



National Audit Office

**REPORT BY THE
COMPTROLLER AND
AUDITOR GENERAL**

**HC 1590
SESSION 2010–2012
16 DECEMBER 2011**

Department for Business, Innovation and Skills

Reducing bureaucracy in further
education in England

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National Audit Office

Department for Business, Innovation and Skills

Reducing bureaucracy in further education in England

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Amyas Morse
Comptroller and
Auditor General

National Audit Office

12 December 2011

This report focuses on the Department for Business, Innovation and Skills and the Skills Funding Agency's approach to simplifying funding, qualification and assurance systems in further education. There is no single body charged with responsibility for managing the totality of central government's interactions with the sector.

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This report can be found on the
National Audit Office website at
www.nao.org.uk/further-education-2011

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Key facts

**Around
£250–300m**

estimated spending by further education providers on administering funding, qualification and assurance systems – based on an NAO extrapolation from 12 general further education colleges

225

general further education colleges

4.6m

learners participating in further education

- 3.6 per cent** of government funding streams from the two main funding bodies spent on administering funding, qualification and assurance systems from our visit to twelve colleges
- £180 million** National Audit Office estimate of spend each year by general further education colleges, one specific type of provider, on administering funding, qualification and assurance systems based on a 3.6 per cent spend across the total of funding received
- Over 1,000** bodies funded to provide further education
- £3.6 billion** Skills Funding Agency allocation to further education in 2010-11 (academic year)
- £122 million** Skills Funding Agency administration costs for 2010-11 (financial year)
- £4.1 billion** Young People's Learning Agency allocation to further education for 2010-11 (academic year)
- £48 million** Young People's Learning Agency administration cost in 2010-11 financial year (which covers a range of providers beyond those that provide further education covering a spending programme totalling over £12 billion)
- £1.1 billion** reduction in further education spending by the Department for Business, Innovation and Skills by 2014-15

Summary

1 The Government is reforming further education in England to deliver skills for sustainable growth. Its strategy is founded on the principles of fairness, responsibility and freedom. In terms of freedom, the Government seeks greater devolution of central control and a reduction in unnecessary bureaucracy. Since the change in government it has taken action to achieve these aims in three main areas: removing central government bodies; simplifying systems and procedures; and removing certain legal requirements on colleges.

2 The Department for Business, Innovation and Skills (the Department) and the Skills Funding Agency (the Agency) provide public funding for further education for students aged 19-plus. The Department and the Agency must work in partnership with a range of other bodies that also play a key part in the sector. These are the Department for Education and the Young People's Learning Agency, which fund education for pre-19 year-olds, which makes up half of the total funding provided to general further education colleges, the Office of Qualifications and Examinations Regulation (Ofqual) and the Office for Standards in Education, Children's Services and Skills (Ofsted).

3 Further education has a key role in supporting economic growth, helping employers obtain the skills they need and helping learners develop a successful career. It is delivered by over 1,000 different providers, mainly further education colleges or independent training businesses. Colleges, as independent bodies, are in charge of determining the range of education they offer, allocating resources and making funding choices. They need information for their own business purposes but must also meet requirements for funding, qualification and assurance systems for government and others.

4 Both the Department and the Department for Education, as funders via their agencies, need information to allocate funds, protect the public money used and ensure that funds are well managed and value for money achieved. To do this they need an effective system of monitoring and regulation. Parliament, learners and the public also need assurance that quality standards are being met. The Committee of Public Accounts' recent report, *Accountability for public money*, emphasised the need for appropriate accountability for public spending.¹

5 This report looks at the extent of administration carried out by providers associated with further education funding, qualification and assurance systems. Figure 5 summarises some of the types of information involved. Such systems also entail costs and, if they involve unnecessary bureaucracy, will waste money. To provide value for money, such systems need to be efficient and balance benefits against the costs of the bureaucracy they impose.

¹ Committee of Public Accounts, *Accountability for public money*, HC 740 28th Report of Session 2010-12, April 2011.

6 This report focuses on the Department's and the Agency's approach to simplifying funding, qualification and assurance systems in further education. There is no single body charged with responsibility for managing the totality of central government's interactions with the sector. Accordingly, we have focused on the Department's and the Agency's accountability for:

- simplifying their own systems and interactions affecting the further education sector; and
- monitoring and coordinating their efforts with other bodies affecting the sector, each of which is accountable for simplification of their own systems.

7 We evaluated the approaches of the Department and the Agency against a structured framework. We assessed: whether there is a clear understanding of the problem (Part Two); whether the proposed solution reflects this understanding (Part Three); and whether there is an effective implementation plan (Part Four). This report builds on our work reviewing regulatory reform and on structured cost reduction.²

Key findings

Understanding the problem

8 **The Department and the Agency recognise that the previous system of information and assurance for 19-plus provision needed to change.** The Department and the Agency have worked extensively with providers to understand how their systems affect them and could be streamlined. Through this work, the Department and the Agency recognised that some of the administration of funding, qualification and assurance systems by further education providers is unnecessary and includes overcomplicated, obsolete and repetitive activities. The Department and the Agency have used this understanding to develop solutions. The Department for Education and the Young People's Learning Agency are undertaking a similar exercise for pre-19 provision.

9 **The Department and the Agency have developed a qualitative understanding of the cost and benefits of their information and assurance systems but have yet to measure their scale.** The Agency is currently undertaking an exercise to quantify the cost for colleges of meeting its information requirements. The last estimate of cost and benefits of one element – data collection for the then single funding body – was made in 2008, when the Department's Information Authority estimated that this was costing colleges some £149 million a year. However, since 2008 there have been considerable changes to the system and this estimate is not being used to guide improvement.

2 National Audit Office, *A short guide to structured cost reduction, 2010; Delivering regulatory reform, 2010.*

10 The Department and the Agency do not consider that they need to quantify the impact other bodies have on the sector. As a result, there is no overall measure of the challenges now faced by the sector. We therefore drew on our past work in reviewing structured cost reduction and the administrative burden of regulations to estimate the broad scale of these costs. Working with 12 general further education colleges we estimated the cost to colleges to be around £180 million a year. Extrapolating these costs to include other types of providers, as well as colleges, indicates the amount would be around £300 million a year. Even if other providers only experienced half of the costs of colleges, the amount would be around £250 million a year.

11 Our work with providers suggested that significant savings could be made. Reducing the cost of information reporting and assurance would help avoid spending reductions bearing disproportionately on services to learners. The colleges we visited suggested they may be able to reduce costs by around half. Although we doubted whether an immediate reduction on this scale would be practicable, a reduction of around a quarter would, for example, represent a reduction in providers' costs in the region of £60–75 million.

Developing a solution

12 The Department and Agency have developed initiatives to target the key problems affecting 19-plus education. The changes to the sector were devised quickly based on extensive consultation with providers. We found that the changes target many of the significant burdens providers experience. These burdens are, particularly, the complexity of the funding system, the need to deal with different funding bodies and the provision of funding information in a timely manner. The changes represent a good start for the sector that should, in time, reduce the burdens on providers.

13 The further education landscape is complicated and rapidly changing and the Departments and the Agencies have yet to develop a complete picture of their final operating model as a whole. Their approach lacks clarity on how implementation of reducing bureaucracy for providers will be monitored and controlled. There is, for example, no clear indication of what the new system should cost, the impact of the reductions proposed and the impact of changes being made by others.

Securing effective implementation

14 The Department's and Agency's governance structures allow them to manage progress on their three work strands effectively. The Department's and Agency's governance system allows them to effectively monitor the implementation of their own reforms for the sector. This includes the measures they have in place to simplify their funding and assurance systems.

15 The inclusion in the governance arrangements of the other key organisations with responsibilities in the sector is important for sharing knowledge on the impact of changes. The Department's governance structure for simplifying the further education sector includes representatives from across the sector and from other government organisations. This allows the various bodies to consult each other about the impact of their different initiatives.

16 The Department for Business, Innovation and Skills is not making the most of its opportunity to coordinate the process of change with other government organisations. The Department for Education, the Young People's Learning Agency, Ofqual and Ofsted have initiated work to reduce the burden on providers both within the sector and beyond. Despite these common aims the Departments have not taken an overall view of the impact of reform on further education providers. The Departments and funding agencies have managed the reform of the sector as a series of individual groups of initiatives in their areas of responsibility rather than as a series of interventions that will impact on the same group of providers.

