



Education  
Funding  
Agency

# **EFA business plan**

**2014 to 2015**

**November 2014 – this business plan will be updated annually**

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## Education Funding Agency (EFA)

The Education Funding Agency (EFA) was established on 01 April 2012 as an Executive Agency of the Department for Education (DfE). Annex A sets out the organisational structure of the EFA.

The EFA's principal responsibilities are:

- providing funding for the education of pupils in academies
- distributing the dedicated schools grant for the education of pupils up to age 16 in local authority maintained schools
- providing funding for all 16 to 19 education and training
- providing funding for the education of children and young people with high needs and who are supported by an education, health and care plan up to age 25
- supporting the delivery of capital programmes for schools, academies, free schools, university technical colleges, studio schools and sixth-form colleges

## Context

The EFA Business Plan has been developed in the context of the Department for Education business plan 2011 to 2015 and the framework document agreed between the Secretary of State for Education and the EFA Chief Executive. The plan will be updated annually.

The plan supports the government's 5 strategic priorities for 2014 to 2015, which are:

- creating a self-improving, school-led system
- developing a great workforce – with strong leadership
- increasing rigour and expectations of curricula, assessment and behaviour
- protecting and increasing opportunity for vulnerable children
- supporting schools and colleges to prepare well-rounded young people for success in adult life

In January 2014, the National Audit Office (NAO) published a report on the performance and capability of the EFA. The NAO recognised the progress the EFA has made to meet the challenges of the expansion of its role and the growth in the number of academies, and made recommendations for further improvements.

As we plan for 2015 and beyond, we are addressing the NAO's recommendations by implementing better systems to enhance our efficiency and effectiveness and improve service to customers, by working closely with our suppliers and stakeholders and by developing the skills and competences of all our staff.

Particular areas of progress are:

- we are developing further our data analytics capability and a predictive risk assessment tool:
  - to provide more effective assurance over the proper use of public funds in funded institutions
  - to provide us with information to identify and monitor financial health and governance risks, focusing scrutiny on those most at risk of experiencing difficulties
- we are delivering improved customer service and communications including:
  - our new 'EFA Information Exchange' system, rolling out from summer 2014, will provide a one-stop-shop for customers to receive information from us and provide data and returns to us
  - our improved web content provides alerts, updates, more digital forms and on-line briefings and video webinars
- we are making available in July 2014 a new regional framework for school building and maintenance so that more regionally based contractors can offer their services to implement our school building programmes

- we are aligning EFA structures and data capacity to support the work of the Regional Schools Commissioners. This includes their role in taking decisions on changes to open academies, the creation of new academies and free school applications and performance monitoring and improvement

## High-level objectives 2013 to 2015

The EFA has 5 high-level objectives:

1. **Allocations:** ensure that revenue and capital allocations are accurate and on time.
2. **Payments:** ensure that funding agreements are in place and payments are made accurately and on time.
3. **Capital:** deliver effective programme management and evaluation of strategic capital programmes that will improve the condition of existing buildings and support the creation of new places for pupils and learners.
4. **Financial assurance:** ensure the proper use of public funds through financial assurance undertaken by the EFA itself, or by others.
5. **IT investment plan:** successfully implement the milestones in our IT investment plan to time and budget to support reduction of our operating costs and improved effectiveness.

## Priorities

### Academies and maintained schools funding

1. Calculate annual revenue funding allocations for all new and open academies, free schools, university technical colleges and studio schools (total allocation £12 billion).
2. Implement the 2015 to 2016 schools funding and high needs funding allocations on time and accurately, and ensure good communications with schools.
3. Allocate dedicated schools grant to local authorities (total allocation £38.7 billion).
4. Provide an efficient customer enquiry service to open academies and free schools, university technical colleges and studio schools, with continued improvements in pace and quality.
5. Act on behalf of the Secretary of State to ensure that open academies and free schools, university technical colleges and studio schools are complying with their funding agreements and relevant statutory legislation, and to intervene swiftly and proportionately where necessary.

### Young people

1. Improve the functioning of the 16 to 19 national funding formula by monitoring and reviewing the impact it has on institutions' offer to young people in 2014 to 2015 and develop the formula to ensure it continues to encourage increased participation and progression for students.
2. Secure decisions on any consequential changes to the funding system for 2015 to 2016, whilst making accurate on-time allocations including bursary funding to institutions for 2015 to 2016 by the end of March 2015.
3. Introduce a revised and simplified approach to allocating high needs student places and budgets to local authorities and institutions for 2015 to 2016 and make accurate on-time allocations to local authorities and institutions by the end of March 2015.
4. Intervene quickly and decisively with sixth-form colleges and charitable and commercial providers who are inadequate educationally or in their financial health or control.



## Capital

1. Provide programme management and support for free schools, the Priority School Building Programme and other school delivery programmes, and make capital grants for building programmes at academies and sixth-form colleges.
2. Manage the application process for the second phase of the Priority School Building Programme and ensure that the Property Data Survey is complete to allow a new approach to maintenance allocations.
3. Work with local authorities so that they meet their statutory duty to ensure there are sufficient school places. That includes making sure that capital investment is delivered on time, on budget and to agreed quality standards.
4. Provide advice and guidance on the effective and efficient design of school buildings.

## Chief Financial Officer's Group

1. Make accurate and timely payments of £57 billion of revenue and capital funding including the dedicated schools grant (DSG), Pupil Premium and academies general annual grant (GAG).
2. Develop further our data analytics capability to provide more effective assurance over the proper use of public funds in funded institutions.
3. Provide audit and assurance on the proper use of public funds to the EFA Accounting Officer.
4. Improve our consolidation of academies into the EFA's and the department's budgets and accounts.
5. Implement systems to support the effective operation of the EFA, including EFA Information Exchange.

