central Policy, Better Regulation Task Force, July 2002

The LSC, as such a new organisation, has to cope with an inheritance of regulation, staff and relationships. For example, many staff in Local Councils have a TEC background but only around 20% of the total budget is directed towards ex-TEC programmes. Some Council staff are relatively unfamiliar with college issues and have even less experience and knowledge of the school sector. An establishment (local and national) coming from different backgrounds is facing new challenges in a context of old attitudes and relationships.

To its credit, the LSC is learning from, and responding to, criticisms.

Much of the regulation which the LSC and colleges struggle with today derives from the LSC's predecessors – the FEFC and TECs. In retrospect, some of the FEFC's achievements were remarkable but it was clearly an organisation of its time and culture and had a far narrower remit than the LSC. Crucially, the LSC has planning and quality improvement responsibilities as well as being a funding authority. Effective and integrated planning and quality improvement at a local level can only be achieved through Local LSCs and a process of dialogue and genuine partnership-working with sector colleges.

The key message from colleges in the regional seminars held by the Task Force was their sense that bureaucracy derived from mistrust.

A new relationship must be built around trust and transparency rather than monitoring, supervision and multiple review overlays. The Task Force believes that the realisation of this new relationship is the way forward in enabling and justifying a substantial reduction in regulatory and administrative burdens.

In the context of a relationship based on partnership and trust the LSC and the DfES need to apply principles like 'fitness for purpose' to their regulatory and monitoring processes and always ask the 'so what?' question (what difference, for better or worse, will this make?) when they consider new or different activities and demands.

'Success for All' defines an ambitious improvement agenda for the further education sector and delineates key responsibilities:

'The primary responsibility for improving the quality of provision rests with the provider...

The LSC's responsibility is to define its quality and success measures... and to intervene in inverse proportion to success.'

'Success for All – Reforming Further Education and Training', pp24, DfES June 2002



Task Force discussions with partner organisations have underlined a common wish to remove unnecessary constraints and free the sector up to concentrate on meeting learner needs.

This has led the Task Force to propose a radical re-defining of relationships which, when realised, will lead to equally radical changes in practice – we believe that only radical change will have sufficient impact.

The Cost of Bureaucracy

Government, the sector and individuals working within it have long recognised the costs and consequences of over-regulation and excessive monitoring and reporting requirements.

There are financial costs, personal costs and opportunity costs – all have a negative impact on the quality of service available to learners.

Responses from colleges to the consultation produced plenty of anecdotal evidence of the effect on institutions and individuals. A few examples will suffice:

Financial costs

'At this college ... the ISR audit committed 18 days to examine our student numbers and units and has produced a final amendment of 43 units only. This is a revision to our income of approximately £750.'

Submission from a sixth form college

'It is common to receive requests for paperwork or information that have already been provided. Inspectors duplicate the work of auditors and both duplicate requests that have already been met through data provided to the LSC.'

Submission from a sixth form college

The various auditing and quality assuring agencies and organisations frequently require access to similar or the same data in order to reach the same (one hopes) judgements. However their activities are not always well co-ordinated, neither do they necessarily accept each other's judgements, opting sometimes to request and analyse the data for themselves. This is clearly wasteful of their and colleges' time and effort. The Better Regulation Task Force report of July 2002, 'Local Delivery of Central Policy', had this to say:

... the LSC is not the only body auditing FE Colleges. Across the educational sector, audit is fragmented, with no-one taking an overview of the complete picture.

One CFE referenced a two day audit of Work Based Learning (WBL) provision. The report ran to 23 pages and found a discrepancy of £230.

Other respondents have highlighted universal, earmarked initiative funding which takes no account of college circumstances but diminishes the total resource over which there is local discretion.

We have received other smaller amounts of money linked again to short-term initiatives through the standards fund. The total so far this year comes to £83,116 from five different streams of funding. Each of these streams has to be separately tracked and action planned. This money would have put 13p on our ALF.

One northern CFE principal spoke of receiving around a million pounds in funding in addition to its base budget from thirty different funding strands, all needing separate monitoring and administration.

A further complaint is that initiative submission, funding and spending requirements often feature unreasonable deadlines. Spending money wisely (that is, to greatest effect) and spending it quickly are not always reconcilable objectives. In the words of one college principal:

I can understand why the Government thinks it is supporting further education. The money allocated to the LSC is a welcome improvement. Unhappily, much of it is being wasted.

Personal costs

The personal costs of excessive bureaucracy range from mild frustration to serious work-induced stress brought on by excessive work-loads. We know how de-motivating it can be to face unreasonable and unremitting demands for information, particularly when there is no sound basis or obvious purpose for its estimation. Too often information and data gathering seem an end in themselves rather than having any specific purpose.

The public sector is facing a recruitment and retention crisis, with teachers, health workers and others driven from their jobs by paperwork, according to a financial watchdog

TES, 6.9.02

The FE sector is currently experiencing recruitment problems which echo those in our schools and we should not underestimate the impact on recruitment of the bureaucratic millstone. A writer to Simon Caulkin illustrated how heavy that stone can occasionally become:



After 30 years in the job... I cannot ruin my health any more in pursuit of sums and meaningless targets... The amazing thing about my employer is that they have a recruitment and retention problem... Staff are leaving but they do not care about the service any more – management are only interested in targets and statistics.

'Thinking outside the box', Simon Caulkin, Observer, Sunday May 26th, 2002

Opportunity Costs

When we talk of opportunity costs we mean the cost of what does not get done because we choose, or are required, to do something else. The key function of colleges is to meet the needs of learners. The key role of managers is to enable teachers to achieve this key function. The main task of the LSC is to help colleges to plan to meet the needs of learners and to fund them to do so.

*Over-regulation can prevent a due focus on learners and learning and limit the time and energy which can be given to them. Because of this it has the potential to **interfere with the learning process** and drive down achievement.*

The single most time-consuming administrative function for teaching staff is undoubtedly the work required to meet awarding body requirements. Colleges and schools have to operate in the context of an over-tested, over-assessed and over-administered examination system. This takes time and energy from teaching and learning.

The Roots of Bureaucracy

We can trace the origin of much of the current level of regulation in the college sector back to one of the LSC's predecessors – the FEFC. It was created to fund and regulate colleges post-incorporation. New freedoms to borrow money and unheard of levels of self-governance were introduced. The fledgling FEFC had to: create a new funding methodology to replace the widely varying local authority procedures; drive down costs; ensure adequacy and sufficiency; increase participation; work towards funding parity; and make sure nothing went wrong. The pressure on the new organisation to deliver in the early years was intense. This was at a time when Information and Communications Technology (ICT) systems were beginning to deliver and expectations of them were unrealistically high.

One result was an extremely complex funding methodology which, in its demands for detailed recording, reporting and reconciliation, was beyond the capabilities of most people, administrative systems and software. Neither could it be called generous in its intentions.

'... a harsh national funding regime which forced colleges to expand while cutting unit costs.'

'Success for All – Reforming Further Education and Training', pp5, the DfES June 2002

Essentially, the FEFC's remit was to drive through change quickly. Accountability and insecurity (organisational and individual) at a time of rapid change encourage bureaucracy. Not surprisingly therefore, with a small central establishment, the FEFC managed expenditure across a national network of providers through a formidable array of data and scrutiny requirements. It, and colleges, invested huge amounts of time in trying to make the data add up so that funding could be a precise operation, with neither too much nor too little going to any single provider.

