



Education & Skills
Funding Agency



ESFA business plan for 2019 to 2020 financial year

June 2019

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Introduction

The Education and Skills Funding Agency (ESFA) is an executive agency of the Department for Education (DfE). We are responsible for a budget of £59bn within the education and skills landscape. In addition, we oversee financial management and governance in the sectors and settings for which we are responsible, including intervention where necessary.

This business plan describes our ambitions for the year ahead. We will monitor progress on our objectives and hold ourselves to account against their successful completion throughout the 2019 to 2020 financial year.

Eileen Milner is the Chief Executive Officer of ESFA and, as Accounting Officer, is responsible for safeguarding the public funds our agency distributes.



Foreword from our Chief Executive


I am delighted to introduce our plan for this year, which sets out our policy and delivery aims for the 2019 to 2020 financial year. This plan shows the strong link between the aims of the Department for Education (DfE) and those of the Education and Skills Funding Agency (ESFA) as one of its executive agencies.

Our agency plays a fundamental role in the education and skills landscape by delivering a significant number of vital programmes and policies that impact millions of children, young people and adults. Along with the rest of the DfE, improving social mobility is, for us, a key priority. We play an important role in ensuring everybody has the opportunity and support to reach their full potential, and that they are able to make a positive contribution to our society and economy. I want all learners to feel supported to fulfil their potential, regardless of their background.

Given the scale of our work, it is hugely important that our business plan contains tangible objectives against which we will deliver. The plans set out in this document are, quite rightly, challenging. That is a good thing, and I remain confident that, together, we can deliver them. This needs to be far more than a document read once and then put to one side; it is the standard against which we will judge and measure ourselves throughout the year. Everyone who works for the ESFA has a real sense of responsibility for ensuring we succeed and serve those learners and employers as well as we possibly can.


Since the ESFA was formed two years ago, we have focused on how best to deliver our key areas of business. As such, our focus in the 2018 to 2019 financial year was on laying the foundations for long-term success. We committed to building an agency that structures itself around our core principles of excellence, expertise and improvement. I am personally grateful to all staff who have responded so positively to the challenges that organisational and structural changes inevitably bring.

Developing our plans for the 2019 to 2020 financial year has also served to highlight the considerable achievements of 2018 to 2019 – a small selection of these is set out below:




£57 billion

Allocating £57 billion to over 25,000 institutions to support the education of more than 12 million learners.




Completing the final Restructuring Facility and long-term Exceptional Financial Support deals supporting **55 college mergers**.
The most concentrated period of structural change across the further education sector **since 1993**.


Maintaining the **National Careers Service** that delivered inspirational, high quality, impartial careers advice and guidance to over **450,000** priority customers.




Value for money
Challenging the highest paid academy executives to ensure their salaries represent **value for money**.




Working with **The Institute for Apprenticeships and Technical Education** to award the first contracts for the **development of 3 T Levels** ahead of teaching in 2020.




Winning the ‘**Digital Public Service Innovation of the Year Award**’ which recognised the work of our apprenticeship service.





54 providers


Appointing **54 providers to deliver T Levels in 2020**.




£360 million

Completing the **European Social Fund procurement** for the 2019 to 2020 financial year.
37 Local Enterprise Partnerships opted in to the procurement, with a total commitment valued at £360 million.


Giving employees the opportunity to make ESFA a great place to work, with a staff engagement forum and training networks of volunteers including:
Wellbeing champions
Mental health first aiders
Fair treatment ambassadors



Implementing the **Schools Resource Management Advisers programme**, helping schools direct as much resource as possible to improving educational outcomes.

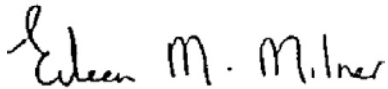


Producing a single end to end programme with real time feedback for employers to tell us how the apprenticeship system is working for them. Strengthening the **Register of Apprenticeship Training Providers** to drive up quality.