17 The further education providers we visited do not have confidence that simplification of funding, qualification and assurance systems will be sustained. Whilst providers welcome the reforms they lack clarity over what the new system of information and assurance will look like or how the changes proposed by government will impact upon their business undermining confidence. Providers do not get the information they need on a timely basis, which restricts their ability to act on the changes made.

Conclusion on value for money

18 In the absence of more precise measurement by the Department, we estimate that dealing with government's funding, qualifications and assurance system costs the further education sector around £250–300 million a year. This scale of costs shows that substantial savings can be made by reducing bureaucracy, and demonstrates the need for focused and systematic management of these costs to drive sustained improvements in efficiency.

19 Whilst the Department and the Agency are pursuing a range of improvements they still fall short of an integrated approach. Better measurement of the scale of burdens on providers would help them assess the value for money of individual burdens, and to plan and prioritise actions, without impinging on colleges' responsibilities and freedoms. The Department and the Agency have a vision for the change they want to achieve, but need a detailed design of the final system supported by a clear migration plan. They have established governance structures to manage their own changes, but equivalent structures to coordinate the actions across bodies with different objectives are lacking. The Department's and the Agency's ambition is welcome, but they need to rectify these deficiencies to make the most of the changes they are seeking and achieve value for money.

Recommendations

20 Our recommendations are aimed at helping the Department secure value for money from its commitment to reduce bureaucracy in further education. The recommendations are centred on the parts of the framework the Department and the Agency will need to develop further to secure full value from bureaucracy reduction in conjunction with the Department for Education.

Understanding the problem

The Department does not understand sufficiently the impact it, and others, imposes and how far change affects providers. The lack of quantification limits the Department's ability to target efforts and understand progress:

- a** The Department should undertake cost/benefit analysis to identify the cost to providers of administering 19-plus further education funding, qualification and assurance systems to provide a baseline to assess performance and monitor the impact they have on providers. This should build on the efforts of the Agency to understand the whole college view of the system and identify the cost to providers.
- b** In designing simpler funding and assurance systems the Department should ensure as far as possible that all changes are aligned with the business cycle of providers and with the changes being made by others.

Developing a solution

The Departments' vision for change needs to be supported by a clear view of its destination, a migration plan, an evaluative structure and an evidence-based approach:

- c** The Department and the Department for Education should develop and maintain, as changes are made, a design for their final operating model which is agreed with all the government bodies that interact with providers. This will allow the Departments to prioritise changes and develop a clear evidence-based migration plan.
- d** While immediate reductions on the scale suggested by colleges may not be practical, setting an ambitious reduction target would give a valuable impetus to change. The Department and the Agency should set a clear target for the scale of the burden reduction they are seeking to achieve in respect of 19-plus further education provision.

Securing effective implementation

Weakness in governance and communication will limit effective implementation and restrict cost reduction:

- e** Governance structures should be supported by effective coordination of changes and burdens imposed on the sector by government.
- f** The Department and the Agency need to make their communication clearer and more structured. They should align their communication of the changes more closely to providers' information needs.
- g** The two Departments should take a more active role in coordinating the action and efforts of others based on their understanding of the burdens providers face. They should use structures already in place, such as the Information Authority, to minimise burdens on providers. This will allow them to build on the progress already made and ensure that providers can deliver the range of objectives the Government and local communities expect of them.

Part One

Reducing bureaucracy in the further education sector

1.1 The Government is reforming the further education sector in England to deliver skills for sustainable growth. Its strategy is founded on the principles of fairness, responsibility and freedom. In terms of freedom, the Government seeks greater devolution of control and a reduction in unnecessary bureaucracy.³ The Department for Business, Innovation and Skills (the Department) and its partner organisation the Skills Funding Agency (the Agency) sponsor the further education sector. They provide public funding for students aged 19 and above. The Department's Business Plan aims to remove unnecessary controls and regulation attached to further education funding, auditing and monitoring; and sets a milestone to achieve reduced bureaucracy for the further education college funding system by November 2011.⁴

1.2 The Department is responsible for the strategy and governance arrangements for the efforts to reduce bureaucracy for 19-plus education. The Agency is responsible for implementing simplifications in its systems and processes. To deliver their goals, they both work with a range of other bodies, particularly the Department for Education and the Young People's Learning Agency, which fund education for 16–18 year-olds when provided in colleges, the Office of Qualifications and Examinations Regulation (Ofqual) and the Office for Standards in Education, Children's Services and Skills (Ofsted). Many of these organisations also have simplification plans.

1.3 This Part sets out:

- the organisation of the further education sector;
- the government bodies responsible for the sector; and
- the scope of this report.

³ Department for Business, Innovation and Skills, *Skills for Sustainable Growth strategy document*, 2010.

⁴ Department for Business, Innovation and Skills, *Business Plan 2011-2015*, 2011.

Further education providers

1.4 Further education has a key role in supporting economic growth, helping employers obtain the skills they need and helping learners develop a successful career. In England it is provided by a variety of institutions, which number over 1,000 in all:

- Further education colleges (**Figure 1**) provide nearly half of such training (as measured by funding). Further education colleges also provide vocational and academic education to learners between 16–18 years-old and some provide higher education courses, normally in association with a university.
- Other providers include sixth form colleges⁵, specialist colleges and tertiary colleges that provide an extensive range of further education (see Figure 1).
- A great deal of further education takes place within the workplace (e.g. apprenticeships) funded by business. There are also independent training organisations, whose main source of funding may not be the state.

Figure 1

Type and number of further education provider

| Type of establishment | Number |
|--|------------|
| General further education colleges offer a wide range of academic and vocational education to learners aged 16 and over. | 225 |
| Other types of college such as: sixth form colleges providing further education; specialist colleges for subjects such as agriculture; tertiary colleges that include general further education and sixth form colleges and independent specialist colleges that provide education and training to learners with various kinds of special needs and disabilities. | 128 |
| Higher education institutions whose primary business is higher education but which also provide further education. | 25 |
| Secure units provide education to offenders in specialised premises. Offender learning is also provided through other institutions under contract. | 21 |
| Miscellaneous providers funded by the state that do not fall easily into the other categories. | 81 |
| Independent providers (private and third sector providers delivering 19-plus learning). | Over 1,000 |

Source: Figures provided by the Department and Agency

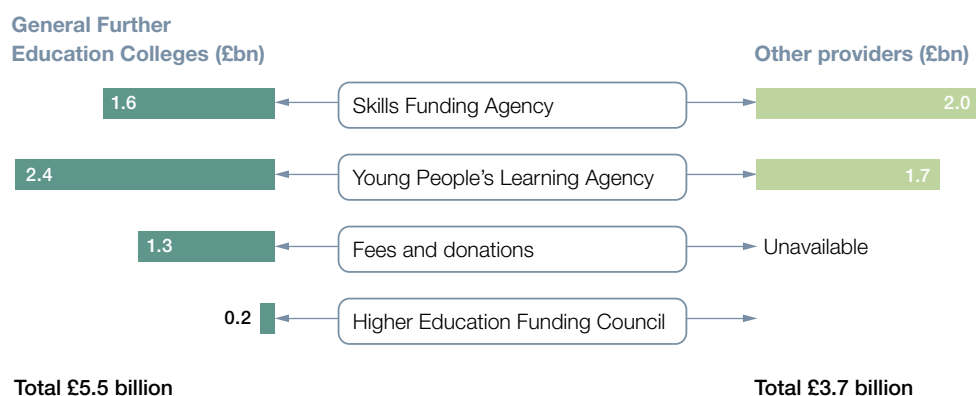
⁵ Sixth form colleges are sponsored by the Department for Education.

1.5 The providers listed in Figure 1, beside independents, receive around 85 per cent of their funding from the state. Around 50 per cent is from the Young People’s Learning Agency for 16–18 year-olds, 30 per cent from the Skills Funding Agency for students aged 19-plus and 5 per cent for higher education from the Higher Education Funding Council for England. The amounts of funding from the different types of provider are outlined in **Figure 2**.