## **Key deliverables and performance measures 2013 to 2015**

The EFA identifies 9 performance indicators at the centre of a performance framework that we use to monitor our performance. The EFA will publish details of its performance against the following service standards:

### **Allocations**

- Proportion of allocations made accurately and on time

### **Payments**

- Proportion of payments made accurately and on time

### **Capital**

- Percentage of academy, free school, university technical college and studio school projects completed on time
- Progress on delivery of Priority School Building Programme
- Progress on securing up to date information on the condition of the nation's schools

### **Financial assurance**

- Timely receipt, and where relevant consolidation of all financial returns from academies, sixth-form colleges and local authorities
- External assurance visits undertaken to academies and sixth-form colleges in line with the external assurance plan
- Percentage of academy accounts received by 31 December and by 31 March
- Percentage of Financial Management and Governance Self-assessments being completed by all new academies within 4 months of conversion

# Annex A: organisational structure of the EFA

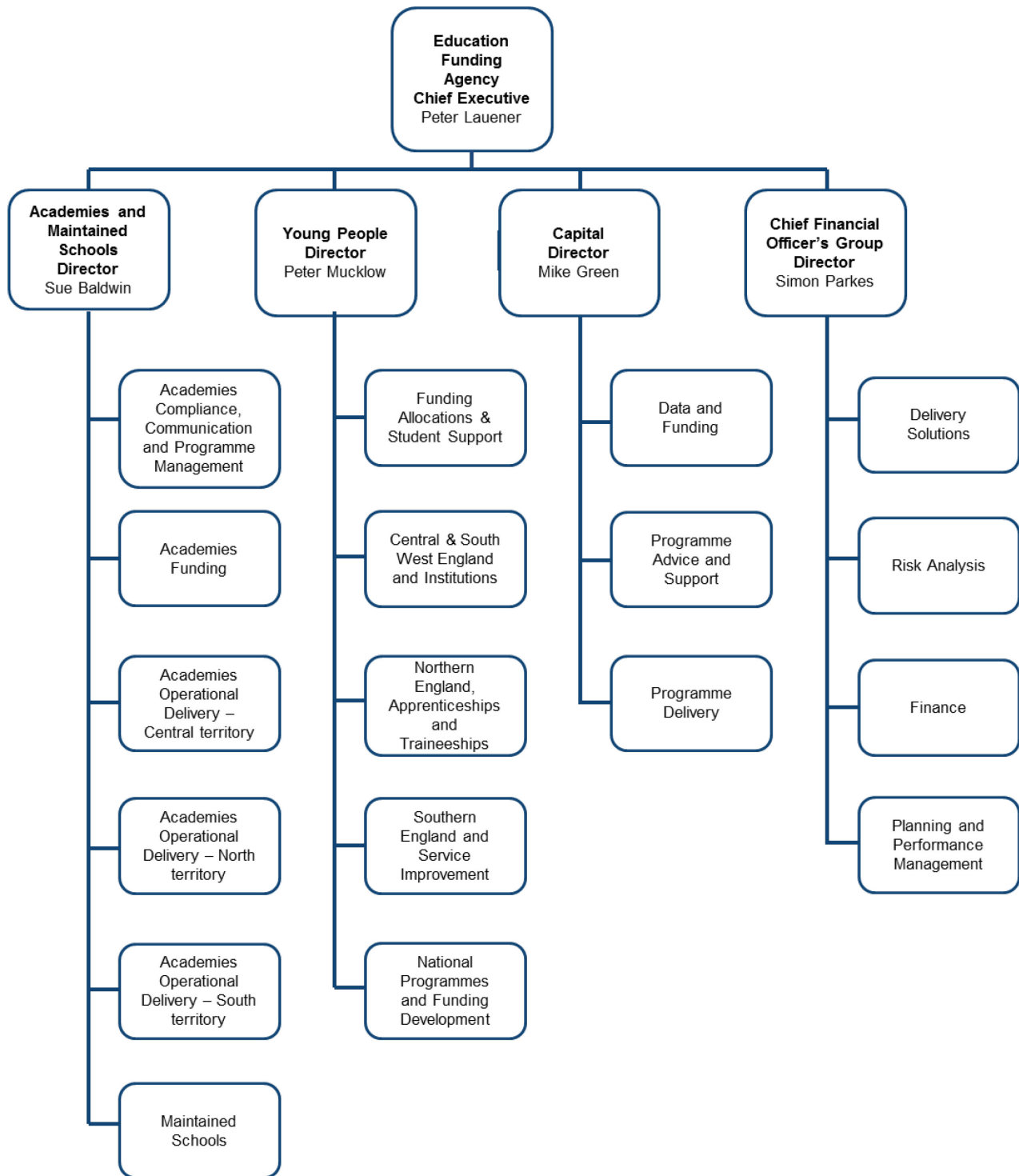


Figure 1: EFA organogram

## Annex B: planned expenditure 2014 to 2015

Area of Spend	£million
<b>Pre-16</b>	
Dedicated schools grant	27,755
Academies	12,760
Capital	4,883
Pupil premium	1,900
Private Finance Initiative	747
Education services grant	711
Free school meals (infants)	416
<b>16 to 19</b>	
Further education	4,205
School sixth-forms (including academies)	2,238
16 to 18 apprenticeships	833
Financial support for 16- to 18-year-olds	230
Capital	117
Youth contract	42
Forensic units	7
Other grants	3
<b>Administration</b>	
EFA administration	74
<b>Total DfE funded initiatives</b>	<b>56,921</b>

Table 1: EFA planned expenditure 2014 to 2015



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Reference: EFA-00640-2014



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