We will build on these many achievements this year, retaining the agency’s focus on delivery and supporting improvement and success in those areas and sectors for which we are responsible.

Finally, I want to emphasise that ESFA is committed to its staff, which is why we also have a 'People Plan'. Our people can expect us to value them, challenge them in the most positive sense of that term and invest in developing their skills. We want our people to feel engaged, be able to innovate and continually seek to provide a better service to our users. We are fortunate to have colleagues who are both expert and excellent, and it is our collective responsibility to ensure that we build upon these firm foundations.

A handwritten signature in black ink that reads "Eileen M. Milner". The signature is written in a cursive style with a large initial 'E'.

Eileen Milner

Chief Executive, Education and Skills Funding Agency

Who we are

We have responsibility, on behalf of the Secretary of State for Education, for administering £59 billion of funding to deliver education and skills to learners from early years through to adults.

Our vision

To support, develop and fund world-class education and skills provision for every learner to reach their potential, regardless of background.

Our mission

To improve education and skills through excellent policy design, operational delivery, expert funding and effective market oversight.

Our core principles

How we work and what we set out to achieve will be driven by our three core principles underpinning our intent to deliver to the highest possible standards.



- consistently striving for **excellence** in all we do;
- investing in **expertise** to allow us to develop and deliver high-quality policies, interventions, services and outcomes; and
- always seeking to drive forward **improvement**, whether our own, or that of the providers we work with.

The institutions we fund include:

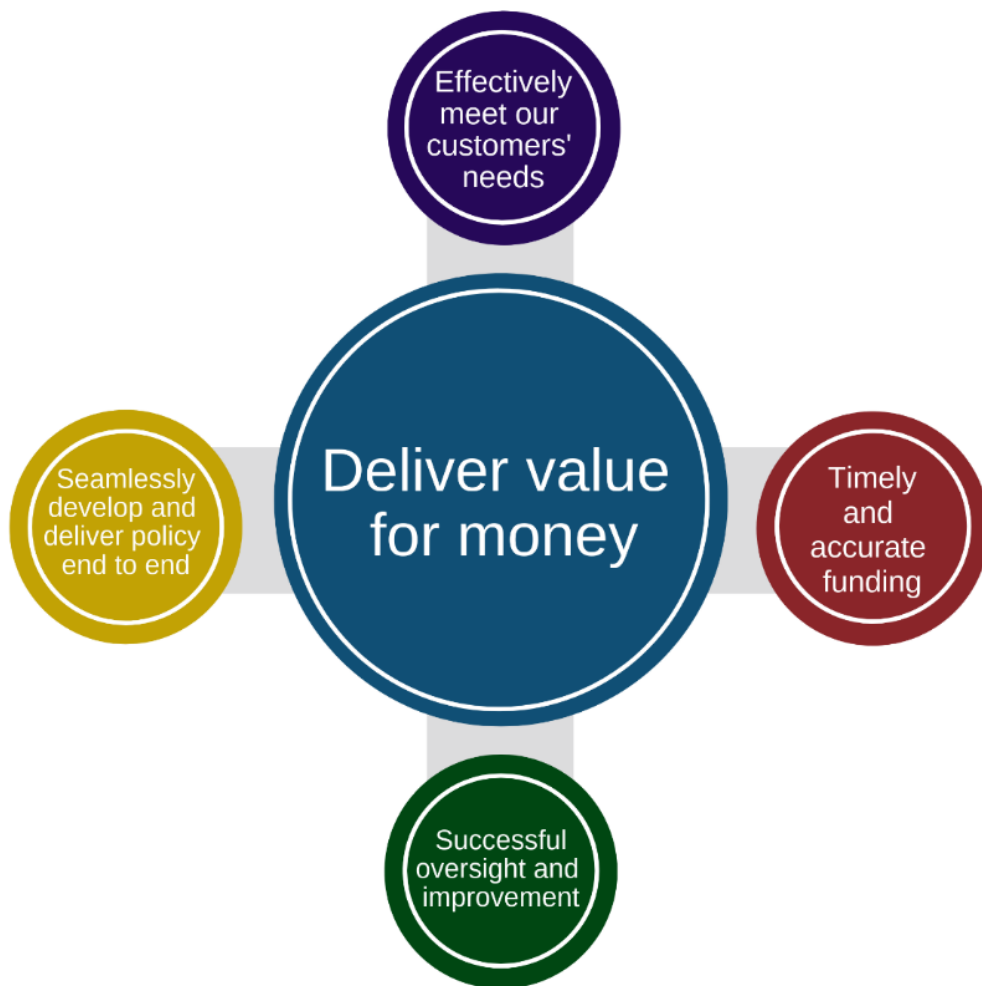
- maintained schools and early years institutions (through local authorities);
- academy trusts;
- special schools;
- colleges;
- training providers; and
- high needs institutions