Government bodies responsible for further education

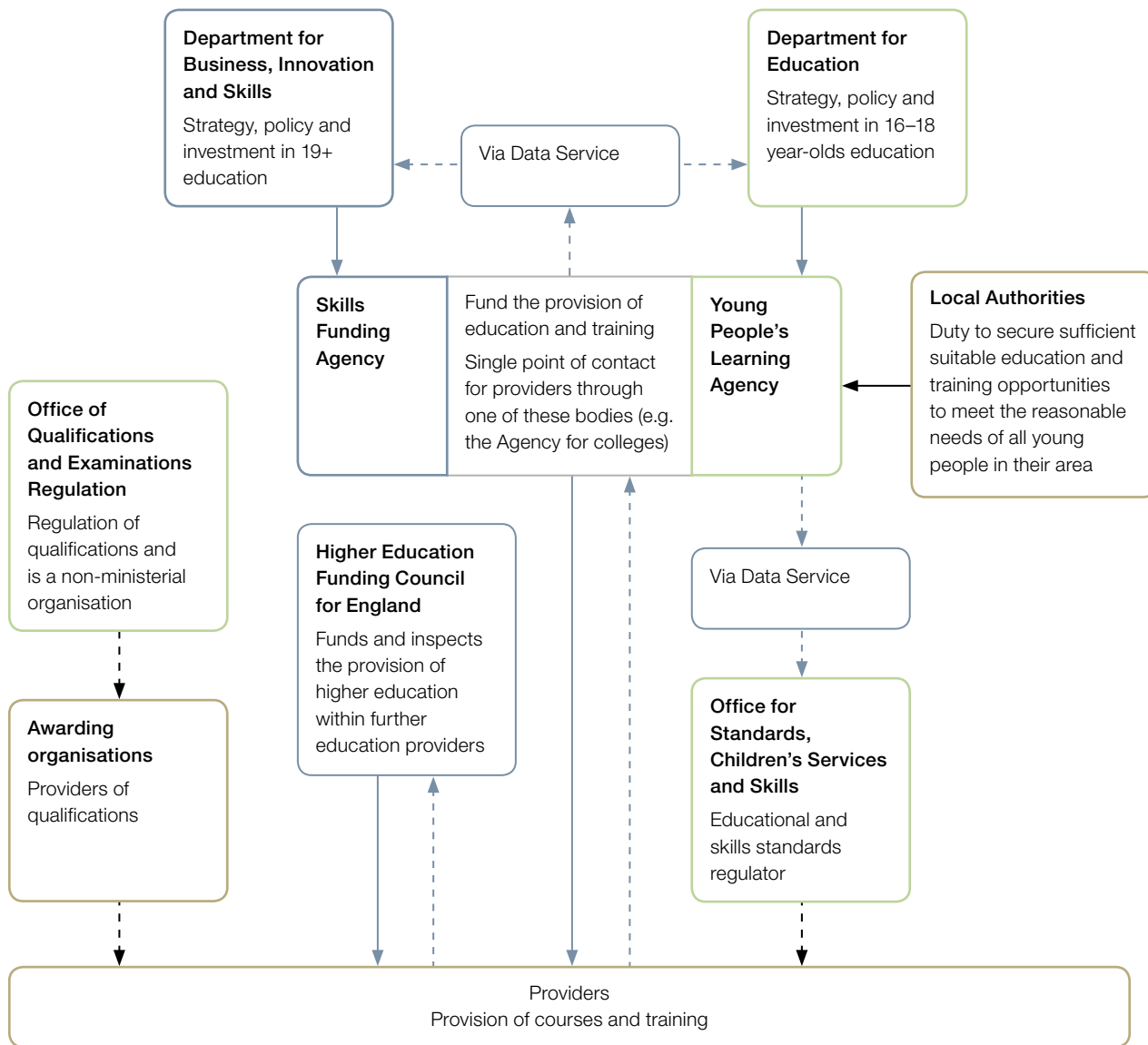
1.6 A range of government bodies play a part in the further education sector. The main ones are summarised in **Figure 3** overleaf. **Figure 4** on page 15 sets out some of the other bodies with whom further education providers may interact.

Figure 2
Division of funding and providers within further education (£bn)



Source: National Audit Office analysis of 2010-11 academic year allocations for quarter one

Figure 3
Key bodies in the further education sector



- Department of Business, Innovation and Skills organisation
 - Department for Education organisation
 - Outside of Government organisation
- Funding
 - - - → Data
 → Advice
 - - - → Inspection

NOTE

1 This diagram excludes offender learning and back to work programme courses that some providers offer.

Source: National Audit Office analysis of documents and college visits

Figure 4
Other bodies that interact with further education providers

| Organisation | Role |
|--|---|
| Data Service | The Data Service is the collection agency for further education administrative data and is informed by the Information Authority on standards. It is a shared service within the Skills Funding Agency. |
| Department for Work and Pensions | Working with the Department, Agency and providers so people on active benefits can access training, find and keep work, and progress in work. |
| Information Authority | Sets the data standards and the specifications for data collection from providers. A board, with an independent chair and members with interests in the sector, votes on what data to collect. The Authority aims to collect only information that providers need. |
| Learning and Skills Improvement Service | Supports colleges and training organisations and aims to accelerate the drive for excellence in the learning and skills sector. |
| National Apprenticeships Service | The National Apprenticeship Service supports, funds and coordinates delivering apprenticeships in England. The Skills Funding Agency delivers some of this work for the National Apprenticeship Service. |
| Professional associations representing providers | For example: <ul style="list-style-type: none"> ● AoC (Association of Colleges) supports, represents and promotes the interests of colleges and its members. Nearly all colleges in England are members. ● AELP (Association of Employment and Learning Providers) represents providers of work-based learning. |
| Sector Skills Councils | These sector-led organisations work with awarding organisations and the Office of Qualification and Examinations Regulation on the content and range of qualifications that are available. |

Source: National Audit Office analysis

Types of information requested from providers

1.7 Providers deliver a range of services and must interact with many bodies, which means a variety of information is required from them. In the main, information is collected and disseminated through the Data Service. **Figure 5** sets out the types of information providers may need to submit. Much of this information is collected through a process called the Individual Learner Record, with the data then used for different purposes.

The scope of this report

1.8 The Department for Business, Innovation and Skills, the Department for Education and the two agencies need information to allocate funds, protect the public money used, ensure that funds are well managed and value for money achieved. To do this the Departments need to have an effective system of monitoring and regulation. Parliament, learners and the public need assurance that quality standards are being met. The Committee of Public Accounts' recent report, *Accountability for public money*, has emphasised the need for appropriate accountability for public spending.⁶

1.9 The systems put in place by the Departments and Agencies to deliver the responsibilities outlined above incur cost for providers. Systems must therefore achieve an optimal balance between benefit and cost.

Figure 5

Types of information collected from providers

| Function | Information |
|------------------------------------|---|
| Data for funding formula | Information for each student and course totalling around 150 separate fields. |
| Comparisons | Funding, estates data and financial data are collated to provide comparisons for benchmarking. |
| Performance monitoring | Monthly submissions on success rates and self-assessment. |
| Procurement | Submissions for tendering opportunities. |
| Framework for excellence | Website providing information on success rates and on learners' and employers' views of providers' service. |
| Evidence for audits and inspection | Documentation and explanation needed to give assurance to auditors and inspectors. |
| Forecasting | Providing forward-looking financial information. |

NOTE

¹ Requirements for pre-19 and 19-plus provision vary.

Source: National Audit Office visits to colleges

1.10 If processes are overcomplicated, outdated or repetitive they will create unnecessary bureaucracy and poor value for money. In addition, reducing administrative burdens by simplifying controls and regulation is an integral component of the Government's reforms of further education. Accordingly, this report examines the Department's and the Agency's action to reduce the level of bureaucracy in further education in England. In particular, we focused on the work carried out by further education providers relating to funding and regulating the sector by government, its agencies and others which impose requirements. In the broadest sense of the word all of this work might be termed bureaucracy, but we looked particularly at the efforts to reduce this work to the minimum necessary.

1.11 This report focuses on the Department's and the Agency's approach to simplifying further education providers' administration of funding, qualification and assurance systems. There is no single body charged with responsibility for managing the totality of central government's interactions with the sector. Accordingly, we have focused on the Department's and the Agency's accountability for:

- simplifying their systems and interactions affecting the further education sector; and
- monitoring and coordinating their efforts with other bodies affecting the sector, each of which is accountable for simplification of its own systems.

1.12 General further education colleges deliver the widest range of further education and our examination focused mainly on these providers. To test the findings of this report we reviewed the lessons we have highlighted with sector representatives and agreed that, although other providers experience fewer burdens, findings should be applicable across the whole sector.

1.13 Our report methodology is summarised in Appendix One. More detail has been provided in a web appendix to this report. We used the framework outlined in our guide to structured cost reduction to evaluate the Department's approach.⁷ This framework summarises good practice on how to implement a structured programme of long-term cost management, as an example of a major organisational change programme. It says that components of such a programme should include:

- an evidence-based strategy;
- planning with agreed priorities, resources and management information;
- implementing reduction measures and clearly managing the cost implications;
- measuring quality and delivered benefits;
- evaluating the implementation against goals; and
- feedback from monitoring that results in amended priorities, strategy and plans.

