Change Board: Update on the 2007/08 Business Cycle

Date of issue 23 January 2008
Audience Council
LSC office National Office
Publication intent Internal
Agenda item 13
Internal paper ref LSC 09/2008

Background and introduction
1 This is the next in a series of reports from the Chair of the LSC’s Change Board, updating Council on progress in the delivery of the 07/08 Business Cycle for the 08/09 academic year.

Purpose
2 This paper reports on progress made by the Change Board, and its supporting Implementation Group and External Advisory Group, from December to January 08 on the development and implementation of the 2007/08 Business Cycle.

Recommendation
3 Council are asked to note the contents of this paper.

Key points/issues
4 The status of the programme of work is Amber, due to the challenges faced as a result of the delays in finalising funding policy decisions and the sign-off of our Statement of Priorities with the Department for Innovation, Universities and Skills.
5 The Change Board receive monthly progress reports, based on discussions held by the Business Performance and Development team with responsible owners of appropriate tasks and outputs.
6 Annex A is the latest progress report to be considered by the Change Board at its meeting on 16 January. Paragraphs a – d below provides Council with key points to note:
   a The National SLN Rates were set and circulated to Funding and Finance Board members for comment. The rates were confirmed on 18 December. This delay caused further slippage to the notification of the historic funding positions for all
16-18 providers except School Sixth Forms, whose position was communicated based on indicative rates.

Subsequently, the publication of the National SLN Rates to regions was delayed until 19 December.

The 16-18 FE and E2E historic funding positions were shared on 10 January and Apprenticeships shared on 16 January.

Draft commissioning plans were published on regions’ websites on 21 December. However, they still lack sufficient detail on tendered volumes and these will be updated and revised for the final drafts.

The Change Board is to hold a workshop on 15 April to do a stock take of the implementation of the Business Cycle in 07/08 and to identify the future programmes of work; their potential impact on processes and systems and how we prioritise the work and preparation of the business cycle design for 09/10.

The Change Board will not take ownership of the individual programmes of work but ensure co-ordination, communication, alignment and control of the changes required to implement outcomes within the business cycle for 09/10.

Clearance

The paper has been cleared by David Hughes, Regional Director for London and Chair of the Change Board.

Legal implications

There are no legal implications arising directly from this paper.

Financial implications

The Change Board is monitoring budgetary implications arising from its proposals and decisions.

Risk management

A risk management process is in place and being monitored by the Change Board. There are no risks to bring to the attention of Council for advice and guidance. (A summary of risks are in Annex A, paragraph 12.)

Communications

There are no communication requirements or issues arising from this paper that are not being taken forward by the chair of the Change Board.

Information Systems Implications

The Change Board continues to work with the Information Management teams to address any IS requirements arising from the decisions made by the Board.
Overview
RAG Status: Amber

Recommendation
1 The Change Board is asked to:
   a consider progress made and forward look in the delivery of the business cycle (paras 9 - 10)
   b offer guidance to the Implementation Group on the management of the risks and issues raised within the paper (paras 11 - 12)
   c note progress made by the Implementation Group since the last meeting of the Board (paras 13 - 14)
   d consider the communications methods already deployed and recommend others that the Board think will enhance this package (paras 15 – 16)

Summary Comments
2 The overall status of the implementation of the business cycle remains Amber because historic funding positions were not sent out, rates were published later than expected and commissioning plans are not yet agreed.

3 The National SLN Rates were set and circulated to Funding and Finance Board members for comment. The rates were confirmed on 18 December. This delay caused further slippage to the notification of the historic funding positions for all 16-18 providers except School Sixth Forms, whose position was communicated based on indicative rates.

4 Subsequently, the publication of the National SLN Rates to regions was delayed until 19 December.

5 The 16-18 historic funding positions will be available for colleges and providers shortly, based on F04 data. It was the original intention to publish these on 14 December but they are now scheduled for the week commencing 14 January.

6 Draft Commissioning Plans were published on regions’ websites on 21 December. However, they still lack sufficient detail on tendered volumes and these will be updated and revised for the final drafts, due to be published on 11 January.

7 Management Group’s sign off of the 16-18 allocations and budgets and the moderation of adults and employers allocations and budgets will now take place at its meeting on 24 April and not the 8 April.

8 The Business Cycle Plan, from which this progress report is taken, is being further developed and will be brought to the next meeting of the Change Board for comment. Additions will include:
   a Revised dates: an additional column showing where there has been slippage and the reasons for it
b Additional Tasks and Outputs: Ongoing stakeholder engagement is identifying other areas that need to be included within the plan for monitoring by the Change Board including key policy dates, eg., apprenticeships review; skills accounts etc.