We provide assurance that these public funds:

- are spent appropriately;
- are correctly accounted for;
- represent value for money for the taxpayer; and
- are used to deliver the policies and priorities set by the Secretary of State

Our objectives

In order to deliver our key programmes, we have developed five objectives for the 2019 to 2020 financial year. These are organised around shared functions and priorities. Delivering value for money is at the centre of all that we do and links through to all our other objectives. Succeeding across these areas will enable us to meet the needs of the children, young people, adults and employers we provide services for.



These objectives are detailed below. Each has a headline description summarising the overarching aim. This is followed by a series of specific descriptors to show how we will achieve this during the financial year. For the first time we have published targets by including a corresponding measure or milestone for each of these descriptors.

We will track progress over the course of the year and regularly monitor risks to their achievement.



1. Deliver value for money

Effectively organise, direct and manage the resources at our disposal, maximising value for money for the taxpayer while delivering the policies and priorities set by the Secretary of State. Promote good governance and regularity and drive internal operational efficiency.

To achieve this, we will:

- 1.1 Ensure the highest standards of governance and transparency are in place to enable accountability to our customers, taxpayers, and Parliament.
- 1.2 Operate with propriety and regularity in all we do. Ensure all staff are aware of the need for efficiency, economy, effectiveness and prudence in the administration of public resources.
- 1.3 Use best practice business case evaluation in our procurement to deliver the best value in all our decisions and investments.
- 1.4 Increase use of technology and automation to improve operational efficiency and allow greater use of data for optimal internal resource allocation.
- 1.5 Reform calculation, allocation and funding processes to improve the efficiency of delivering funding to providers.

We will review progress against the following success measures:

Ref	Measures/ Milestones	Due by
1.1	<p>ESFA 2019 to 2020 Annual Report and Accounts laid in Parliament on time with an unqualified audit opinion from National Audit Office (NAO).</p> <p>All major ESFA programmes and operations independently audited by the Government Internal Audit Agency and agreed audit recommendations actioned by management in a timely way.</p>	<p>July 2020</p> <p>Ongoing</p>
1.2	<p>All budget holders and Senior Civil Servants to receive a refresh of financial training in budget management and obligations of Managing Public Money.</p> <p>All relevant staff trained and expert in provider accountability frameworks and effective prevention methods to detect misuse of public funds.</p>	<p>September 2019</p> <p>March 2020</p>
1.3	<p>All spend, procurement and projects continue to be governed through a robust business case process. Business case compliance with internal controls and approvals monitored.</p>	Ongoing
1.4	<p>Increase use of virtual robots to automate manual processes, reducing the number of staff days required for business as usual tasks.</p>	Ongoing
1.5	<p>Pre- and post-16 funding delivered through a new digital funding service with single customer interface.</p>	Ongoing



2. Effectively meet our customers' needs

Deliver on our Customer Commitment by valuing and drawing insight from our customers' experience. Create and continuously improve our programmes and services to meet their needs.