⁷ National Audit Office, *A short guide to structured cost reduction*, 2010.

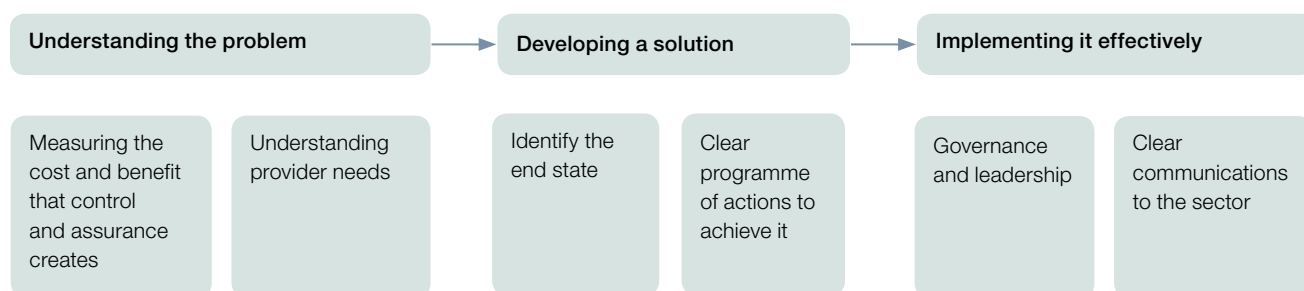
1.14 The Department’s work to reduce bureaucracy is at an early stage, so we have focused on the first three stages:

- Developing a clear understanding of the problem.
- Developing a strategy and plan based on this understanding.
- Effectively implementing the solution developed.

1.15 **Figure 6** summarises the stages we would expect a programme such as the Department’s to go through and the remaining three Parts of this report examine each of these stages in turn.

1.16 This report does not examine the accounting treatment of further education providers in the accounts of the Skills Funding Agency and in other central government accounts. In 2011 we reported that the Skills Funding Agency’s accounts for 2010-11 had not complied with International Reporting Standards because they had not consolidated the financial results of further education colleges within the accounts.⁸ At the time of our examination the Department and Agency were seeking to remove a number of legal powers, such as their ability to appoint college governors, which they believe would mean that consolidation of colleges’ accounts into their own will no longer be necessary.

Figure 6
High-level framework for reducing bureaucracy



Source: National Audit Office

⁸ National Audit Office, *Skills Funding Agency Accounts 2010-11, Report of the Comptroller and Auditor General to the Houses of Parliament, 2011.*

Part Two

Understanding the problem

High-level framework for reducing bureaucracy



2.1 Simplifying funding, qualification and assurance systems in further education sustainably requires a strategy based on a thorough understanding of the problem. This part of the report looks specifically at:

- how the Department develops its understanding;
- the effort required by further education colleges to comply with funding, qualification and assurance systems; and
- the cost of complying with funding, qualification and assurance systems in further education.

2.2 The Department is responsible for assessing what systems and information it puts in place to deliver upon its responsibilities for safeguarding public money and managing its business. We therefore do not in this report reproduce such an assessment. The relevant bodies need to evaluate the benefit they received compared to the costs incurred in order to balance what is necessary for the system.

How the Department seeks to understand the administration of funding, qualification and assurance systems by further education providers

2.3 The Department and the Agency are working to create an environment where learners have choice and diversity in further education and where colleges are free to determine the courses they offer, in line with the needs of their communities. This requires reducing the amount of central control and direction.

2.4 The Department and Agency have worked extensively with the further education sector to understand the burdens and help develop their proposed changes. The Department gathered information through: formal consultation, such as the skills for sustainable growth consultation;⁹ formal work with sector representative bodies, such as commissioning a report by the Learning and Skills Improvement Service into apprenticeships;¹⁰ and informal consultation with providers, through their planning boards and committees. The Department found the following through this consultation process:

- The way providers are funded is highly complex. Most providers either rely extensively on government funding or are solely dependent on it. The funding criteria used were not focused on the needs of learners but on awarding qualifications.
- Providers spend a lot of effort working within the system to meet community needs – to deliver a service focused on the local area requires a large commitment in terms of senior management time.
- Large amounts of data, which are time consuming to collect, are required to get funding.
- Large employers want prompter and clearer information on funding for making business decisions.

2.5 The Department's and the Agency's work with providers gave qualitative evidence that the further education assurance and regulation system was not ideal and was complicated. However, the Department has no up-to-date understanding of the cost currently imposed by the system. The last exercise to estimate the system costs and benefits was carried out in 2008, when processes were significantly different, and this estimate is no longer being used to guide improvement. The Agency plans, through the Whole College View project, to get a better understanding of the cost and benefits of its information and assurance systems, which will help to:

- clearly indicate the full cost of running the regulatory system. This will allow the benefits of different parts of the systems to be compared against the cost;
- demonstrate a clear baseline to assess progress. Without knowing the cost of the system the Department and Agency cannot give assurance that it is value for money; and
- give the Agency additional information on where to focus efforts. Targeting of initiatives could be enhanced to areas that use the most resources first.

9 Department for Business, Innovation and Skills, *Skills for sustainable growth: consultation on the future direction of skills policy*, 2010.

10 Employer Reference Group, *Simplifying end-to-end apprenticeship processes for employers*, Learning and Skills Improvement Service, 2011.

The administrative burden on further education colleges

2.6 The Agency plans to gather information on the costs it impose and not those generated by others on the sector. As a result, there will be no overall measure of the challenges now faced by the sector. To address this lack of up-to-date costing information covering the broader range of burdens imposed, we visited 12 general further education colleges to assess the nature and scale of administering funding, qualification and assurance systems and to help understand the costs. We visited general further education colleges because of the wide range of education they choose to offer, which means they have to deal with the most complex range of sector regulations and regimes. General further education colleges usually deliver:

- academic and vocational/applied education programmes for 16–19 year-olds (funded by the Young People’s Learning Agency);
- full- or part-time (or both) skills training for learners aged 19-plus, which might include an element of work-based learning (funded by the Skills Funding Agency);
- training linked to apprenticeships, delivered wholly or partly in the workplace (funded by the Skills Funding Agency);
- full- or part-time (or both) degree-level courses for learners aged 19-plus (funded by the Higher Education Funding Council for England and tuition fees);
- adult and community learning, including qualifications and ‘leisure’ courses (funded by a mix of local authority, Skills Funding Agency and tuition fees); and
- training contracts (e.g. for local businesses; prisons; young offender institutions (full cost recovery)).

2.7 We found that colleges recognised that the Government is acting to simplify regulation. Colleges also recognised that some aspects of the funding, qualification and assurance systems are necessary and desirable, for reasons such as those set out in paragraph 1.8. Our work found, however, that the level of administration is still perceived as high, consuming college resources that might otherwise be available for delivering training. For example:

- Significant effort goes into providing data for the funding system. Some of this data are not required for delivery or governance within the college. Colleges did not understand how the funding agencies used all the information collected. The systems for collecting and submitting data were poorly designed and cumbersome, causing colleges to collect data with far more effort and rigour than needed for their own purposes. Colleges using external education partners to provide education are also held accountable for reporting data on all students educated by these partners, including students not funded by the Department. This results in a waste of resources and ultimately can reduce student and employer satisfaction.

- Continuous changes in funding requirements and the subsequent data needed create a significant drain on resources. One example was a change in the funding method requiring £20,000 to be spent on modelling the impact on college income. Three weeks later this was reversed, thus wasting the money.
- Data returns, audits and budgets focused heavily on delivery outputs (such as attendance and teaching hours) rather than students achieving qualifications or final outcomes. The funding methodologies of the two funding agencies are increasingly different. The lack of coordination creates duplication of work.
- There is no coordination of systems between the bodies that award qualifications, which creates duplication of work. Over 170 awarding organisations exist. These organisations often use different systems to collect student data and different reference numbers to the funding bodies. Colleges have to transfer information between these organisations and the funding agencies, which can be costly.
- Audit requirements and self-assessment returns represent good practice. However, different audits overlap in content, requiring some duplication of time-consuming evidence collection and staff involvement during the visits.

2.8 The Office for Standards in Education, Children’s Services and Skills (Ofsted) is perceived as the main quality regulator within the sector. Its assessment process, although time consuming, was seen by the colleges we visited as rigorous, fair, accurate and valuable. Ofsted’s reports were perceived as important to draw out good practice as well as making recommendations. Outstanding colleges were exempted and inspections were performed cooperatively using data already gathered by others.