Evaluation Framework: The Director of Business Performance and Development is working with the Research and Evaluation Team to provide a standard approach to the evaluation of the effectiveness of the Business Cycle’s implementation in 07/08 to inform future plan for 2008/09 for delivery in 2009/10.

## Tasks / Outputs: Current Period

The table below show the tasks / outputs which were planned to be delivered in the reporting period of 11 December – 10 January.

<table>
<thead>
<tr>
<th>Tasks / Outputs</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Responsible Owner</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>National SLN Rates agreed at Management Group</td>
<td>11 Dec 07</td>
<td>18 Dec 07</td>
<td>Richard Healey</td>
<td>Slipped - The Funding and Finance Board members confirmed the rates on 18 December.</td>
</tr>
<tr>
<td>National SLN Rates sent to Regions</td>
<td>12 Dec 07</td>
<td>19 Dec 07</td>
<td>Richard Healey</td>
<td>Slipped - All National Rates communicated by 19 December.</td>
</tr>
<tr>
<td>Notify regions of College and Provider ‘16-18 historic funding position’ (inc 16-18 Apprenticeships)</td>
<td>14 Dec 07</td>
<td>Week commencing 14 Jan 08</td>
<td>Richard Healey</td>
<td>Slipped – HFP being finalised, based on F04 data.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>However, colleagues are also working on an update to the data in PaM based on F05 which should be available week beginning 21 January. This will include 06/07 success rate data amongst other things, as well as revisions to SLN and other elements of the provider factor where the data have changed between F04 and F05. Providers will be able to view this data from 28 January,</td>
</tr>
<tr>
<td>Commissioning Plans produced and agreed</td>
<td>21 Dec 07</td>
<td>11 Jan 08</td>
<td>Regional Directors</td>
<td>Draft Commissioning Plans were published on regions’ websites on 21 December. However, they still lack sufficient detail on tendered volumes and these will be updated and revised for the final drafts.</td>
</tr>
<tr>
<td>LA/Schools return planned ‘16-18 delivery volumes and expectations’ in Pro Forma</td>
<td>21 Dec 07</td>
<td></td>
<td>Regional Directors</td>
<td>Early indication suggests that whilst information is being provided, achievement data in some areas has proved difficult.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The bigger issue is the difference between the 14-19 numbers from local authorities and school sixth forms. This is being managed by the regions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The challenge is to ensure that the volumes agreed remain within those</td>
</tr>
</tbody>
</table>
College and Provider Self Assessment Reports Uploaded 31 Dec 07 - Regional Directors Providers were instructed to submit their Self Assessment Reports (SARS) by 31 December. Where these were not submitted through the Gateway (ie, were submitted in hardcopy) National Office are contacting partnership teams to ensure submissions were made.

Allocations and Budgets paper for consideration by Management Group on how we intend to distribute the growth, including reductions in Adult funding 10 Jan 08 - Richard Healey The principles of growth is being discussed at Management Group on 10 January

First draft copy of funding rates (version 1) available 31 Jan 08 21 Dec 07 Geoff Daniels Draft guidance published on internet and intranet on 21 Dec, with link to Business Cycle pages

<table>
<thead>
<tr>
<th>Tasks / Outputs</th>
<th>Target Date</th>
<th>Revised Date</th>
<th>Responsible Owner</th>
</tr>
</thead>
<tbody>
<tr>
<td>LSC Performance Review of progress against National Delivery Plan 07/08 by DIUS</td>
<td>17 Jan 08</td>
<td>17 January is the date performance reports should be submitted to DIUS. The Performance Forum takes place on 24 January. On track.</td>
<td>David Russell</td>
</tr>
<tr>
<td>Submit LA/Schools ‘16-18 delivery volumes/allocations’ (including all Growth) to National Office for Management Group sign-off</td>
<td>25 Jan 08</td>
<td>To be considered at the 31 January meeting of the Implementation Group (which will include Learning Planning and Performance Directors).</td>
<td>Regional Director</td>
</tr>
</tbody>
</table>

Tasks / Outputs: Forward Look

The tasks / outputs shown in the table below are planned for delivery in the next reporting period:
### Tasks / Outputs