To achieve this, we will:

- 2.1 Put customer experience at the heart of everything we do and continuously improve our services based on user feedback and queries.
- 2.2 Establish a new division and operating model to provide a streamlined service for all our customers, with consistent levels of service and as straightforward engagement as possible.
- 2.3 Continue our journey towards a digital-first model designed around user-needs.
- 2.4 Deliver a content and knowledge management strategy to provide customers with easier and more straightforward access to information and guidance.
- 2.5 Provide an efficient and high-quality customer enquiry service for providers, employers, learners and parents.

We will review progress against the following success measures:

Ref	Measures/ Milestones	Due by
2.1	80% customer satisfaction achieved across the financial year.	March 2020
2.2	New division and customer service operating model established.	March 2020
2.3	Additional material including online knowledge articles and FAQs available.	December 2019
2.4	Content and Knowledge Management platform operational.	March 2020
2.5	New Engagement Centre operational.	March 2020
	98% of customer service enquiries across the financial year dealt with within 5 working days.	March 2020



3. Timely and accurate funding

Ensure all our customers receive timely and accurate funding allocations and implement the National Funding Formulae.

To achieve this, we will:

- 3.1 Continue to develop and offer a digital funding service that better meets the needs of our users.
- 3.2 Deliver accurate funding allocations to all our customers.
- 3.3 Deliver timely funding allocations to all our customers.
- 3.4 Continue to implement the schools National Funding Formula, working with local authorities.
- 3.5 Agree and implement changes to the 16-19 National Funding Formula to allocate the funding for T Levels (including their integrated Industry Placement) for the 2020 to 2021 academic year.

We will review progress against the following success measures:

Ref	Measures/ Milestones	Due by
3.1	Digital funding service developed.	March 2020
3.2	99% of funding allocation calculations completed accurately.	Ongoing
3.3	99% of funding allocations issued within published timescales.	Ongoing
3.4	2020 to 2021 local authority, maintained school and academy budgets determined.	March 2020
3.5	Funding for T Levels for the 2020 to 2021 academic year allocated.	March 2020



4. Successful oversight and improvement

Act on behalf of the Secretary of State to assure the proper use of public funds. Ensure ESFA funded providers are complying with their funding agreements, relevant statutory legislation, and can evidence appropriate and robust governance. Prevent issues arising and intervene swiftly and proportionately if providers do not meet this standard.

To achieve this, we will:

- 4.1 Work with providers to support good financial health and encourage robust governance. This includes maintaining, developing and publishing the financial planning, reporting and assurance frameworks. Lessons will be learnt from our audit and investigations activity to support our prevention of future issues.
- 4.2 Increase effectiveness in financial forecasting and managing the risks posed by providers in financial difficulty, with a focus on anticipating and preventing their decline rather than intervention after failure occurs.
- 4.3 Provide assurance that funding is used for its agreed purpose, and act swiftly and effectively in cases of suspected fraud and irregularity.
- 4.4 Respond quickly to provider financial failure to ensure learner and employer interests are protected and new, high-quality alternatives are identified.
- 4.5 Work closely with DfE, external agencies and regulators to ensure joined up solutions.
- 4.6 Continue to strengthen the quality of providers that are admitted to the Register of Apprenticeship Training Providers (RoATP) through the improvements to the application process.
- 4.7 Challenge inappropriate use of public money, including challenging high salaries across the academies sector. This involves, monitoring the new process for academy trusts to declare all, and seek ESFA approval, for high value related party transactions.