2.9 In Part One we set out the various bodies responsible for regulating further education (see Figures 3 and 4). The interactions between these different organisations create a series of burdens for providers. Some of these are driven by other government bodies and organisations outside of government (e.g. the Young People’s Learning Agency, Ofsted, Ofqual and the awarding organisations), which are included in our measurements. Some of the key burdens highlighted by providers were:

- providers often deliver education to learners between 16–18 years-old and 19-plus. The Young People’s Learning Agency is simplifying the funding formula for learners between 16–18 years-old, but the simplifications are different from those proposed by the Skills Funding Agency;
- awarding organisations use different systems to register and manage their processes. These bodies do not use a unique learner number for the further education sector as a whole, instead issuing their own. The unique learner number for tracking students and recording data is therefore of limited use; and
- schools and academies do not have to use the unique learner number, a reference number used for each student so data can be shared, limiting the ease with which colleges can access their data. As a result, colleges must often recollect the same information.

2.10 To initially assess the scale of the benefit from simplification, we estimated the costs that a general further education college incurs to comply with regulation. To do so we used a simplified version of the method used by the Department in 2006 to measure the administrative burden of regulations on businesses. We evaluated and reported on this method in 2007¹¹ and 2008.¹²

2.11 Our work identified four main areas of activity imposed on providers' businesses by the Department, Agency and others:

- **Collecting and issuing data** Colleges must collect and submit data on a wide range of issues, such as student attendance, student qualifications and teaching hours. How data must be submitted, the frequency and the deadlines vary according to the funding stream. The data are a key source of information for assessing college performance, with funding and audit being tied to achieving set performance levels.
- **Qualifications and awarding** Colleges have to comply with awarding bodies' various course and exam requirements and register students on different systems for qualifications.
- **Funding, financial health and audit** Funding and financial health includes activities to check and profile the funding allocation, self-assessment returns on financial management and providing financial forecasts. Audit requirements include annual internal and regularity audits, carried out by contractors. The Agency also audits the data returns and funding allocations on a sample basis. We rely on aspects of this work for our assurance to provide an opinion on the Agency's accounts.
- **Inspection and reviews** Colleges are mostly inspected every three years by Ofsted on the quality of teaching. Colleges also have to do Agency surveys on employers' and learners' opinions.

2.12 Based on our visits to general further education colleges, we estimated the cost of the areas noted above. The results are set out in **Figure 7** overleaf. A detailed description of the methodology is provided in an online Appendix.

¹¹ National Audit Office, *Reducing the Cost of Complying with Regulations: The Delivery of the Administrative Burdens Reduction Programme*, HC 615, 2006-07.

¹² National Audit Office, *The Administrative Burdens Reduction Programme*, HC 944, 2007-08.

Figure 7

Estimated cost to colleges of further education system administration

| Regulatory area | Average (£) | Range ¹ (£) |
|-------------------------------------|----------------|--------------------------|
| Collecting and issuing of data | 583,000 | 340,000–1,045,000 |
| Qualifications and awarding | 170,000 | 62,000–460,000 |
| Funding, financial health and audit | 99,000 | 41,000–360,000 |
| Inspection and reviews | 52,000 | 16,000–220,000 |
| Total | 904,000 | 459,000–2,085,000 |

NOTE

¹ The range is based on the lowest and highest figure for estimated costs for 12 colleges we visited. In some cases, we have not included all colleges in the range where they were not able to provide sufficiently accurate or complete data.

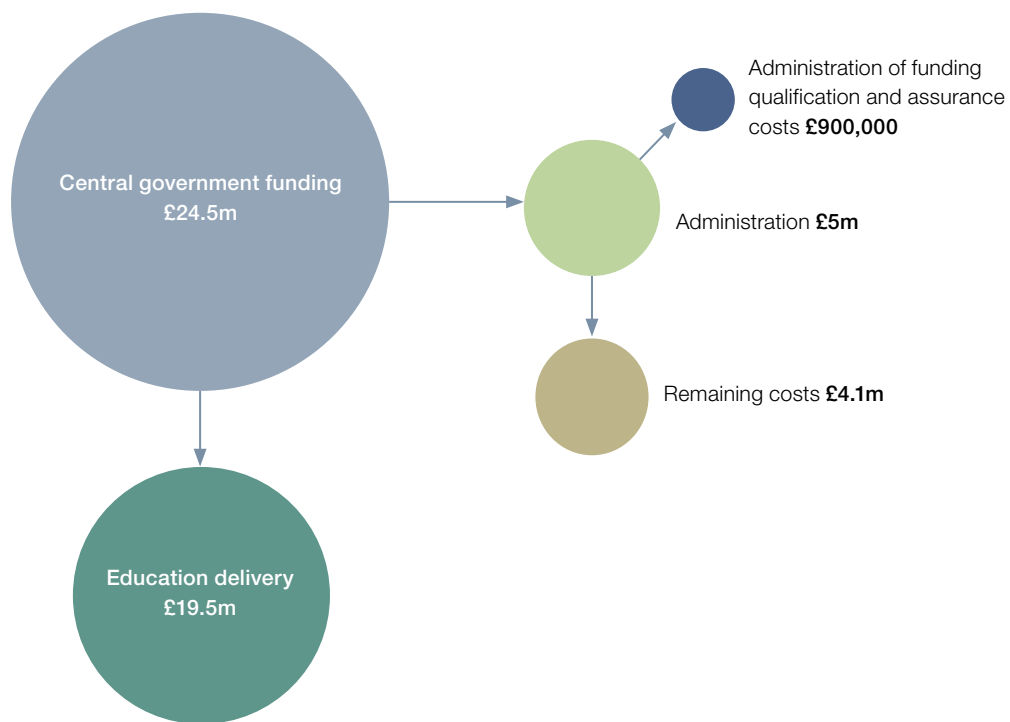
Source: National Audit Office analysis of college visits

2.13 We found the 12 colleges visited design their business processes around the regulatory requirements, with generating and justifying funding at the core of these. Further education is designed to deliver skills and education in response to market needs and national priorities. However, because of the complexity of the regulatory systems, a significant part of a college's time is spent administering funding, qualification and assurance systems. **Figure 8** sets out the average administrative spend for the further education colleges we visited. The colleges we visited were on average spending £5 million a year on administration, of this some £900,000 was sector-related, imposed by other bodies. We estimated the total costs to all general further education colleges of administering of funding, qualification and assurance systems as £180 million a year, ranging from £89 million to £231 million. We calculated this figure by extrapolating the percentage of total funding used by these activities for the colleges sampled, 3.6 per cent, across the rest of this group of providers. This represents an average spend of £150 per learner.

2.14 In 2008, the Information Authority produced a report quantifying the cost of data collection. This produced a figure in line with our findings. The Authority estimated the indicative administration cost of collecting data was £149 million. This equates to £114 per learner compared with our figure for the same set of activities of £100 per learner. The Agency is planning work to understand the burdens from the provider perspective in more detail and the Young People's Learning Agency has carried out its own exercise on 16–18 year-olds.

Figure 8

Average spend on delivery and administration for the general further education colleges visited



NOTE

1 This figure shows that around a fifth of providers' average spend on administration is due to requirements controlled by others. The remaining administration costs include estates, finance, human resources, interest costs and depreciation.

Source: National Audit Office visits to general further education colleges

The cost of providers' administration of funding, qualification and assurance systems across the sector

2.15 The various other types of further education providers also administer similar types of funding, qualification and assurance systems as colleges, although this is likely to be to a lesser extent due to the smaller range of provision offered. The costs we have assessed for general further education colleges can be used to illustrate the potential total burden for the sector. We have confirmed the reasonableness of these results with sector representatives.