Colleges tried to maximise funding while the FEFC scrutinised and inspected. Hence the perception in colleges that bureaucracy derived from mistrust: to a large extent it did.

Over time, rather than any simplification of formula and process, there was increased sophistication and an accretion of detail and amendment.

The audit regime imposed on FEFC and therefore on colleges, particularly in the context of the Individualised Student Record (ISR), has always been a matter about which colleges have expressed their views forcefully. It is an inevitable consequence of the funding methodology. National standards and protocols ensured, given a methodology which required reconciliation at ISR level, that the audit process would be complex and time-consuming.



The allocation system produced perverse outcomes in that it encouraged colleges to maximise their bids for growth funds, irrespective of whether they were realistic or not and then to delay the final reconciliation as long as possible – the only financial outcome of reconciliation being clawback as there was no additional funding for extra activity. Hence there was, year-on-year, a systematic underachievement against targets.

Currently and even more so in the recent past, planning at institutional level has been driven and distorted by externally imposed targets and narrowly instrumental funding streams: huge amounts of time and effort have then been expended in striving to demonstrate their achievement.

The Process of Change

A huge step-shift has to be achieved in order to move from a relationship based on contract compliance to one which enables a strategic partnership.

The **culture** within which we operate and the **relationships** which derive from that culture determine the systems and processes of **planning, funding, audit and data**. At the same time these systems and processes underpin, reinforce and exemplify that culture.

Over-regulation and excessive administrative burdens distract and pre-occupy colleges so that the learner and learning can at times seem like incidentals rather than the heart of further education.

They have sprung from a relationship defined in terms of prescription, control (through the funding of outcomes), underachievement, financial reconciliation and recovery of funds.

The LSC has a different role and remit to that of the FEFC. It carries responsibility for planning, funding and quality assurance for all publicly-funded learning and skills provision. Because of this it is required to ask the cost-benefit question of the practice and methodology it has inherited.

An iterative planning dialogue and process between local LSC staff and sector college staff, which pays due regard to planning cycles and timelines, has to be the key contracting process. If this is achieved there is no need for the kind of regulatory framework associated with a quite different relationship between the centre and colleges.

Fundamental to this transformation is a review of the funding methodology and its accompanying tracking, reconciliation and audit processes since they have, to a large extent, derived from, and reinforced, past relationships.

The relationship between the LSC and colleges needs to be redefined and reshaped because the integration of institutional, local and national plans cannot be achieved unless there is genuine planning dialogue. To ask for 'two-way dialogue' as one college respondent did is linguistically redundant but sadly indicative of the quality of past relationships.

'Success for All' identifies four goals for the FE sector. They are:

- meeting needs, improving choice;
- putting teaching and learning at the heart of what we do;
- developing the teachers and leaders of the future; and
- developing a framework for quality and success.



The achievement of these aims (and the ambitious targets which underlie them) can only come from radical change in culture and relationships across the sector: this in turn may lead to **a rethink of organisation at college, and LSC levels**. The recommendations in this report, if implemented, will have a profound impact on working practices within the LSC at both national and local levels and also within colleges. We are asking for cultural change which will require a substantial and new programme of professional development in both the LSC and colleges.

One focus for the LSC must therefore be on internal communication and training and particularly on the identification of common training priorities across local and national establishments. The planning and funding of high quality training programmes must be regarded as a key priority if the challenge of culture change is to be met.

We cannot demand overnight changes but we do challenge the Department and the LSC to 'overnight' commitment and the rapid introduction of significant changes which will evidence that commitment.

Changing sector culture and relationships

The extent to which we engage locally with those who deliver on our behalf, our professionalism, willingness to listen and clarity of response will define the relationships.'

Getting the Best from Each Other Version 4, LSC, 17.4.02

The LSC's role has to be not 'rule-maker/monitor' but 'collaborative partner'. Productive relationships, of course, don't just happen – they are (consciously or unconsciously) created through day-to-day interactions and transactions.

*Both the Council and colleges will have to model, **and work to develop**, a new sense of mutuality and common purpose.*

The difficulties should not be minimised: relationships forged at another time in our impressionable years are not easy to forget and there is a degree of scepticism (some might say cynicism) and suspicion in the field.

It is important that the Council, nationally and locally, demonstrates and models the relationship it needs to build and offers early evidence of the gain for all parties – a very real saving in the level of bureaucracy and the ending of those reporting requirements arising from a quite different paradigm of relationships and accountability.

This new relationship, based around partnership working in the pursuit of a common cause, will require a degree of **two-way** openness and transparency which has not typified recent experience. For example, common access to planning, predictive and current information ('clean'

and provisional 'dirty' data) will be required, rather than it being LSC or college held. The emphasis here must be on mutual utility and usefulness. The monitoring function should be dischargeable almost as a by-product of the intelligent use of data and information. Colleges should be able to have access to national level data 'on demand' and the LSC must have early aggregations of college level data to give a more timely picture for planning and reporting purposes.

The culture modelled centrally by the LSC and replicated in its 47 local LSCs must be one which encourages local autonomy and responsiveness and accepts risk (and therefore, on occasion, failure) as unavoidable – even desirable – if progress is to be made.

Local autonomy means local decision making, the justification for which should be apparent from the local planning dialogue rather than any more formal reporting. There are many sector colleges which have proved over time their competence as self-managed, self-sustaining and improving organisations. Their planning and delivery processes are sound, the quality of teaching and learning are high and their reporting and audit processes are judged to be effective. These colleges should, as a matter of course, be subject to lighter touch monitoring and auditing processes, including those relating to inspection.

'Earned autonomy' is the phrase used to capture this state of grace. It has echoes of 'from empire to commonwealth' or from 'serf to freeman' and **does not** effectively capture the Task Force's vision. Autonomy, which is, in any case, a given in self-managed corporations, not a product of paternal beneficence, is **not** the most significant feature of the kind of relationship we envisage.

We advocate and endorse something more powerful – a shared responsibility – across institutions and between institutions and the LSC in order to meet the needs of learners.

The time and resource saved through reduced monitoring and audit of high reliability and achievement colleges can be more effectively used in offering timely and sufficient support to colleges facing greater challenges or difficulties.

It is now time to develop and implement a comprehensive reform strategy for further education and training...

... intervention should be in inverse proportion to success...

Good colleges... will be able to grow and develop so that the excellence of what they offer can benefit more learners.

Success for All

A relationship based around partnerships and sound planning must also be one where colleges are encouraged to set realistic and achievable targets. Sound planning processes and realistic



levels of ambition are likely to be the product of, and a contributor to, this relationship. In turn they must enable honest and open dialogue and recognition of successes and failures.

Realistic targets and a focus on outcomes would in effect replace the pressures for 'unit farming' and late disclosure of underachievement of targets with its ensuing financial penalties.

The old culture, driven largely by the funding methodology, was counterproductive in that it consistently led to overbidding and underachievement **and** in the process tied up resources which would otherwise have been available to fund learning and learners.

The LSC has subscribed to the principles of a cross-Whitehall initiative led by the DfES called 'Getting the Best from Each Other'. The initiative is underpinned by three principles: a needs-led approach focussed on objectives; continuous improvement; and modernised funding and contracting.

In applying these principles to its working practice the LSC has recognised the diversity of the organisations with which it must work and its own establishment legacy and resultant training need. The LSC has therefore incorporated the key activities below within its implementation strategy:

- determining within the LSC what we need to do nationally and what we should do locally;
- equipping our people with the knowledge, skills and competencies they need to apply the ('Getting the Best from Each Other') principles;
- providing a forum or fora for our delivery partners to interact with us and with each other;
- base-lining the current state of our relationships and setting up processes for checking and evaluating progress in the future.