We will review progress against the following success measures:

Ref	Measures/ Milestones	Due by
4.1	Updated College Financial Planning Framework published.	April 2019
	2019 Academies Financial Handbook published.	June 2019
4.2	New strengthened college oversight and intervention regime implemented.	September 2019
	New strengthened Independent Training Provider (ITP) oversight regime implemented.	October 2019
	Cash flow data for all colleges and ITPs assessed as being at risk of financial failure reviewed.	March 2020
4.3	Maintain delivery (c90) of our programme of compliance reviews carried out on independent training providers per financial year.	March 2020
4.4	Reduce time providers spend in formal intervention.	March 2020
	85% or more of academy cases resolved within target time.	Ongoing
4.5	All intervention teams working closely with Ofsted, Ofqual, the Institute, OFS, the Charity Commission etc.	Ongoing
	Academy financial and educational data used to ensure effective joint management of risk with Regional Schools Commissioners.	Ongoing
4.6	Complete re-registration of providers on the strengthened Register of Apprenticeship Training Providers (RoATP).	March 2020
4.7	Academies challenged on high salaries based on latest available data.	Ongoing
	Process for academy trusts to declare and seek ESFA approval for related party transactions implemented.	April 2019



5. Seamlessly develop and deliver policy end to end

Ensure policy development and delivery is fully integrated, whilst adapting to meet the growing demand from providers, employers and citizens. This includes developing and delivering the Government's post-16 technical education reform programmes, as set out as a priority by the Secretary of State.

To achieve this, we will:

- 5.1 Continue to grow participation in the apprenticeship programme and ensure the balance of quality and quantity as we move towards the removal of frameworks.
- 5.2 Work with employers to help them take advantage of recent apprenticeship policy reforms to develop their programme.
- 5.3 Build on the success of our apprenticeship service, introducing various system enhancements to continuously improve customer experience.
- 5.4 Prepare for the first delivery of T Levels in September 2020 and achieve readiness for new subjects moving to delivery in 2021.
- 5.5 Ensure employers are engaged fully in the development of skills and technical education to support the development of T Levels, particularly through industry placements to act as a fundamental element of a successful T Level.
- 5.6 Following the published consultation, launch the review of qualifications at levels 3 and below with extensive public consultation, and design and implement a T Level transition offer.
- 5.7 Complete our consultation of Higher Technical Education (at levels 4 and 5).
- 5.8 Manage the grant arrangements for WorldSkills UK, supporting national and international skills competitions including WorldSkills UK LIVE.
- 5.9 Enhance the National Careers Service (NCS), providing a personalised customer journey which enables citizens to access high-quality support to help them acquire the skills and training needed to progress in work and life.
- 5.10 Work closely in partnership with colleagues developing the National Retraining Scheme (NRS) to realise synergies with the NCS in line with current government strategy and policy.
- 5.11 Support the devolution of the Adult Education Budget (AEB) and support the transition into devolution for institutions during the 2019 to 2020 academic year.

- 5.12 Set up and manage the 2019-2021 European Social Fund (ESF) programme through well-managed provider contracts and contribute towards the design and delivery of a successor programme.
- 5.13 Continue to embed the National Funding Formulae by working closely with policy teams and stakeholders to ensure delivery meets user needs.
- 5.14 Work with FE policy teams to develop the future policy framework for a sustainable successful FE college sector contributing to an improved technical education system.

We will review progress against the following success measures:

Ref	Measures/ Milestones	Due by
5.1	Working towards all apprenticeship starts to be on standards.	August 2020
	Working towards delivery of 3 million high-quality apprenticeship starts.	December 2020
5.2	Extend employer levy transfer limit from 10% to 25%.	April 2019
5.3	Increase the numbers of employer accounts registered on the apprenticeships service.	Ongoing
5.4	The first three T Level qualifications for 2020 approved.	February 2020
5.5	Guidance on industry placement, flexibilities and employer support package published.	May 2019
5.6	Advisory panels for round 1 of the T Level transition offer provisionally launched.	June 2019
	Response to first stage consultation on qualifications review and launch of second stage consultation.	December 2019
5.7	Launch consultation on proposed reforms to Higher Technical Education.	June 2019
5.8	Over 3,500 skills competition registrations in 56 skills, and over 70,000 WorldSkills UK LIVE 2019 participants.	April 2019
	Top 10 position at WorldSkills in Kazan, Russia.	August 2019
5.9	Maintain the number (450,000) of National Careers Service customers accessing the community service.	March 2020
	40% of NCS customers achieved a Jobs or Learning Outcome, and NCS customer satisfaction above 85%.	Ongoing
5.10	National Careers Service digital tools and AEB delivery tested within the NRS private beta.	March 2020
5.11	ESFA ready to fully discharge AEB responsibilities, as outlined in the Memoranda of Understanding.	July 2019
5.12	Zero errors on ESF audit across the financial year.	March 2020
5.13	Funding regulations implemented and complied with.	March 2020
5.14	Continue to develop policy towards our ambitions for future high-quality technical education.	Ongoing

