

Transition to the Education Funding Agency

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Audience	YPLA Board
Agenda Reference	
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Agenda item	10

Summary

Issue

S1 Planning for the transition to the Education Funding Agency.

Reason for bringing this to the Board

S2 The Board has agreed to split its business from the February meeting onwards into 'current delivery' and 'managing transition'. This paper provides an overview of the issues that arise in managing transition.

Summary of Paper

S3 This paper sets out a current draft of current YPLA functions, most of which will transfer to the Education Funding Agency and an outline of initial management arrangements in the YPLA and the DfE to manage a number of relevant workstreams.

Recommendations

- S4 It is recommended that the Board note the initial thinking and highlight any issues which should be addressed by:
- The Audit and Risk management Committee at their next meeting;
 - The Organisational Development and Remuneration Committee at their next meeting
 - The Chief Executive and officers in taking forward the strands of work set out here.

Main Paper

Introduction

- 1 The Schools White Paper set out the key aspects of the transition to the Education Funding Agency as follows:

Subject to legislation, we intend to replace the existing Young People's Learning Agency and set up a new Education Funding Agency (EFA) as an executive agency of the Department with responsibility for the direct funding of the growing number of Academies and Free Schools and all 16-19 provision. This will include the funding of 16-19 provision in FE colleges, sixth form colleges and independent provision. As Academy status increasingly becomes the norm, the EFA will distribute more funding directly to schools. The EFA will also distribute resources to local authorities for them to pass on, as now, to those schools which are not yet Academies.

The Importance of Teaching Para 8.13

- 2 Key planning assumptions are set out below but the three key points are:
 - a. That the EFA is primarily a funding body;
 - b. The default model will be that shared services will be provided by the corporate centre of the DfE;
 - c. That the EFA will run from April 2012, even if there is further evolution from that point.

Planning Assumptions

- 3 In more detail, the key planning assumptions within the Department are as follows:
 - that the DfE will work with agencies on a 'do with' rather than 'do to' basis;
 - that responsibility for leading the YPLA through transition sits with its Chair and Chief Executive;
 - **that the remit of the EFA will be narrowly defined and that it is primarily a funding body;**
 - that improving transparency and accountability and the securing of efficiency savings are paramount;
 - that the need for a period of shadow-running in advance of April 2012 should be evaluated and secured only if required;
 - that any relevant efficiency savings identified for predecessor organisations in SR 2010 are imported into the EFA;

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- that the majority of posts transferring in to the EFA will be from the YPLA, that some posts will transfer from DfE, and further posts may transfer from other organisations;
- that the process of dissolving the YPLA may involve the transfer of YPLA posts into organisations other than the EFA;
- that Ministers will want an opportunity to consider how the external expertise and collegiate approach brought to the YPLA by its Board might be reflected in the agency model;
- that the scope of this work will be revisited when decisions are made on the Capital Review and on the conclusion of the consultation on a National Funding Formula;
- that the process for establishing the EFA and its final set-up and operation will be consistent with that of other Arms Length Bodies with a clear rationale for any divergence from this approach.

Developing an understanding of EFA functions

- 4 Form must follow function and the starting point for the YPLA's transition to the EFA has to be an analysis of functions of the existing body. We are well placed to develop this, drawing on the work that has been done as part of our organisational review and a draft list of functions is at Annex A.

Organising and Managing the Transition Workstreams

- 5 While responsibility for leading the YPLA through transition sits with its Chair and Chief Executive, it will be important that transition for the YPLA is managed within two wider contexts:
- a. Consideration within DfE of other responsibilities transferring to the EFA; and
 - b. The wider transformation programme which will see other agencies also becoming executive agencies of the DfE.
- 6 The attached chart provides an overview of how different strands of work are being managed and how work in the YPLA will support the wider DfE work. There are four boards identified within YPLA:
- c. A group chaired by Les Walton and involving other Board members to provide support and challenge to the Executive;
 - d. A Steering Group chaired by the Chief Executive and leading all work within the YPLA on transition;
 - e. A Change Management Project Group, chaired by David Russell which will co-ordinate YPLA work; and
 - f. A staff reference group to make sure that staff are well-informed and consulted

