

ESFA to simplify the way colleges submit their data

ESFA are introducing a new way for colleges to submit their data which is set to help college governors, and the agency, spot signs of declining financial health and ensure [preventative action can be taken at an earlier stage](#).

Historically, providers submitted their financial returns at least twice a year, but from January 2020, returns will be consolidated into a single annual return. Colleges in early intervention or formal intervention; or otherwise in receipt of ESFA loans, will need to submit returns on a more frequent basis.

Colleges will need to submit their finance record for the last time in December with the new simpler model coming into force in the new year.

The model has been created in collaboration with colleges and is designed to meet user needs, giving colleges greater flexibility to cope with variation in how they manage their finances.

Nearly 50 colleges engaged with user research sessions and contributed to the design and build phase, with the Association of Colleges and Sixth Form College Association supporting the ESFA on the model's intent and scope.

A user group of financial directors have been involved in testing and developing the model with input into key decisions such as the model format and when annual collections should take place. This work is set to continue beyond the model coming into force in the new year.

Julian Gravatt, Deputy Chief Executive Association of Colleges said:

Colleges work with a robust set of financial rules developed by ESFA and its predecessors over the last 25 years. The new financial model is a major upgrade and we're pleased at the Association of Colleges that the agency is working closely with college finance directors to put it in place

Eileen Milner, ESFA Chief Executive said:

We are committed to ensuring that we balance the risks of protecting public funds, and preventing colleges going into financial decline with a commitment to ask from the sector for things which are reasonable.

We are recruiting a qualified team to implement the model, which our process of testing with colleagues in the sector, suggests will save colleges a significant amount of time and resources so they

can focus their efforts on delivering high quality education.

The new financial model has been developed to replace the longstanding biannual returns of the finance record in December and the financial plan in July, as well as the Cash Flow Against Debt Servicing (CFADS) and the cash flow template.

The introduction of the new financial model follows on from recent changes to the way colleges submit their financial information with the development of an online submission portal that was first used by colleges in July.

We will announce more details about the release of the financial model on GOV.UK.