Our transformation aims



We know who our users are and meet their needs.

We will:

- actively monitor user feedback and use it to continuously improve the services we provide;
- provide excellent communications and information to all our customers; and
- balance the needs of the customer with the best interests of the taxpayer in all we do.



We use evidence to make effective decisions.

We will:

- ensure all key data sets are used to inform policy development and delivery;
- improve access to high-quality business intelligence to both the ESFA's staff and providers, reducing the operational burden on the sector; and
- challenge established norms and embrace the potential benefits of new methods of collecting and analysing data, such as machine learning.



We value teams who take initiative and make improvements.

We will:

- endeavour, through all that we do, to focus on how we pursue improvement and share good practise;
- aspire to be excellent, and that this commitment underscores the way in which we collaborate internally and how we are perceived and respected externally;
- reward our people for effective customer experience initiatives; and
- invest in an expert workforce improving the analytical, technical and digital skills of non-specialist staff.



We design and deliver around our users' needs.

We will:

- ensure the 'voice of the customer' is at the heart of our work from policy through to delivery;
- automate as many of our routine data, analysis tasks, audit and assurance activities as possible. Use this to reduce admin costs and improve the quality of data to enable effective decision making and influence policy design and outcomes; and
- ensure all new products and services are designed with, and tested by, our customers.

Our people

There are c1500 colleagues employed across the ESFA, organised around nine directorates. This includes c90 apprentices.

Alongside this business plan, we have our 'People Plan' to ensure that we have the right resources – including the right skills, capabilities, support and confidence – to deliver our vision, mission and objectives.

We will:



attract, recruit, train and retain staff, to ensure the agency is fully staffed with the right skills



create a diverse and tolerant workforce where our people's wellbeing and mental health is prioritised



increase the people survey engagement scores across the agency, becoming an even higher performing agency



deliver a consistent and coherent learning and development, career planning and talent management offer for all our staff



build on our current apprenticeship offer to ensure it remains attractive, adds value to the ESFA and is recognised as a high-quality programme



develop leadership skills across the agency to unlock potential in all our teams



strengthen and use our internal staff networks to help build an inclusive culture and working environment

Our structure

Our Chief Executive, Eileen Milner, reports directly to Jonathan Slater, the Permanent Secretary for the Department for Education. Under Eileen, the ESFA is organised into nine directorates. As we have matured as an agency, our structure has undergone some significant changes to better-reflect our aims and objectives.

Our nine directorates and their main areas of responsibility are:

- Business Operations
- Operational policy
- Accountability, Intervention & Prevention
- Performance, Risk & Governance

Academies and Maintained Schools

Mike Pettifer



- Apprenticeship Strategy, policy and implementation
- Provider entry and management
- Digital Apprenticeship Services
- Employer Support
- NEETs & routes into work

Apprenticeships

Keith Smith



- Customer Experience
- Data Science
- Digital, Data and Information Security oversight
- Customer Engagement Centre

Customer Experience, Digital and Data

David Craig



- National Careers Service
- WorldSkills UK
- People
- CEO Engagement
- Communications

Employer and Employee Engagement

Sue Husband



- Financial Management
- Internal Controls and Assurance
- Finance Professionalism & Financial Oversight
- Commercial Intelligence Function