The aim is to achieve local diversity within a common framework. Such a model requires changes of attitude and practice at national and local levels both for the LSC and for colleges. The primary focus at national level is likely to be on creating the environment and support systems within which both national and local relationships can be developed. At a local level Executive Directors (EDs) and their senior managers will set standards. It is for the LSC, nationally and locally (in what it does, what it says, and in the manner and tone used) to establish the ethos we advocate. The interim changes we recommend will be an earnest of the LSC's intent and facilitate the building of new relationships and ways of working.

Transformational management requires strong leadership. The LSC's Chief Executive has characterised the current culture as 'hyper-data driven'. A move from this state to a new, productive relationship will require senior officers, EDs and principals to demonstrate their consistent commitment to (and faith in) the sought after changes. Colleges, for their part, must commit to the partnership working we advocate. For some colleagues it will mean a 'willing suspension of disbelief'. Leadership and a demonstrated commitment to change will be needed. At times the LSC, or DfES, or others will get it wrong; at times colleges will too. At those times leadership will be tested.

The Task Force is advocating an adult to adult relationship, underpinned by mutual trust and common goals as the best way to meet learner needs and the best way to limit and cut away over-regulation.

What might be the characteristics of such a relationship? As part of the Task Force's work to date it has commissioned the development of a relationship matrix³ for local Councils and colleges. The matrix is **not** intended as a further document requiring completion but as a tool for both the benchmarking and the development of local relationships. The matrix focuses on: shared vision; a strategic relationship; a working relationship; bureaucracy; and stimulation and creativity. It provides benchmarking and progressive criteria under these headings. For example, under 'shared vision' there are criteria tracing the extent to which parties are learner focussed. They range from:

'There is little evidence that we work together to understand and respond to the situation and needs of learners.'

to

'All decisions and processes are influenced significantly by the perspective of and impact on the learner.'

Drawing on the matrix, the relationship we envisage will be characterised by:

- A shared vision; an understanding of partner roles and qualities; clear, negotiated and challenging goals for all partners; and a mutual focus on learners and learning.
- Strong partnership involvement in local strategic planning processes; shared responsibility for the achievement of planned objectives; significant stakeholder consultation and involvement impacting on outcomes; and clear recognition of interdependence and the need to foster and review the effectiveness of partnership working.
- Open and honest debate; timely sharing of information and thinking; mutual respect and support; a culture where blame plays no part; shared understanding of planning processes; a commitment to collaboration; and an assumption of the integrity and reliability of partners.
- Proportionality in enforcement, administration, data and audit activities; clear and open information flows; objective and open decision taking; and clear and effective appeal and complaint processes.
- A culture of innovation; appropriate risk-taking; a focus on quality and improvement; and a valuing of diversity and equality.

³Appendix 3



Action to Date and the Options for Further Change

Experience tells us that if a long-term strategy is to be effective there have to be short-term results which are visible to practitioners. This report is intended to examine and share issues, review action to date and signpost what more must be achieved and how the LSC and others need to proceed.

The changes already implemented are an indication of the LSC's commitment. Many are about decreasing the burden of administration within the inherited transactional framework: they are about improving the current process and system not changing it. They are nonetheless welcome. Our core proposals though are about radical change – not improving the way things are done but changing the things that are done.

The chief focus of the work of the task group has been those aspects of 'bureaucracy busting' which fall within the LSC's domain and immediate sphere of influence, at national and local levels. However, sometimes the LSC is simply the transmitter of over-burdensome administrative requirements which originate elsewhere: European Social Fund (ESF) monitoring and reporting requirements are an obvious case in point. Others might be National Audit Office (NAO) requirements and protocols and assessment and examination administrative demands. Where the LSC can take action to modify its own practice, we have made appropriate recommendations. Where the LSC is the messenger rather than the author, or a non-participant (if frustrated) observer, we suggest discussions with third parties or make recommendations to them when we think it appropriate.

The options considered below have been drawn from the formal consultation process – the consultation conferences and letters received from sector colleges, local LSCs and other organisations and groups. They were informed and augmented by thinking and discussion within the LSC and with the DfES and other partner organisations. They have been clustered according to their main focus and are then briefly considered in terms of practicability and impact.

In this section and in our recommendations our ideas are organised under three headings:

- 1 Culture and relationships** (because only by addressing this issue in a fundamental and radical way can the LSC make significant and long-lasting inroads into over-administration and bureaucracy);
- 2 The planning and funding of provision** (because getting this right will model and support the new relationship); and
- 3 Reducing the data collection burden** (because excessive current audit and data requirements reflect an old relationship and significant changes here will both represent and result from the forging of a new one).

1 Culture and relationships

Build greater transparency at national and local levels

This is fundamental to the reshaping of an inherited relationship between sector colleges and the LSC. The aim is a relationship which:

- recognises a mutuality of interest; and
- focuses on a sustained and genuine dialogue around the planning and quality assurance of provision.

Such a change requires openness and transparency on the part of colleges and the LSC at local and national levels. This transparency will be both an enabler and evidence of the new relationship. Transparency is needed at all levels: it will enable access to planning, provision and funding data and information for the LSC and for colleges; more widespread and systematic sharing of good practice and the earlier identification of the need for support and, on occasion, intervention.

It will require the LSC to rethink its communication strategy and to make its data and its thinking more accessible to colleges.

Action:

A task group with college membership has been set up within the Council to review its policy and practice in communicating with providers.

It will mean significant development work aimed at opening up access and at ensuring data protection and security are sustained within a more widely accessed series of data bases.

Transparency at local LSC level will be at least as important, since this is the face of the LSC for the majority of college personnel, local LSCs, the LSC's operational units, will need to ensure greater transparency in their funding allocations.

Colleges must, in their turn, be open and timely in making the information they have about their own provision and performance more accessible to the LSC. This will mean building the LSC and its officers into the planning and review process rather than treating them as recipients of a public and sanitised end-product.

The Task Force believes these changes are fundamental to long-term and sustained reduction in bureaucracy and to improving the quality of provision within and across colleges.

Reduce the bidding culture; develop criteria for limiting new reporting demands and meeting their costs.

Currently new developments and initiatives are, in effect, part-funded. This is the case, even when activity costs are 100% funded. The un-recovered costs to colleges are those associated with administration, monitoring and evaluation and reporting. At times the cost of 'bidding' to participate in an initiative will come close to exceeding the funding in



question. Because there is a strong desire to be able to demonstrate that new activity has impact and brings results, initiatives often require additional data reporting, sometimes at a level of detail, complexity and frequency which is far beyond reasonable need. Over and above the time and financial costs, attention in colleges can be distracted from already identified priorities through the pursuit of initiative funding.

The practice of 'part-funding' initiatives and making participation subject to competition has been viewed as a useful strategy to make limited funds go further and therefore have more impact. The investment of time and effort required to make a submission has been regarded as a useful discriminator in terms of commitment. Both these 'advantages' accrue to the initiative managers rather than the participating colleges however, for which they represent a considerable commitment of time, sometimes for no gain. Similarly, while new data demands may well evidence the impact of the initiative, for the colleges they only represent an additional administrative burden.

While the practices above are a fundamental part of the methodology of many government agencies and departments, the LSC should modify its own practice and encourage partners to do likewise.