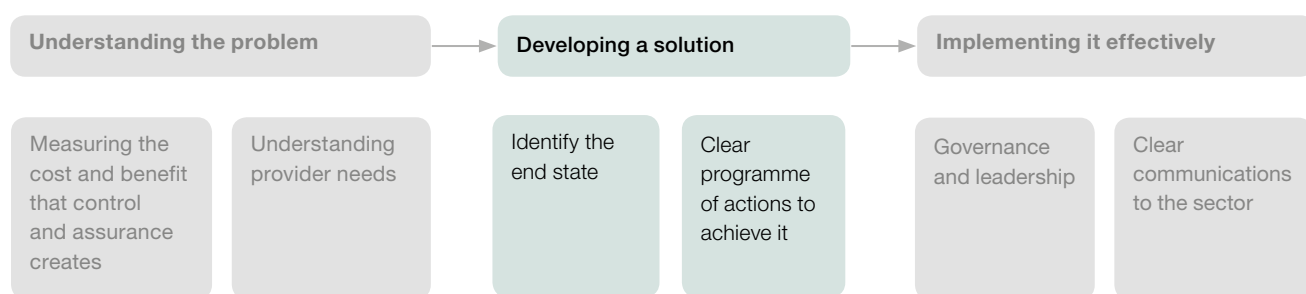
2.16 If our estimate for colleges is expanded across the full range of providers the full cost would be greater. The different types of further education provider mean that there is a greater degree of estimation in this figure than in our estimate in paragraph 2.13 for further education colleges. Nonetheless, by expanding our results across all providers, assuming they experience a similar proportion of costs, we estimate the total cost of administering funding, qualification and assurance systems for providers to be in the region of £300 million a year (within a range of £160–400 million). Even if other providers only experienced half of the costs of colleges, the amount would be in the region of £250 million a year.

2.17 The Department and the Agency consider that our estimates of providers' costs are insufficiently rigorous. We agree that more work would provide a more accurate estimate but in our view a broad estimate of costs is better than none at all, not least to help assess the value of seeking to reduce them. We welcome that the Agency has now begun a more detailed assessment of these costs.

Part Three

Developing a solution

High-level framework for reducing bureaucracy



3.1 This part of the report focuses on developing the Department's and Agency's vision of a simpler system and what they think such a system would look like. The Department should have a clear migration plan including: costs of the revised system, an evaluation structure and drawing on the evidence base developed. In particular we assessed:

- developing a vision and initiatives for simplifying systems in further education;
- the level of administration to be reduced and the scope to release cash for frontline services; and
- clarity of the plans.

A vision and initiatives for simplifying further education systems

3.2 A key organisational change occurred on 31 March 2010 when the then Government broke up the Learning and Skills Council. Responsibility for public funding of pre-19-year-old education was moved to the Department for Education's new Young People's Learning Agency and, for 19-plus further education, to the Department and Agency.

3.3 Following the 2010 change in Government, the Department's Skills for Sustainable Growth Strategy stated that the system will be radically reformed. Changes included allowing the sector to control its own funding and information needs, and offering learners and employers more choice.¹³ The Department and the Agency recognise that systems need to be revised to meet the new vision.

3.4 The Department has set out a clear vision for regulating the sector. It wants to leave only the processes that maintain the Accounting Officers' responsibilities and those that assist with learners making an informed choice. These responsibilities include ensuring value for money, regularity and propriety of spending and providing the information needed to help users choose the best training.

3.5 The Department for Business, Innovation and Skills, the Department for Education and the two funding agencies have developed a number of initiatives to simplify 19-plus systems for further education providers. Initiatives were developed over an 18-month period following the change of Government in May 2010. The initiatives were developed following extensive consultation with sector representatives and providers. **Figure 9** sets out the initiatives proposed. The initiatives in Strand Two deal with most of the areas we identified in Part Two as being costly and complicated. These are, particularly, the complexity of the funding system, the need to deal with different funding bodies and the provision of funding information in a timely manner.

Assessing how much administration of funding, qualification and assurance systems might be reduced

3.6 Although the Department has developed a clear vision and a set of initiatives to simplify systems, it does not know what the new system should cost and the impact of proposed reductions. Department and Agency plans give varying levels of details on the individual initiatives but they do not provide a picture for the system as a whole. A clearer picture of what the final system should cost would help the Department and Agency focus on where the most valuable changes might be made and monitor progress.

3.7 We assessed what scale of reduction might be sought. We considered this from a 'top-down' and a 'bottom-up' perspective, examining possible benchmarks and initiatives in other policy contexts. We also looked at whether there is scope to simplify some of the individual activities we identified in Part Two.

Top-down analysis

3.8 Providers need to draw on their funding to pay for the costs of providing information to the centre; reducing these costs will minimise the impact on learners. The Department therefore needs to reduce the administrative costs if they are to avoid the spending reductions bearing disproportionately on services to 19-plus learners. The Department will also need to coordinate the changes made by others to ensure that these do not cause additional costs which erode the savings being made.

¹³ Department for Business, Innovation and Skills, *Skills for Sustainable Growth*, 2010.

Figure 9

Summary of the simplification programme and delivery dates

Timing**Strand One: Simplify the organisational landscape (a Department for Business, Innovation and Skills responsibility)**

Remove bodies from the landscape, such as British Educational Communications and Technology Agency and the Regional Development Agencies.

Completed

Restructure, abolish and move some bodies, such as the Learning and Skills Improvement Service, to be sector-owned.

Completed

Develop a smaller Department and Agency.

Near completion

Strand Two: Simplify the systems and procedures (a Skills Funding Agency responsibility)

Simplify the Agency's funding system including: giving colleges their allocations earlier in the year, based on last year's learner numbers, to reduce in-year adjustments; and single adult budget rather than delivering funding through many smaller budgets, to be flexible to meet the adult provision needs and to be demand-led.

Trial 2011-12; implement in 2012-13

Provide a single account management process including a single point of contact for colleges on the disbursement of funding the Agency is the primary contact for general further education colleges and the Young People's Learning Agency for sixth form colleges.

Completed

Provide learners with the information to make a choice about quality of providers including: individual learner record maintained by the learner rather than the provider; success rates and employer and learner feedback for providers; and sector deciding what information is needed.

Ongoing

Perform a costing exercise with provider to develop a view of further education from their perspective.

March 2012

Align education for learners between 16–18 years-old and 19-plus further education through providing funding by the Agency for the Young People's Learning Agency and introducing a single point of contact.

Completed

Strand Three: Remove legal requirements (a Department for Business, Innovation and Skills responsibility)

Remove certain duties and legal requirements so that colleges can decide what is needed locally. Duties and requirements include: the chief executive's consent about appointing governors and the requirement to work with the Children's Trust.

Completed

The Department is seeking to remove some of its powers over further education colleges, in partnership with the Department for Education.

Completed

Strand Four: Young People's Learning Agency and Department for Education measures

Consult on the simplification of the 16–18 years-old funding formula.

Ongoing

Develop a lagged learner number funding system and removal of in year reconciliations.

Completed

Agree a joint audit code of practice with the Skills Funding Agency to reduce audit burdens on providers.

Completed

Review central guidance to ensure that it is as simple as possible for providers.

Ongoing

Remove legislative burdens on sixth form colleges.

Completed

Source: National Audit Office summary of government initiatives

3.9 The experience of the Administrative Burdens Reduction Programme is relevant. This programme was established in 2005 with a target of reducing the administrative burdens on businesses and the third sector from regulations – such as filling out forms and providing information – by a net 25 per cent by 2010. While we had some reservations about the reduction measurements, in 2008 we found that simply having the target was an important driver in incentivising departments to consider the burdens imposed by their regulations.¹⁴

Bottom-up analysis

3.10 It would not have been practicable or appropriate, within the scope of our study, to design a new information and assurance system. Nor could we have carried out the analysis and consultation to establish precisely which items of information continued to be needed, providing benefits to the system, and which did not. Our visits to colleges have given us an insight into which aspects of the system they perceived to be of least benefit. Paragraphs 2.7 to 2.9 above give examples of areas where providers reported that the level of administration was still high. **Figure 10** lists the main areas of costs for colleges and the potential impact of removing those areas that providers reported were of least benefit.

3.11 The analysis suggested that colleges saw scope to simplify funding, qualification and assurance systems for providers by around 50 per cent. This would represent a possible cost of around £482,000 per college, which might be released for frontline services. We doubt whether immediate reductions on this scale would be practicable because colleges may not always be aware of the full value of information to other parties, such as the Agency or the Office for National Statistics. In addition, the colleges would not at the time have been able to take into account simplifications planned but not yet implemented.

3.12 Our findings do indicate, nonetheless, that setting an ambition of substantial reductions over a period of time would be achievable and worthwhile, and provide an impetus to change. A reduction of 25 per cent against our estimated cost of administering funding, qualification and assurance systems for the whole further education sector (£250–300 million) would be in the region of £60–75 million.

