Q-Step Internship: Education Funding Agency Post-16 Education Funding

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The Education Funding Agency (EFA) is an executive agency for the Department for Education in the UK. The EFA allocates approximately £54 billion a year to educational institutions for those aged 3 to 16.

This project focuses on how funding allocated to those aged 16 and over has changed since 2014/15. Post-16 funding involves the distribution of £1.6 million to all state-provided educational institutions each year.

Objectives

The topic of my project was to analysis aspects of the post-16 EFA 'Funding Formula', which is the formula used to work out how much funding an institution such as a school or college receives. I was required to analysis any changes in various aspects of funding in the academic years 2014-15, 2015-16, and 2016-17, across provider type and region. The funding formula is as follows:

((Student Numbers x National Funding Rate per Student x Retention Factor x PCW) + (Disadvantage Funding)) x Area Cost Allowance = Total Programme Funding. Because of my interest in doing some hypothesis testing, I was able to investigate disadvantage in further detail in the final two of weeks of my internship. I aimed to answer the research question: 'How is disadvantage related to retention?'. Retention in the context of education funding can be understood as the number of students who stay on their course.

Method

I used data that was readily available, and had been previously collected by other EFA colleagues for general use on projects related to post-16 funding. The data sets were in Excel and broke down all aspects of funding given to an institution across the years, by provider type and region. To analyse the data I conducted a vast amount of explanatory analysis, which included creating charts for each aspect of the funding formula I analysed, and graphs such as stacked bar charts and line graphs. During the hypothesis testing section of my report, I initially conducted some linear regression but found that the variability of my dependent variable was not suitable. I wanted to conduct some logistic regression, but by the time the EFA had gained me access to SPSS I only had just over a week left of my internship. As a result I conducted some simple T-tests on my variables in Excel.

Key Findings

Student number changes by region, from 2014/15 to 2016/17

	2014/15	2015/16	2016/17	2014/15 to 2015/16		2015/16 to 2016/17		2014/15 to 2016/17	
				Allocated	%	Allocated	%	Allocated	%
East of England	143,078	140,209	133,920	- 2,869	-2%	- 6,288	-4%	- 9,158	-6%
East Midlands	103,660	100,415	95,068	- 3,245	-3%	- 5,347	-5%	- 8,591	-8%
Greater London	184,206	182,556	176,807	- 1,650	-1%	- 5,749	-3%	- 7,400	-4%
North East	70,277	67,598	62,747	- 2,679	-4%	- 4,851	-7%	- 7,530	-11%
North West	177,593	171,250	164,295	- 6,343	-4%	- 6,955	-4%	- 13,298	-7%
South East	206,710	204,901	197,643	- 1,809	-1%	- 7,259	-4%	- 9,067	-4%
South West	121,949	120,419	116,167	- 1,530	-1%	- 4,252	-4%	- 5,781	-5%
West Midlands	140,730	141,116	135,230	386	0%	- 5,886	-4%	- 5,500	-4%
Yorkshire and Humber	129,162	123,435	120,162	- 5,727	-4%	- 3,273	-3%	- 9,000	-7%
Total	1,277,365	1,251,899	1,202,039	- 25,466	-2%	- 49,860	-4%	- 75,325	-6%

Percentage change in 16-18 population by region, 2016 to 2020
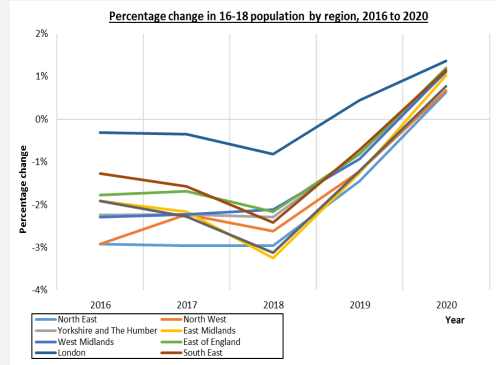
Skills Gained

- Developed a sufficient understanding of Excel, including the production of graphs, tables, and regression analysis
- Learned the importance of professionalism in a government office environment

- Drastically improved presentation skills – completed a presentation in front of a group of Education Funding Agency colleagues
- Learned how to use Microsoft Outlook for planning meetings with colleagues and Tele-kit calls with team members across sites
- Helped improve self-confidence in quantitative statistics, and lead me to pick a third year quantitative-based module

Conclusions

Funding for most aspects of the funding formula has fallen between 2014-15 and 2016-17.

Education funding has increased and decreased at different rates between 2014/15 and 2016/17 when analysing funding across region (e.g. Greater London versus the West Midlands) and aggregated provider sub-type (e.g. Academies versus School Sixth Forms).

Student numbers have fallen by 6% between 2014/15 and 2016/17. This is the equivalent of over 75,000 students across the UK.

Demographic data shows a decrease in 16-18 year old cohort numbers between 2014/15 and 2016/17, and is predicted to fall until 2018.