Establish a gate-keeping function within the LSC to limit and cut bureaucracy

In order to keep a brake on the inherent demand for more and different information and data there is a need for an overall scrutiny and 'gate-keeping' function. It should encompass and regulate both the LSC's internally generated additional demands and those from other departments and organisations, where the LSC acts as an intermediary. It would need to be replicated at local LSC level. There might well be difficulties in getting all units and individuals within the LSC to buy into this process, not least because it would in itself be likely to become a bureaucratic activity, fixing the times when requests have to be prepared for scrutiny and slowing everything down. It might make it difficult for the LSC (and through the LSC, the colleges) to take advantage of central government and other funded projects which required a prompt response: it would certainly inhibit flexible and quick responses. Carefully thought-out criteria would need to be developed to determine what should be considered and what could by-pass the process. Equally, it is in the nature of such gate-keeping activities within large organisations driven by tight deadlines that, in extremis, the process is by-passed. Extremis can quite quickly become the norm rather than the exception. That said, a similar process is being operated within the Department for schools and there will be lessons that can be learned and applied.

As an example, the annual review of the ILR, which considers the use of existing fields and proposals for changes, has, in the past, offered a further opportunity for a change/increase in college reporting requirements. A key function should be to gate-keep ILR changes in respect of proposed additional information and harmonise information currently required. Greater transparency and a limitation of new demands could be achieved if any proposed changes first had to be approved by a 'gate-keeping' group.

Develop and apply the principle of intervention in inverse proportion to success

In line with the clear definition of college and LSC responsibilities outlined in 'Success for All', and the notion of intervention in inverse proportion to success applied in the schools' sector and now required in the incorporated sector, colleges could be subject to a minimum specification of audit and scrutiny where their history justified it.

This would require:

- the definition of levels of audit and scrutiny;
- some open and shared 'grading' of colleges; and
- the alignment of (reduced) audit and (reduced) inspection cycles so that they were complementary and mutually iterative activities.

There is a precedent and experience on which to build. FEFC developed the concept of accredited college status, which was to have carried with it a change to a six year inspection cycle and 'light touch' regional reviews. The benefits to be achieved are considerable: not the least is the potential to free up support time to be used where it is most needed.

Action:

- *Performance review procedures and schedules have been revised, the frequency of reporting dropping from three times yearly to twice yearly.*
- *Joint planning meetings are taking place between Ofsted and ALL aimed at reducing the load on providers and work is taking place across partner groups and between inspectorates and the LSC on the collection, verification and use of data.*
- *Following a submission to Ministers on the inspection of HE in FE, a project is being set up looking at inspection co-ordination issues.*
- *A concordat covering the way in which the LSC, Ofsted, ALL, Jobcentre Plus and the DfES work together to ensure inspection arrangements are as efficient as possible has been implemented.*

The grading process could fall naturally out of the planning and review cycle proposed as the basis of college/LSC partnerships. It could be based upon performance review assessments (which draw on self-assessment frameworks, prior inspection and audit evidence) and the relationship matrix developed by the LSC which would offer a benchmark of the quality of college/LSC relationships.

The difficulties involved in aligning audit and inspection cycles are considerable. College inspections currently operate on a four year cycle and are logistically difficult enough to organise without aligning them with other activities. However, there is nothing sacrosanct



about the four year cycle: after all, school inspections once ran to the same four year cycle and now follow a pattern of an inspection within six years. A reduced framework for the inspection of 'successful' colleges (like the short inspection model for schools) and a reduced audit schedule and process could complete the package. The purpose of inspection in the schools sector is said to be to validate a school's own self-evaluation judgements. Such a sentiment fits well with the DfES view of colleges formulated in 'Success for All'.

There are real gains to be made here in terms of the workload in colleges and the more effective deployment of inspectors and auditors. While inter-agency co-ordination is immensely challenging, given sufficient will and leadership commitment it can be achieved.

2 The planning and funding of provision

'We do know from other areas of management that designing quality into a product or process from the start is far more effective, as well as far cheaper, than inspecting it at the end.'

'Too many sums don't add up', Simon Caulkin, Observer, Sunday May 12th, 2002

In line with the focus on outcomes highlighted in 'Getting the Best from Each Other', the relationship between the Council and its providers must be based on an approach which places a heavy emphasis on the quality of the planning process, so that the plan itself is quality assured through that process and can be confidently used as a basis for funding.

An iterative and cyclical dialogue around planning and evaluation is needed.

Retrospection should, in essence, form the first stage of the following planning round rather than an opportunity to highlight and penalise delivery failure.

Such failure, in any case, will be minimised where planning is sound and realistic. Responsibility for any delivery shortfall, where the planning dialogue has been open and collaborative, logically should be shared between the planning partners, the college and the LSC.

Develop the planning process

Within the context of the 'new relationship' envisaged above and its ensuing lighter regulatory framework we can articulate a new planning process.

'Success for All' identifies four goals for the FE sector. They are: 'meeting needs, improving choice'; 'putting teaching and learning at the heart of what we do'; 'developing the teachers and leaders of the future'; and 'developing a framework for quality and success'. In the context of this improvement agenda, colleges are expected to develop their unique education and training mission. The local LSC will in its turn be encouraged to carry out an area review of all provision to identify agendas for improvement and where new provision may be needed.

Working with local providers – colleges, schools, training providers and others – the local LSC will build an area plan. Within this overall local framework, individual provider plans will be built. Colleges' own plans for provision, developed to respond to demand, meet learners' needs and allocate resources internally must be connected with local LSC plans to achieve targets.

The main elements of the college plan might be:

- a provision plan – linked to recurrent funding;
- a development plan – linked to standards and other development funds;
- an infrastructure plan – linked to capital funding; and
- a financial forecast.

Associated with the plan would be the 'proportional' monitoring and evaluation framework explored above. It would be based around a nationally defined minimum specification.

The monitoring and evaluation framework would take account of:

- known events (scheduled inspections; audits, institutional reviews, executive changes and other significant developments);
- past performance and achievement; and
- a calculation of institutional capacity and a cost-benefit analysis of any additional monitoring and evaluation activities.

A key principle of this framework should be that its extent is related to, and limited by, the past effectiveness of college planning and monitoring practice.

The LSC, at a local level has an opportunity and a test to pass here. There is an opportunity to demonstrate leadership and a commitment to culture change and partnership working. Many may need central LSC support at times if they are to succeed.

Change the funding methodology

The current funding methodology is a huge generator of administrative workload and complex audit arrangements.

In the medium term the funding methodology is fixed. Any changes could not be implemented until 2003/04 to 2004/05 – to achieve change within this time-scale, work would have to be underway almost immediately. However, the possibility of fundamental change must not be rejected since there is so much to be gained. In the meantime some changes which would reduce the burden of administration are considered below.



Simplify the detailed implementation of the current funding methodology while retaining the concept of differentiated funding

Any simplification would reduce college costs in data collection. A further gain would be in the relative accessibility of the funding methodology leading to greater transparency and understanding. Worthy of specific consideration are: the relationship between funding, data returns, census dates and tri-annual periods; and whether the detail in individual field categories should be sustained. Any simplification would produce a coarser discrimination as well as reducing data and categorisation errors. Less finely tuned discrimination would inevitably mean there would be some winners and some losers at the margins.

Reduce funding streams/Consolidate small funding streams

Some progress has already been made here. It would be possible to reduce further (through coalescence) the significant number of small funding streams (Standards Fund, Teachers' Pay Initiative (TPI), Information Learning Technologies, (ILT), etc.). While such a move would reduce the influence and control which could be exercised by central programme managers, it would also further reduce the audit regime and put management back into colleges/institutions.