Clear planning as a change programme

3.13 For the Department to simplify funding, qualification and assurance systems it needs a complete picture of its final operating model as a whole, so that its individual initiatives clearly link to a strategy, with milestones, resources and dependencies. Initiatives also need to recognise the impact of change on education providers. The plan should include a clear set of priorities, the timings for the simplification initiatives, how the different initiatives relate to each other and how resources are allocated. Our review of the initiatives found that these elements were weak or, in the case of milestones, missing. Each initiative has been given a projected outcome but the Department lacks

¹⁴ National Audit Office, *The Administrative Burdens Reduction Programme*, 2008, HC 944, 2007-08.

Figure 10

Areas where the general further education colleges visited by NAO reported simplifications were possible

| Regulatory area | Estimated cost (£) | Areas where colleges visited reported potential simplifications would be feasible | Estimated potential cost reduction (£) |
|-------------------------------------|--------------------|--|--|
| Collection and issue of data | 583,000 | Colleges collect more data than they felt they needed and much of what is collected is used to drive the complex funding formula. The information colleges do use is collected with more rigour than is necessary for their own purposes. Changes to data requirements and funding formulas impose significant costs on colleges. Colleges would reduce the data requirements imposed significantly and reduce the frequency of changes to the system. | 383,000 |
| Qualifications and awarding | 170,000 | Awarding organisations use different data systems causing duplication. Greater standardisation could reduce the time taken over data entry. | 80,000 |
| Funding, financial health and audit | 99,000 | There is some duplication between the various audit requirements and the processes undertaken by different auditors. | 13,000 |
| Inspection and reviews | 52,000 | Providers see no value from the surveys they carry out for the Department. | 6,000 |
| Total | 904,000 | | 482,000 |

NOTE

1 The saving of £482,000 would represent a reduction of 53 per cent on the estimated cost at present.

Source: National Audit Office visits to general further education colleges

a clear plan setting out how all the initiatives work together as a programme. In relation to dependencies, the Department recognises that many of the initiatives affect each other but there is no detail on how this will be managed.

3.14 The extensive consultation performed by the Department (see paragraphs 2.3–2.5) focused on the concerns surrounding the current system and the proposed reforms. Complexity is not just created by the system in place but also during processes of changing the system to reform it. Our visits and work with providers found that the constant changes, and providing key information late, impose an additional administrative burden on providers.

3.15 While developing many of its initiatives the Agency has estimated the cost implications of the changes to the Agency itself. An example of this is the business case for the IT changes needed for the single account management system. The case to support this IT project focused on the benefits and costs for the Agency of this change. It did not include the impact on providers. The financial impact on providers was not assessed because the Agency expected impacts to almost certainly be positive.

Part Four

Implementing the solution effectively

High-level framework for reducing bureaucracy



4.1 Successfully implementing the Department’s simplification initiatives requires:

- strong Department and Agency governance structures;
- provider confidence in the changes; and
- clear control over communication with the sector.

Governance

4.2 Strong governance and leadership is needed to drive the delivery of the simplification initiatives. As well as the Department for Business, Innovation and Skills and the Skills Funding Agency, a range of other bodies play a significant part in the operation of the further education sector, principally the Department for Education, the Young People’s Learning Agency, the Office of Qualifications and Examinations Regulation (Ofqual) and the Office for Standards in Education, Children’s Services and Skills (Ofsted). As these bodies operate independently from the Department, effective coordination is essential if their various efforts to simplify systems are to succeed.

4.3 The Public Accounts Committee has found that the framework of accountability for 16–18 years-old education is complex and risks overburdening providers. The Committee has recommended that, to manage the burden of audit and performance reporting, the Department for Business, Innovation and Skills and the Department for Education “should clarify roles and eliminate duplication of demands on providers”.¹⁵

¹⁵ Committee of Public Accounts, *Getting value for money from the education of 16–18 year-olds*, HC 1116, 42nd Report of Session 2010–12, August 2011, p.5.

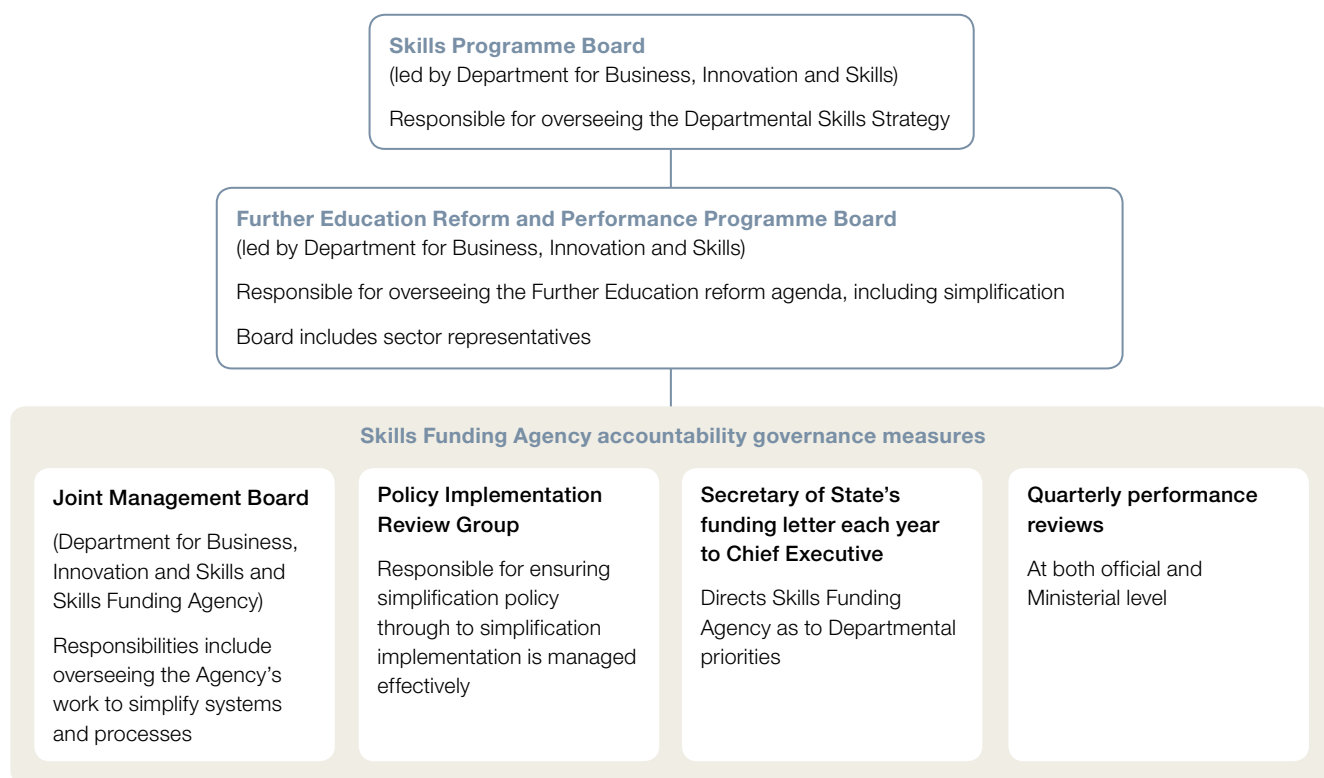
In its response to the Committee’s report, the Government said it partially agreed with the recommendation. It referred to various initiatives to reduce the burdens on providers including the introduction of a ‘Single Point of Contact’ for providers in dealing with the Skills Funding Agency and the Young People’s Learning Agency.¹⁶

4.4 The Department and the Agency have a clear governance chain, as summarised in **Figure 11**, to oversee its strategy for improving skills and the work of the Skills Funding Agency. These arrangements include oversight of the various initiatives to simplify systems in the further education sector (the initiatives are summarised in Figure 9).

4.5 The Department’s engagement in its governance process of the key further education bodies, from elsewhere in government and from the sector, is a key strength of its approach. It allows the Department to discuss how policies of the different organisations can be coordinated and get specific advice on practical implementation of initiatives. However, the Department has only limited influence over some of the bodies, such as the Department for Education and the Young People’s Learning Agency.

Figure 11

Governance chain for simplifying systems in the further education sector



Source: Department for Business, Innovation and Skills

16 HM Treasury, Treasury Minutes, *Government responses to the 28th and the 42nd to the 45th Reports from the Committee of Public Accounts: Session 2010-12, Cm 8212, October 2011, p.6.*

4.6 The previous Government split responsibilities for pre-19 and 19-plus education between the Department and the Department for Education and created the two funding agencies. Following the passage of legislation, the Education Funding Agency will take over responsibility from the Young People's Learning Agency on 1 April 2012 for the funding of young people's education and training. The Government announced a review of the Skills Funding Agency and the statutory post of Chief Executive of Skills Funding in November 2011.