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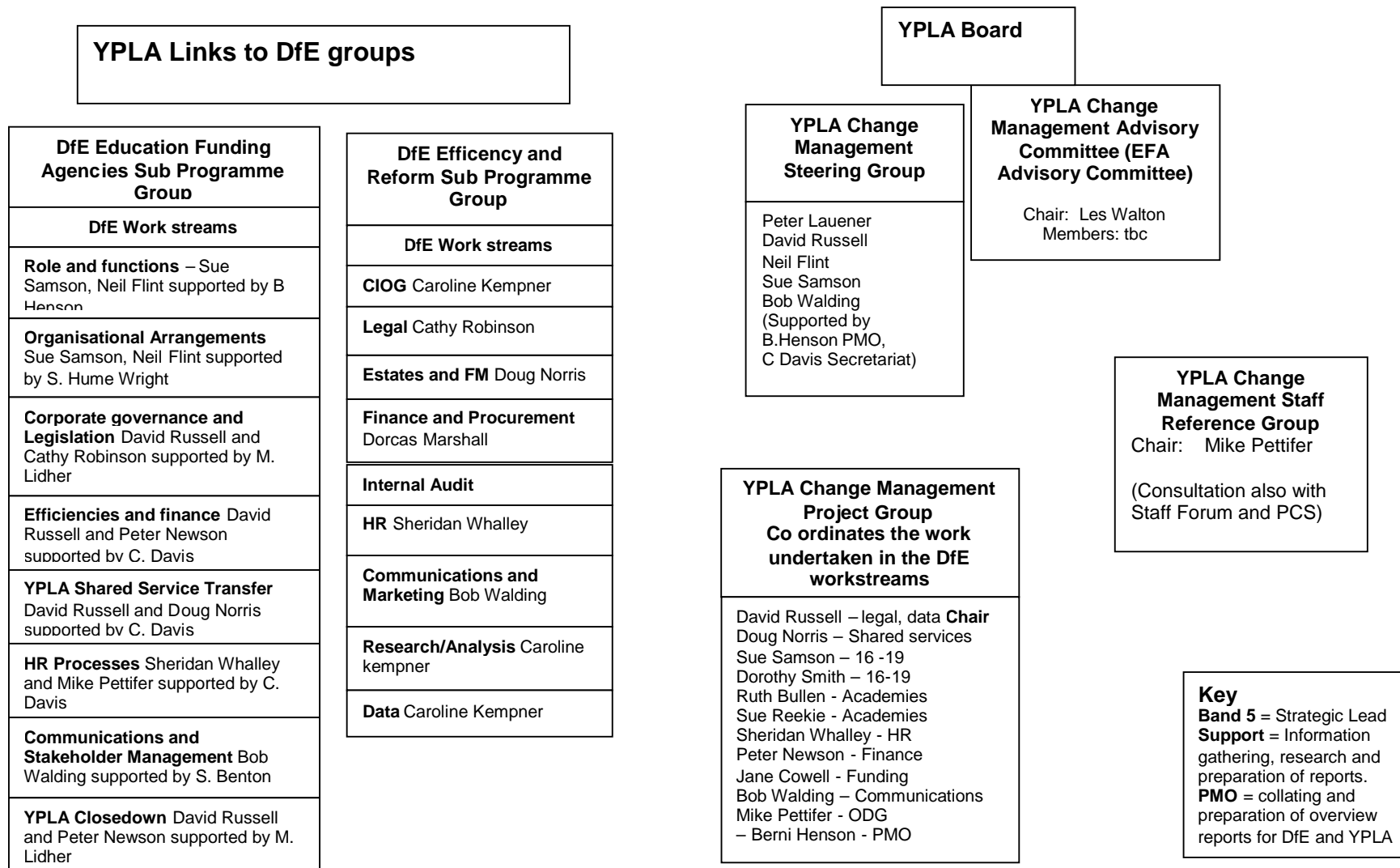
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Conclusion

- 7 The Board is invited to note the initial thinking on transition and highlight any issues which should be addressed by:
- a. The Audit and Risk management Committee at their next meeting;
 - b. The Organisational Development and Remuneration Committee at their next meeting; and
 - c. The Chief Executive and officers in taking forward the strands of work set out here.

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Organisation within YPLA of Workstreams on Transition to EFA



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