Action:

Streamlined Standards Fund

The £185 million Standards Fund has been streamlined from seventeen categories to three. This reduces ring fencing, enabling colleges to use funds more flexibly to meet local needs and reduces administration and audit requirements.

A revised funding agreement for FE colleges

Colleges are now subject to a single funding agreement encompassing both further education and work-based learning provision. This improvement simplifies the financial relationships with the Council and, for colleges, opens the possibility of one audit regime for all LSC funding from 2002-03. It also lays the groundwork for further simplifications in payment and other accountability relationships.

Stabilise the funding regime by breaking the explicit link between the ILR and the recovery of funds

Retrospective funding corrections have had a destabilising effect on college finances and their ability to produce and implement provision plans. In effect, breaking the explicit link between ILR and the recovery of funds would introduce longer funding time-scales and place due emphasis on the planning process: it would be something akin to funding the plan rather than provisionally funding the plan then investing considerable resources in autopsy and debt collection. There would be a shift for colleges and local LSCs to a proactive planning model rather than a reactive reconciliation model. The way would be open to one strategic plan spanning, say, a three year time-frame and the merging of review and strategic planning processes.

Such a change could not be quickly implemented. It could not be fully achieved until 2005/06 with interim steps in 2004/05 and 2003/04. The gains though, would be worth the wait. Time, effort and frustration savings would be very significant and the changes would properly indicate and support the changing relationship between colleges and the LSC. There would be a considerable reduction in college costs to support ILR checking and colleges would be better placed to pursue the aims of 'Success for All', and prioritise teaching and learning.

Action:

In February 2002 the LSC announced the removal of financial clawback from colleges for shortfalls in student numbers where student funding unit targets are met. This means that colleges no longer have to pay back funding for delivering education to different groups of learners when they have met or exceeded targets across the board. It also enables colleges to be more responsive to demand in their local area.

3 Reducing the data collection burden

Simplify and make better use of information gathered

There needs to be a move from single use of multiple data sets to multiple use of single data sets and the sharing of, and contributing to, information and intelligence. This is an obvious aspiration but in practice requires a level of co-ordination and collaboration across colleges, colleges and the LSC and other agencies which is unprecedented.

The reasons why agencies and departments tend not to accept the information, data and judgements of others are only in part (though they are in part) to do with an unwillingness to trust the judgements of others. They are also a function of time available to the various auditing and quality assuring groups and agencies. From their point of view it is quicker to go to the source (the college) for data than to try to wrest it from another party. Data protection will be offered too, as a potential barrier to data and information sharing.

All parties involved must invest management time in addressing issues such as who does what, what data and information each therefore needs and where it can be accessed, if these multiple and overlapping demands are to be minimised. This represents a challenge of leadership for all parties.

The devil in the detail

Audit and external scrutiny should minimise barriers and disincentives to cross-cutting working. Auditors and inspectors should support and encourage sensible risk-taking, so long as risks were properly assessed and managed, good value for money was achieved and necessary controls were maintained.

Local Delivery of Central Policy, Better Regulation Task Force, July 2002

**Action:*****Review of the LSC Audit Code of Practice***

The Review of the LSC Audit Code of Practice was consulted on from July of this year.

Data is required in colleges and from colleges by the LSC for two main reasons. The first is to run the business: it tells colleges and the LSC about recruitment patterns and the quality and nature of provision. The second is accountability: colleges have to answer for the public funding they receive and justify it in terms of the provision it funds and the students who draw it down. The level of detail which is required and should be reported is an area where too much has been asked of colleges, both in terms of the practicability of its provision and in terms of its utility to the LSC. In part the level of detail is itself a function of a complex and highly differentiated funding methodology. Excessive detail leads to an increased likelihood of error of classification or data entry. This in its turn leads to reconciliation difficulties, delays in producing 'clean' data and the kind of audit process which can seem to become a way of life rather than a fairly straightforward monitoring and signing off process.

These delays lead to uncertainty about the financial state of the college, with retrospective adjustments to budgets which may already be committed. These same delays make it next to impossible for the LSC to paint an accurate and timely picture of post-16 education and training since significant amounts of data cannot be verified in time.

Current demands

Many of the audit processes in colleges are related to the funding methodology – changes to the one require or allow changes to the other. It is undeniably the case that currently too much information, to too complex a specification, is required from colleges and that it is not always put to best use. Without any change to the funding methodology, and in the relatively short term, some changes are both possible and desirable.

The validation of data through the ILR audit could be made more timely, responsive and proportionate to risks – a lighter touch where appropriate when data is reliable. One significant change would be the introduction of a 'materiality tolerance' on the accuracy of ILR data. This would allow a college, in the light of audit findings, to adjust its funding claim without spending huge amounts of time and effort correcting the ILR data to the nth degree. This tolerance might be universal at a minimum level and would represent an acceptance of the fact that ILR is not 100% accurate – but is fit for purpose. Again working hours saved could be re-deployed to better effect.

Harmonisation of learner data

The Council set out a strategy for harmonising the data it requests on learners in February 2002. The ILR return for FE and WBL now have nearly two thirds of the data fields harmonised.

The Task Force commissioned independent research to compare the LSC's requirements with what colleges need for their own purposes. It found that:

- much of the information required by the LSC is also required in college but not necessarily in the same format or to the same level of detail;
- some fields are only required to support funding, for example 'reason for non-payment of fees';
- the fine level of differentiation in the funding methodology means increasing amounts of data are needed;
- there are specific issues with a number of data fields relating to audit and data collection;
- the Learning Aims database requires a major overhaul;
- guidance for some of the eligibility fields is very complex;
- the area of additional learning support poses difficulties in obtaining, assessing and recording information; and
- additional data collection burdens are imposed by other stakeholders such as ESF, WBL, Higher Education (HE), often in relation to a small number of students and with disproportionately high costs.

The Task Force believes the Council should not generally require more information from colleges than a well-run one needs for its internal management and that this principle is one the Council and the DfES should endorse.

New data needs

Where new data is sought, either as an additional monitoring requirement for existing provision or alongside a new initiative or development activity, a principle similar to 'the polluter pays' should be considered. A checklist might be run through such as:

- What data is needed?
- Will it be used? If so how and to what end?
- Is it needed for 100% of students or qualifications or would a sample be sufficient?
- What level of detail is really required and likely to be used?
- Is it, or something like it, already available?
- What would a reasonable cost be of this additional data collection and provision?
- Am I prepared to pay or is it less necessary than I thought earlier?

**Action:**

The DfES led a Management Information Across Partners Group and agreed the following principles:

- *Take account of resource and cost implications for the LSC, partner organisations and providers of the introduction of any changes, including new requirements.*
- *Assume that ad hoc requests for major new information requirements will be kept to a minimum, with a presumption that all new requests will be supported by a clear rationale and consideration of resource implications and impact.*

Develop web-based access to LSC-held provider data.

Data security, integrity and validity are obvious concerns which would have to be taken into account in pursuing this development. Such changes would though save time and money and free up resources. They would also be key indicators of the mature relationship looked for between the LSC and colleges.

Action:**Web-portal**

In order to streamline data collection from WBL providers, the Council has developed a web-portal which can be extended over time to be used for all data collections from colleges. For 2002/03 ILR data will be requested in this way. The advantage of this approach is that the validation process will be transparent: colleges will be able to see what is happening to the data they have sent to the Council by using their own secure password to see what information the Council holds.