4.7 Our review of the governance structure found that, in terms of simplification, while it focused on the delivery of individual initiatives, it did not consider that reducing administrative burdens in the further education sector needed to be managed like a programme. The Department for Education, the Young People's Learning Agency, Ofqual and Ofsted have initiated work to reduce the burden on a wider range of providers; this work extends beyond the providers of further education. Despite this commonality the Departments have not taken an overall view of the impact of reform on further education providers. There are no clear plans and milestones to assess the delivery of the different initiatives jointly, as highlighted in Part Three (paragraph 3.12). This limits the Departments' ability to monitor progress and assess how well funding, qualification and assurance systems are being simplified.

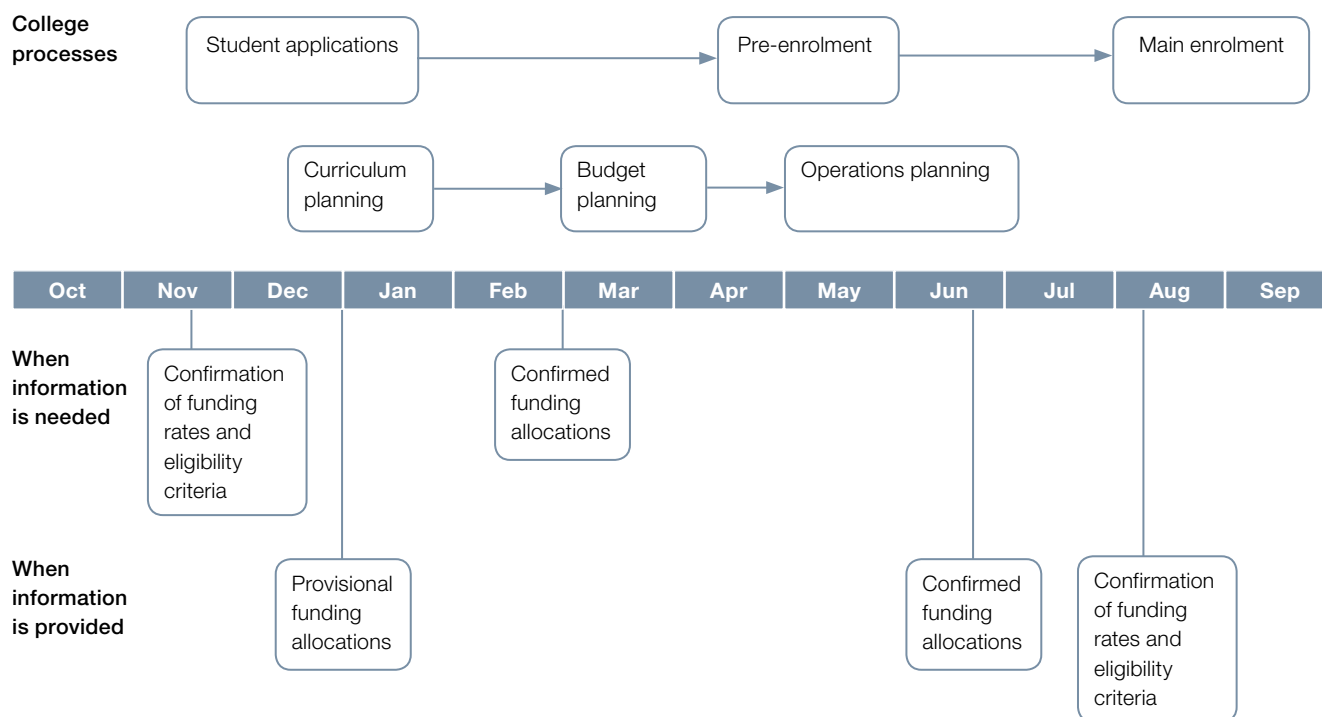
Communication

4.8 Further education providers rely on a wide range of information sources to keep up to date with the latest developments. Beside communication from government organisations, providers rely on sector representatives and specialist advisers to help interpret actual and proposed changes. Poor and delayed communication of relevant information can impose considerable burdens on further education providers. The colleges that we visited did not feel in control of their business because, in particular, their curriculum and budgets depended on information from others, principally the Departments and the funding agencies.

4.9 Planning the delivery of courses is a complex and lengthy process. The planning cycle for colleges generally starts in the December of the previous academic year and is not finalised until enrolling students the following September. A college needs to know two things to plan effectively: the amount of funding allocated (19-plus funding is provisionally notified in January, but confirmed in July; 16–18 year-old funding is confirmed in March); and which qualifications will be funded (with relative funding rates and student eligibility criteria). Our visits to colleges showed that the timetable for receiving information for 19-plus provision (**Figure 12**) meant they accepted students on courses before knowing how much funding, if any, would be received. The timetable for notification of funding allocations, and consequent amendments to fundable courses and qualifications, created a considerable amount of work for the college. Most colleges reported that approximately one month of work would be avoided if information was released earlier but were unable to identify the cost implications. The Agency is examining how to reduce the quantity, and increase the quality, of its communications and guidance to colleges.

Figure 12

Comparison of when colleges need 19-plus funding information with when it is received



Source: National Audit Office visits to general further education colleges covering the results of the 2010-11 planning cycle

4.10 The Department, the Agency and others recognise that for their simplification initiatives to work there needs to be clearer communication with the sector. The Department and the Agency have sought to improve communication by focusing on ensuring consistency in the messages provided. For example, providers were confused about funding policies because of conflicting messages from the Department, different parts of the Agency and other bodies. To clarify this confusion the Agency confirmed that providers should only consider changes stated in its funding circulars as authoritative.

4.11 Despite efforts to improve communications, our visits to colleges suggested providers did not have confidence that the Department and the Agency initiatives would lead to a sustainable reduction in the bureaucracy imposed by government. Colleges felt that there had been unsuccessful efforts to simplify systems before and saw no reason this latest attempt would be effective.

Appendix One

Methodology

Below is an overview of the methods used in the report. A more detailed methodology including our assessment criteria is on our website www.nao.org.uk/further-education-2011.

| Method | Purpose |
|---|---|
| <p>Literature review</p> <p>We reviewed our existing reports, private and public sector literature and frameworks relating to successfully delivering change programmes and cost-reduction initiatives.</p> | <p>To identify good practice and develop criteria by which to assess the Department's plans.</p> |
| <p>Document review</p> <p>We reviewed published and unpublished documentation including board minutes, strategies, consultations and business cases produced by the Department, Agency and other governmental bodies. We reviewed published reports by the sector representatives.</p> | <p>To understand the Department's strategic objectives and activities of the Agency.</p> <p>To determine whether the approach used by the Department is likely to be effective, by assessing how decisions are made, and how the programme and initiatives are costed and managed.</p> |
| <p>Semi-structured interviews</p> <p>We conducted semi-structured interviews with senior Department and Agency staff responsible for simplification and sector representatives.</p> | <p>To gather evidence on the management of the programme and on the relationship between the different bodies.</p> |
| <p>Costing exercise</p> <p>We carried out one-day visits to 12 general further education colleges, between April and June 2011. The colleges visited were: Barking & Dagenham; Barnfield; Bournemouth & Poole; Cambridge Regional; Chichester; City College Coventry; East Durham; Loughborough; North East Surrey College of Technology; Thanet; Trafford; and Tresham.</p> | <p>To develop an indicative cost for the current system of assurance and control in the sector. We considered that detailed visits to these colleges, including extensive discussions with relevant staff, was the most reliable and cost-efficient way to collect the information we needed on the costs of administration compared with, for example, a survey or focus groups.</p> |
| <p>Expert input</p> <p>We conducted three workshops with an expert panel of members, drawn from the sector and NAO strategic partners.</p> | <p>To give subject matter expertise and insights to strengthen our approach to the fieldwork, and to give opinion on the emerging findings and conclusions.</p> |

Report by the Comptroller and Auditor General

Reducing bureaucracy in further education in England

HC 1590 Session 2010–12

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CORRECTION

Paragraph 11 (p7) in the Summary reads ‘£60–70 million’; this should read ‘£60–75 million’

Please see below for the corrected paragraph

Summary, page 7

11 Our work with providers suggested that significant savings could be made.

Reducing the cost of information reporting and assurance would help avoid spending reductions bearing disproportionately on services to learners. The colleges we visited suggested they may be able to reduce costs by around half. Although we doubted whether an immediate reduction on this scale would be practicable, a reduction of around a quarter would, for example, represent a reduction in providers’ costs in the region of £60–75 million.



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