<table>
<thead>
<tr>
<th>Description of issue</th>
<th>Action Summary</th>
</tr>
</thead>
</table>
| Notify LA/Schools of 16-18 Provisional Allocations with final Provider Factor        | Requirements have been identified and two views expressed on the need for information to inform the moderation process by Management Group:  
  - The information be collated and submitted at provider level via a spreadsheet  
  - The information is taken from a cut of PaMS at regional level. At time of writing this report, this issue is being discussed with the intention of reaching a resolution shortly. |
| Publication of:  
  - Funding rates (version 2)  
  - Funding Formula  
  - Funding Principles, rules and regulations  
  - Learner eligibility                                                      | Require the VQR programme needs:  
  - Rob Wye remains the SRO with the Change Board agreeing to the implementation plan and how it will be deployed in 2008/09.  
  - A business case will be taken to the IM Board in February to request an Impact Analysis on:  
    o Provider systems  
    o LSC systems  
    o Funding of credit and units                                               |
| Pre-Qualification for Mainstream Provision complete                                   | Transition of IT services to Capgemini  
  One major element of the transition activity is the migration of all equipment and business applications from the Fujitsu data centre in Warwick to the Capgemini one in Bristol. In order to meet the required timescales, this data centre migration is planned to take place over the Easter weekend in 2008 (21-24 March). This migration will necessitate a shut-down of all IT systems over that period and any business activities that require access to IT systems will not be possible. Staff have been notified via the intranet home page and linked to a news item on the business cycle page.  
  The potential impact of this shutdown on the business cycle is being assessed now so that it can be managed. |

### Issue Summary

0 The following issues have been raised:

- Clarity required on how regions return their information on planning numbers for moderation by Management Group: via Pro Forma or PaMs.  
  Depending which route is chosen will affect the timeline for regions: one requires completion of tables, the other for National Office to take a cut in data from the system.

- The Vocational Qualification Programme
  - Rob Wye remains the SRO with the Change Board agreeing to the implementation plan and how it will be deployed in 2008/09.
  - A business case will be taken to the IM Board in February to request an Impact Analysis on:
    - Provider systems
    - LSC systems
    - Funding of credit and units

- Transition of IT services to Capgemini
  - One major element of the transition activity is the migration of all equipment and business applications from the Fujitsu data centre in Warwick to the Capgemini one in Bristol. In order to meet the required timescales, this data centre migration is planned to take place over the Easter weekend in 2008 (21-24 March). This migration will necessitate a shut-down of all IT systems over that period and any business activities that require access to IT systems will not be possible. Staff have been notified via the intranet home page and linked to a news item on the business cycle page.
  - The potential impact of this shutdown on the business cycle is being assessed now so that it can be managed.
## Risks Summary

As a result of the issues above, the following risks need to be considered.

<table>
<thead>
<tr>
<th>Description of Risk</th>
<th>Action Summary</th>
<th>RAG</th>
</tr>
</thead>
<tbody>
<tr>
<td>The main risk to deployment of the business cycle is that the delay in the publica...</td>
<td>The Change Board meets monthly, where a progress report is presented. This report is also taken to the appropriate Implementation Group meetings for information (the IG meets every two weeks). [...] Engagement with all policy leads within the LSC and regional colleagues is underway to strengthen the plan of identifying issues/risks early for intervention to be agreed. [...] The risk is not solely related to the delay in the SLN rates but the knock on effect of the delay in publication of the SoP.</td>
<td>Amber</td>
</tr>
<tr>
<td>The delay in the publication of the National SLN Rates and subsequently, communication of the historical funding position to regions risks the available time for provider planning discussions</td>
<td>The HFP, including that for Apprenticeships, is being finalised based on F04 data. This will be available to regions shortly. Data from F05 will also be available soon and we need to be careful how we communicate this</td>
<td>Amber / Red</td>
</tr>
<tr>
<td>The Historic Funding Position (based on F04 data) and revised PaMS data (based on F05 data) will be available to providers on a similar timeline, which may generate a lot of queries</td>
<td>The communication of this issue to the sector needs to be clear and timely. The details of this have not yet been agreed.</td>
<td>Amber</td>
</tr>
</tbody>
</table>

## Implementation Group

At its meeting of 18 December, the Implementation Group considered the potential impact of the Skills Accounts and proposed Apprenticeship Matching Services. Further work was commissioned to enable the group to fully understand the scope and impact of these projects on the Business Cycle to ensure their implementation is managed. It was requested that Skills Accounts be on the next Change Board agenda.

The agenda for the next meeting of the group will consider:

- National Skills Academies
- Learner Protection
- Management Group Moderation Process
- Apprenticeship Matching
Communications

In order to communicate the Business Cycle process and progress against its delivery, the following tools have been developed and are being managed:

  http://www.lsc.gov.uk/aboutus/businesscycle/
- Business cycle plan
- Progress Reports
- Regional presentations – early autumn
- Provider presentations – early autumn
- 3 regional events – the last regional event takes place on 17 January in London.
- Partnership Team Bulletin

The Board are asked to consider the need for further communication methods and recommend other mechanisms that can be employed.