Unified LSC database

A single database of colleges and other providers funded by the Council has been put in place for 2002/03. It contains basic information such as contact details and addresses. It is accessible to all Council staff and is maintained by Local LSCs. It will reduce requests for the same information from different parts of the Council.

Measuring the Difference in Bureaucracy

The task group has addressed this issue using the working definition of bureaucracy given at the beginning of the report: – ‘unnecessary administrative burdens imposed on us by our own organisation or an external one.’

The problems presented by the task of measuring any change in the amount of bureaucracy are self-evident. There are only two sources of information which might offer a measure: the initiator and the practitioner. We have no obvious units of measurement, though perhaps time saved would be the simplest. A refinement might be costed hours saved with some differentiation by unit cost related to the personnel deployed.

At any rate, there are two places at which to measure bureaucracy reduction. The first will be at the centre, within the national (or local) office, where some estimate can be made of the anticipated saving to national and local LSC staff and college staff as a result of changes in process and procedure. This is the initiator measure and can be no more than predictive: it is an estimate (or guesstimate) based around some notion of order of magnitude. Certainly at college level, and possibly at LSC level, it may be based on unrealistic notions of how much work is involved in the first place and how great the impact of change may be. The example one college quoted comes to mind of 24 separate forms to be completed before enrolling a part-time student. Still, this measure or estimate needs to be made, not least to inform the judgement as to whether the proposed change is worth making.

The second measure is the real impact measure, the results in colleges of the change(s). This too will be a fuzzy measure. It will be based on perception as much as on statistics. It is a critical measure though, and addresses the ‘so what’ question referred to elsewhere in this report. Its importance is underlined by a Better Regulation Task Force finding:

‘The... recommendations to reduce bureaucracy on Head Teachers were effective. Yet Head Teachers told us that the space freed up by our “bureaucracy-busting” had been quickly filled by new burdens.’

‘Local Delivery of Central Policy’, pp 37 Better Regulation Task Force, July 2002

Further, in a first year of implementation, there will be procedural change to be coped with, a disruption to established, if disliked, routines which are known and familiar. An initial reaction may well be that workload is barely, or not, diminished because of the change. The bigger the reform, the greater will be the disruption caused by its implementation. Transition arrangements can mean more work not less – so there will need to be monitoring and some attempt at measurement over time.

What is needed for outcome perceptions/measures to be gathered and reflected on is regular review, involving representative practitioners, of the impact of systematic changes in practice. This is in accord with the LSC’s determination in response to ‘Getting the Best from Each Other’ to provide ‘a forum or fora for our delivery partners to interact with us and with each other’. It is also in line with the Task Force’s determination to monitor bureaucracy growth as well as its reduction and informs a key recommendation.



How we have Gone about Our Task

The Task Group met for the first time in January 2002. Membership sought to take account of all organisations with an interest and to give strong weighting to sector colleges. Details of the Task Force membership and remit can be found as appendices to the report.

Nine regional workshops were held in March 2002, facilitated by consultants from Rocket Science UK Ltd, who have supported the Task Group throughout its work. Each workshop was chaired by a Task Force member.

The workshops were well attended by college principals and other interested parties. Participants were asked to consider two issues:

- The relationship that needs to be built between colleges and the local LSC to promote effective behaviour and high performance; and
- The priorities for reducing bureaucracy in the short, medium and long term.

These workshops proved an invaluable starting point in the consultation process for the Task Force, and to a significant extent, set the agenda for its discussions and the feasibility studies conducted by officers to support them.

The Task Force also solicited and received written contributions from a significant number of colleges and local LSC offices: these again were a valuable prompt and guide to its work.

Officers supporting the work of the Task Group contributed technical papers to inform its work and commissioned surveys and research as appropriate.

The Task Force met on a regular and frequent basis during the course of its work.

Finally, responses to the emerging recommendations were taken into account following a series of pre-publication regional workshops held in September and October of 2002.

Appendix 1: Task Force Terms of Reference

- 1 Reduce bureaucracy by 25% by 2002/03;
 - quickly identify requirements that can be dispensed with thereby reducing administrative demands on the sector;
 - carry out a review of the LSC's processes of: audit, funding, monitoring and data collection and the inter-relationship between them in order to identify where significant reductions can be made.
- 2 Hold a series of regional workshops to identify the main issues for FE institutions.
- 3 Work with other government departments and agencies to identify opportunities to reduce bureaucracy.
- 4 Take account of the advice of NAO and to be mindful of public accountability.
- 5 Consider the development of a gatekeeper role.
- 6 Work with DfES to minimise the number of separate funding streams and low value initiatives which carry disproportionate administrative costs, consulting with ministers as appropriate.
- 7 The group may commission items of work.



Appendix 2: Task Force Members

NAME	POST	REPRESENTING/ETC
Sir George Sweeney	Principal	Knowsley Community College
Ms Lynne Sedgmore	Principal and Chief Executive	Guildford College of Further and Higher Education
Mr Mike Galloway	Principal	York College
Mr Reg Chapman	Principal	Blackpool and The Fylde College
Mr Andrew Thomson	Principal	Long Road Sixth Form College
Mrs Jackie Fisher	Principal	Newcastle College
Mr Robert Raven	Principal	Leicester Adult Education College
Ms Kate Griffin	President	Secondary Heads Association
Ms Catherine Fogg	National Chamber Training Executive	The British Chambers of Commerce
Mr Robert McDonald	Manager (COGS); MD NTR Ltd	Confederation of Group Training; National Training Resources Ltd
Mr Gary Williams, to August 2002	Executive Director	LSC Wiltshire and Swindon
Mr Henry Ball, from August 2002	Executive Director	LSC Sussex
Ms Hilary Chadwick	Executive Director	LSC Hampshire and the Isle of Wight
Dr John Brennan	Director of FE Development	Association of Colleges
Mr Peter Lauener	Director Learning Delivery and Standards Group	Department for Education and Skills, Sheffield
Mr Stephen Grix	Head of Post-Compulsory Education Division	OFSTED
Ms Nicky Perry	Director of Inspection (Communications and QA)	Adult Learning Inspectorate
Mr Ken Pascoe	Director of Operations	Learning and Skills Council, national office
Mr Patrick Rooney	Assistant Director, FE Support Unit	Learning and Skills Council, national office

Appendix 3: The Relationship Matrix

Introduction to the Relationship Matrix

The Bureaucracy Task Force has identified the quality of the relationship between Colleges and the LSC – and particularly the level of trust – as being the main determinant of the scale and nature of bureaucracy in the Further Education sector. Strengthening these relationships and building trust won't in itself reduce bureaucracy, but it will provide the context within which significant reductions can be made. Because of the emphasis that they have placed on the quality of the relationship the Task Force are keen to ensure that they have described clearly what they feel the components of this relationship are and what an outstanding relationship will look like. They have therefore developed this Relationship Matrix. The matrix:

- Describes the key features of the relationship between Colleges and the LSC.
- Describes the Task Force's vision of an outstanding relationship under each of these features (the descriptions in Column 1).
- Provides College Principals and LSC Executive Directors and their staff with a practical tool which they may wish to use to understand, explore and discuss the nature of their own relationships and their aspirations for them.