Finance

Sarah Whitehead



- Funding Policy Implementation
- Funding service to providers
- Calculations, allocations and payments
- Funding systems leadership and development capability

Funding

Kate Josephs



- Operational policy
- Contract management of providers
- Case management of interventions
- Programme delivery

Further Education

Peter Mucklow



- Transition Framework
- T Level Programme – policy and delivery
- Qualifications reform
- Technical Education Operations

Professional and Technical Education

Jennifer Coupland



- Prevention
- Provider risk
- Provider assurance
- Specialist Restructuring
- Counter Fraud and Investigation

Provider Market Oversight

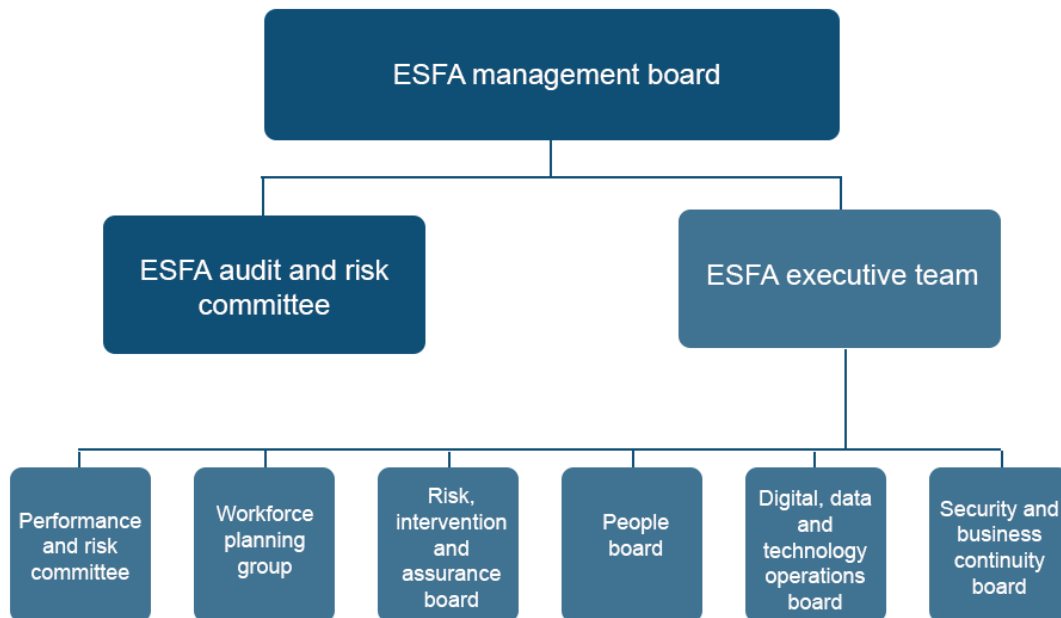
Matt Atkinson



Our governance arrangements

Just as we expect the highest standards of governance and integrity from every provider that receives a pound of taxpayers' money, we ensure our work is held to account in an equally robust way. Our Chief Executive is part of the Department for Education's senior leadership team, and she is accountable to ministers and the department's Permanent Secretary for the agency's performance.

Our governance structure is set out below:



The **ESFA Management Board** provides strategic leadership, direction, support and guidance to ensure the delivery of our business plan objectives, organisational effectiveness, and alignment with the Department for Education's mission and strategy. This board meets 6 times a year and is chaired by Irene Lucas (non-executive director).

The **ESFA Audit and Risk Committee** is a sub-committee of the ESFA Management Board. It supports the Board by monitoring and challenging the agency's management of risk, control and governance by reviewing the comprehensiveness of assurances, reliability and integrity. This board meets quarterly and is chaired by Hunada Nouss (non-executive director).

More information

If you would like more information on our agency, please see our pages on GOV.UK:

<https://www.gov.uk/government/organisations/education-and-skills-funding-agency>