The Matrix can be used in a number of ways and it is important to stress that whether and how it is used is entirely at the discretion of principals and LSC Executive Directors. However, it was clear from the regional consultative workshops held by the Task Force that most of the participants felt that the matrix was valuable and that there was a wide range of ways in which they planned to use it. Many stressed that its value lay in the way that it provided a prompt for discussion. Three ways in which the matrix could be used are set out below:

- College and LSC staff can consider ***the nature of the relationship under each sub-heading*** and discuss the current score (that is, the box on the row which contains the description which most accurately describes the current position). In the light of these discussions staff can pinpoint the strengths of the current relationship and the scores which it is a priority to improve and agree the actions needed to achieve this. At an agreed date the matrix can be re-scored to ensure that the improvements have been made. If a number of people score the scorecard an average for each row can be calculated by adding the product of column number and number of people selecting each box and dividing by the total number of people scoring the row.
- College and LSC staff can ***measure the change in the relationship over time*** and in particular use the topic sheet on bureaucracy to measure the local success of bureaucracy reducing strategies flowing either from the implementation of the Task Force's recommendations or from local action agreed by the partners.
- College and LSC staff can use column 1 as a basis for engaging in practical discussions about ***the features of the relationship to which they aspire*** – this may well depart from the column 1 descriptions in some ways.



BUREAUCRACY TASK FORCE: RELATIONSHIP MATRIX

MATRIX TOPIC	5	4	3	2	1
Shared Vision					
Clarity of vision	<ul style="list-style-type: none"> We have not developed a shared vision 	<ul style="list-style-type: none"> We both have clear visions but they are not the same 	<ul style="list-style-type: none"> We have the outline of a shared vision 	<ul style="list-style-type: none"> We are actively developing a shared vision We are both committed to making this work 	<ul style="list-style-type: none"> We can both clearly articulate a shared vision We actively communicate it effectively to guide its achievement
Clarity of roles and responsibilities	<ul style="list-style-type: none"> We appear to have little understanding of each other's contribution and the context in which we are working 	<ul style="list-style-type: none"> We have some understanding of each other's contribution and the context in which we are working 	<ul style="list-style-type: none"> We have a growing mutual understanding of each other's contribution and the context in which we are working 	<ul style="list-style-type: none"> There is a clear understanding of each other's contribution and the context in which we are working We are beginning to understand what we are each good at and what our respective responsibilities are 	<ul style="list-style-type: none"> There is a clear recognition and understanding of each other's contribution and the context in which we are working We are very clear about what we are each good at and what our respective responsibilities are
Clarity about goals and outcomes	<ul style="list-style-type: none"> The goals that drive us are multiple, confusing and unclear Performance outcomes are contradictory and unachievable Targets are presented to us without discussion 	<ul style="list-style-type: none"> The goals that drive us are becoming clearer but they remain multiple and confusing Performance outcomes are often contradictory and unachievable Targets are presented to us without discussion 	<ul style="list-style-type: none"> The goals that drive us are clear but there are too many and they can be confusing Performance outcomes are occasionally contradictory and unachievable Targets are discussed with us in passing but presented to us without agreement 	<ul style="list-style-type: none"> The goals that drive us are clear and well understood but there are too many Performance outcomes are challenging, measurable and realisable There is some discussion about targets but they are still imposed without agreement 	<ul style="list-style-type: none"> The goals that drive us are clear, few, well understood and relevant locally Performance outcomes are challenging, measurable and realisable Targets are negotiated and agreed together
Learner focused	<ul style="list-style-type: none"> There is very little evidence that we work together to understand and respond to the situation and needs of learners 	<ul style="list-style-type: none"> There is some evidence that we work together to understand and respond to the situation and needs of learners 	<ul style="list-style-type: none"> There is growing evidence that we work together to understand and respond to the situation and needs of learners 	<ul style="list-style-type: none"> Most decisions and processes are influenced in part by the perspective of and impact on the learner 	<ul style="list-style-type: none"> All decisions and processes are influenced significantly by the perspective of and impact on the learner

BUREAUCRACY TASK FORCE: RELATIONSHIP MATRIX

MATRIX TOPIC	5	4	3	2	1
Strategic Relationship					
Planning	<ul style="list-style-type: none"> We have a long way to go before we both feel that we make a full contribution to the Local Strategic Plan As a result the Strategic Plan is quite flawed and not locally owned 	<ul style="list-style-type: none"> There is still quite a lot of scope to improve the contribution we each make to the Local Strategic Plan As a result the Strategic Plan is not yet adequate for the task 	<ul style="list-style-type: none"> We both make a significant contribution to the Local Strategic Plan The Strategic Plan will become more coherent and deliverable over time 	<ul style="list-style-type: none"> We both make a full contribution to the Local Strategic Plan The strategic plan is becoming more coherent and deliverable 	<ul style="list-style-type: none"> Colleges along with other providers make a full contribution to the Local Strategic Plan The strategic plan is coherent and deliverable Planning and quality improvement are fully integrated in both the LSC and College Plans
Ownership and accountability	<ul style="list-style-type: none"> There is no sense of shared responsibility for the success of our local area 	<ul style="list-style-type: none"> There is little sense of shared responsibility for the success of our local area 	<ul style="list-style-type: none"> There is some sense of shared responsibility for the success of our local area 	<ul style="list-style-type: none"> There is a growing sense of shared responsibility for the success of our local area 	<ul style="list-style-type: none"> We both feel a very strong sense of shared responsibility for the success of our local area
Review and Development	<ul style="list-style-type: none"> We do not review the relationship together 	<ul style="list-style-type: none"> The relationship is reviewed but in an ad hoc, irregular and partial way 	<ul style="list-style-type: none"> The relationship is reviewed regularly but there is scope to make this process more rigorous and comprehensive 	<ul style="list-style-type: none"> There is some sense of shared responsibility for the success of our local area 	<ul style="list-style-type: none"> We continuously review and develop the relationship together The relationship is healthy and purposeful with a goal of continuous improvement
Learning Infrastructure	<ul style="list-style-type: none"> The consultation process on developing the learning infrastructure of our local area is almost non-existent 	<ul style="list-style-type: none"> There is some consultation on the development of the local learning infrastructure but it does not appear to influence the outcome 	<ul style="list-style-type: none"> There is considerable consultation on the development of the local learning infrastructure but it is not carefully structured and appears to have little impact 	<ul style="list-style-type: none"> Each partner is consulted carefully and systematically on developing the learning infrastructure of our local area The process of consultation influences the outcome 	<ul style="list-style-type: none"> Each stakeholder is consulted and involved in the review and development of the local learning infrastructure The process of consultation has a significant influence on the outcome
Interdependence	<ul style="list-style-type: none"> There is little sense of interdependence between the LSC, the College and other providers and agencies 	<ul style="list-style-type: none"> There is some sense of interdependence between the LSC, the College and other providers and agencies 	<ul style="list-style-type: none"> There is a growing sense of interdependence between the LSC, the College and other providers and agencies 	<ul style="list-style-type: none"> There is a clear sense of interdependence between the LSC, the College and other providers and all other key agencies 	<ul style="list-style-type: none"> There is strong and clear sense of interdependence between the LSC, the College and other providers and all other key agencies



BUREAUCRACY TASK FORCE: RELATIONSHIP MATRIX

MATRIX TOPIC	5	4	3	2	1
Working Relationship					
Honesty	<ul style="list-style-type: none"> There is little commitment on either side to regular and open debate on issues relating to our partnership 	<ul style="list-style-type: none"> There is some commitment on either side to regular and open debate on issues relating to our partnership 	<ul style="list-style-type: none"> There is a growing commitment on either side to regular and open debate on issues relating to our partnership 	<ul style="list-style-type: none"> There is a strong commitment to regular and open debate on issues relating to our partnership 	<ul style="list-style-type: none"> We have a regular and open debate on issues relating to our partnership This is proving highly constructive and valuable in both of us achieving our goals
Openness	<ul style="list-style-type: none"> There is little sharing of the basis on which decisions are made There are regular surprises 	<ul style="list-style-type: none"> There is some sharing of the basis on which decisions are made There are occasional surprises 	<ul style="list-style-type: none"> There is considerable sharing of the basis on which decisions are made There are rarely any surprises 	<ul style="list-style-type: none"> There is a strong willingness to share the basis on which decisions are made There is still the odd surprise 	<ul style="list-style-type: none"> There is a strong willingness to share the basis on which decisions are made The relationship is managed to avoid any surprises
Mutual Respect	<ul style="list-style-type: none"> There is little respect for each other's professional competence and relationship skills There is little active support for each other's organisation There is a lot of mutual blaming going on 	<ul style="list-style-type: none"> There is some respect for each other's professional competence and relationship skills There is some active support for each other's organisation There is some mutual blaming going on 	<ul style="list-style-type: none"> There is growing respect for each other's professional competence and relationship skills There is active support for each other's organisation The partners occasionally blame each other 	<ul style="list-style-type: none"> We can demonstrate and acknowledge each other's professional competence and relationship skills There is active support for each other's organisation 	<ul style="list-style-type: none"> We can demonstrate and acknowledge each other's professional competence and relationship skills Courtesy and respect towards each other are demonstrated at all levels We support each other through any difficulties for long term benefit There is no blame culture in the relationship
Mutual legitimacy	<ul style="list-style-type: none"> There is little acknowledgement of the validity of our different roles 	<ul style="list-style-type: none"> There is some acknowledgement of the validity of our different roles 	<ul style="list-style-type: none"> There is growing acknowledgement of the validity of our different roles We are beginning to appreciate the advantages of working together 	<ul style="list-style-type: none"> We acknowledge the validity of different roles We appreciate the advantages of working together 	<ul style="list-style-type: none"> We consistently acknowledge the validity of our different roles We are very clear about the advantages of working together

BUREAUCRACY TASK FORCE: RELATIONSHIP MATRIX

MATRIX TOPIC	5	4	3	2	1
Working Relationship - continued					
Current planning requirements	<ul style="list-style-type: none"> We have little mutual understanding of how to plan effectively and the way in which we can contribute to the planning task 	<ul style="list-style-type: none"> We have some mutual understanding of how to plan effectively 	<ul style="list-style-type: none"> We have growing mutual understanding of how to plan effectively together 	<ul style="list-style-type: none"> We have sufficient knowledge of how to plan effectively together There are very few surprises for each other in the planning process 	<ul style="list-style-type: none"> We have in-depth knowledge of how to plan effectively and the way in which we can contribute to the planning task We each understand what we need to do and when we need to do it and there are never any surprises
Delivery	<ul style="list-style-type: none"> We have little expectation that the other will deliver on commitments 	<ul style="list-style-type: none"> We have little expectation that the other will deliver on commitments 	<ul style="list-style-type: none"> We have growing expectation that the other will deliver on commitments 	<ul style="list-style-type: none"> We are beginning to expect the other to do the things they said they will do 	<ul style="list-style-type: none"> We always expect the other to do the things they said they will do
Collaboration	<ul style="list-style-type: none"> We don't collaborate 	<ul style="list-style-type: none"> We sometimes collaborate 	<ul style="list-style-type: none"> We regularly collaborate 	<ul style="list-style-type: none"> We try to maximise opportunities for collaboration locally and nationally 	<ul style="list-style-type: none"> We maximise opportunities for appropriate collaboration locally and nationally There is a mutual interest in developing individual and collective plans to meet needs



BUREAUCRACY TASK FORCE: RELATIONSHIP MATRIX

MATRIX TOPIC	5	4	3	2	1
Bureaucracy					
Proportionality	<ul style="list-style-type: none"> There is no sense of proportionality in enforcement or intervention Decisions are always made behind closed doors and it is usually difficult to understand them The complaints and appeals procedure is opaque and resented 	<ul style="list-style-type: none"> There is some sense of proportionality in enforcement or intervention Decisions are often made behind closed doors and it is often difficult to understand them The complaints and appeals procedure is opaque 	<ul style="list-style-type: none"> There is a growing sense of proportionality in enforcement or intervention Decisions are occasionally made behind closed doors and it is occasionally difficult to understand them The complaints and appeals procedure is clear 	<ul style="list-style-type: none"> Intervention is getting to be in proportion to the risk Decisions are nearly always objective and made in an open and transparent manner There is a fair and efficient complaints and appeals procedure 	<ul style="list-style-type: none"> Intervention is in proportion to the risk and issues to be addressed Decisions are always objective and made in an open and transparent manner There is a well publicised, accessible, fair and efficient complaints and appeals procedure
Openness and transparency	<ul style="list-style-type: none"> Decisions are always made behind closed doors and it is usually difficult to understand them The complaints and appeals procedure is opaque and resented 	<ul style="list-style-type: none"> Decisions are often made behind closed doors and it is often difficult to understand them The complaints and appeals procedure is opaque 	<ul style="list-style-type: none"> Decisions are occasionally made behind closed doors and it is occasionally difficult to understand them The complaints and appeals procedure is clear 	<ul style="list-style-type: none"> Decisions are nearly always objective and made in an open and transparent manner There is a fair and efficient complaints and appeals procedure 	<ul style="list-style-type: none"> Decisions are always objective and made in an open and transparent manner There is a well publicised, accessible, fair and efficient complaints and appeals procedure
Information flows	<ul style="list-style-type: none"> None of the objectives, targets and performance measures are SMART Communications are never clear, timely and accessible to each other 	<ul style="list-style-type: none"> Some of the objectives, targets and performance measures are SMART Communications are sometimes clear, timely and accessible to each other 	<ul style="list-style-type: none"> Much of the objectives, targets and performance measures are SMART Communications are usually clear, timely and accessible to each other 	<ul style="list-style-type: none"> Most of the objectives, targets and performance measures are SMART Communications are usually clear, timely and accessible to each other 	<ul style="list-style-type: none"> All objectives, targets and performance measures are SMART Communications are always clear, timely and accessible to each other Information flows are effectively managed, and agreed protocols are shared
Data collection	<ul style="list-style-type: none"> The amount of data collected goes well beyond sufficient, reasonable, and fit for purpose It is sometimes impossible to collect 	<ul style="list-style-type: none"> The amount of data collected is significantly more than sufficient, reasonable and fit for purpose It is difficult or impossible to collect 	<ul style="list-style-type: none"> The amount of data collected is more than sufficient, reasonable and fit for purpose It is feasible but difficult to collect 	<ul style="list-style-type: none"> The amount of data collected is getting towards being sufficient, reasonable and fit for purpose It is feasible to collect the data with an acceptable investment in time and systems 	<ul style="list-style-type: none"> The amount of data collected is sufficient, reasonable, timely, streamlined and fit for purpose It is feasible to collect the information with an acceptable investment in time and systems
Audit process	<ul style="list-style-type: none"> The audit process takes far too much time and is not appropriate to the purpose 	<ul style="list-style-type: none"> The audit process takes too much time and is not appropriate to the purpose 	<ul style="list-style-type: none"> The audit process has improved but still takes too much time 	<ul style="list-style-type: none"> The audit process is beginning to feel about right for the purpose 	<ul style="list-style-type: none"> The audit process is right for the purpose



Notes

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