

What apprenticeship training providers need most during the Coronavirus crisis

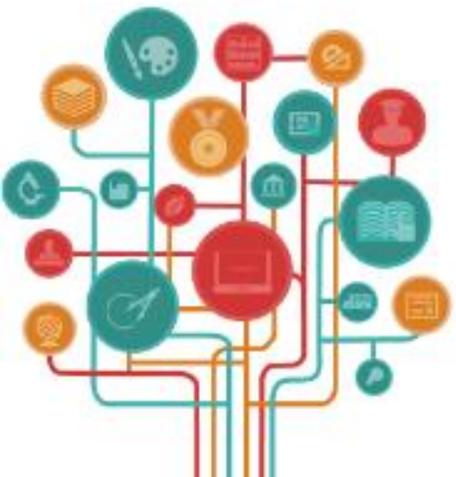
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What we will look at today

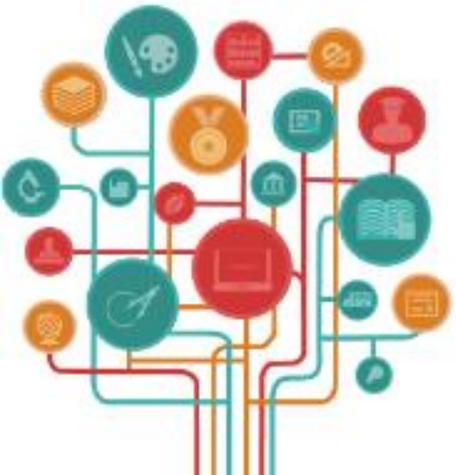
- Problems faced by apprenticeship training providers
- Support for grant funded learners and providers
- Supplier relief updates
- Furloughing of apprentices
- What apprenticeship training providers are asking for
- What the future holds for apprenticeship training providers



“Relaxation of the rules might not be enough. What we need is financial support!”

The current situation for apprenticeship training providers

- Financial
 - Activity earnings
 - Cash flow and margins
 - Different funding flows
 - Business continuity
- Learner progress and achievement
 - On-the-job and off-the-job training
 - English and maths
 - Gateway and end-point assessment
 - Support and wellbeing
 - Retention and completion
- Employer engagement
 - Behaviours of levy and non-levy payers
 - New starts and continuing learners
 - Access to employers and their employees
 - Customer relations
 - Apprenticeship service
- Resources
 - Staff retention and continuity
 - CPD
 - Morale and wellbeing
 - Access to industry standard resources
 - Estate utilisation



So how is your organisation faring right now?

Difficulties facing apprentices

Redundancy

Personal illness

Shielding

Reduced hours

Caring for others

Workplace Tutor problems

Working from home

Volunteering

Furlough

Unpaid leave

Key workers

EPA problems

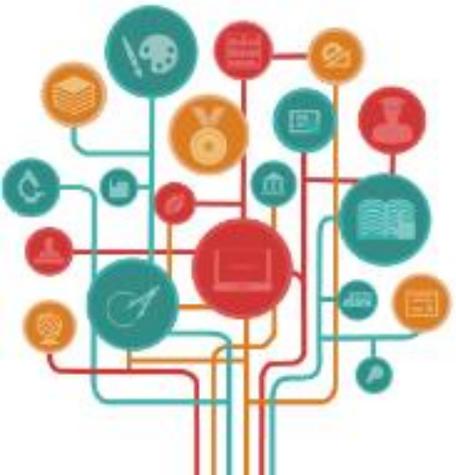


What apprenticeship training providers need

Because of the wide range of problems faced by apprentices, their employers and training providers ...

... we need a combination of different solutions to maintain levels of activity, support skills development and ensure the survival of apprenticeship training providers ...

... not just for the present but also into the future !



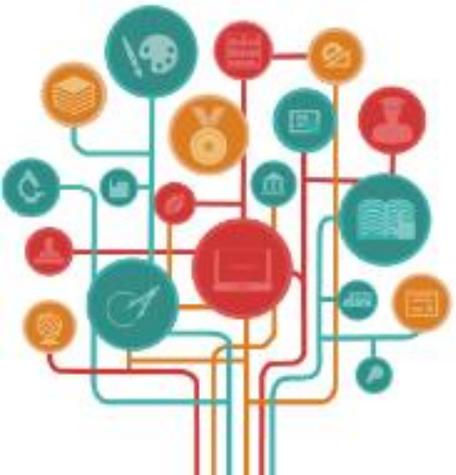
Support for grant funded learners and providers (updated 3 April 2020)

- To help manage the financial implications, we can confirm that the ESFA will continue to pay grant funded providers their scheduled monthly profiled payments for the remainder of the 2019 to 2020 funding year.
- ESFA allocations for 2020 to 2021 have been confirmed, and payments will be made in line with the national profile which will be confirmed in the relevant 2020 to 2021 funding rules.

... and for loan funded learners

- With regard to advanced learner loans, the Student Loans Company (SLC) will continue to make scheduled fee payments to all providers with a loans facility. Providers must continue to inform the SLC if and when a learner's circumstances change.

<https://www.gov.uk/government/publications/coronavirus-covid-19-maintaining-further-education-provision>



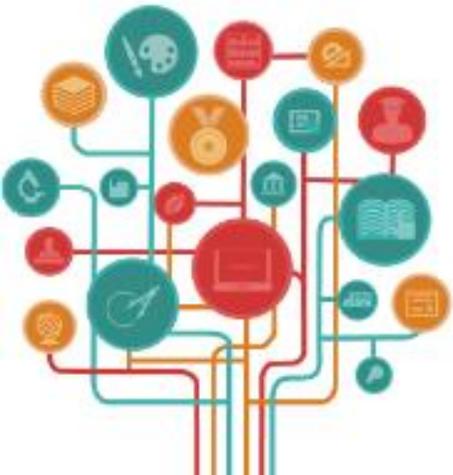
Supplier relief due to COVID-19 (PPN 02/20)

“This PPN is applicable to all contracting authorities, including central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector (excluding Devolved Administrations). Together these are referred to in this PPN as ‘contracting authorities’. This PPN covers goods, services and works contracts being delivered in the UK.”

“Contracting authorities

- must act now to ensure suppliers at **risk** are in a position to resume normal contract delivery once the outbreak is over
- urgently review their contract portfolio and inform suppliers who they believe are at risk that they will continue to be paid as **normal** (even if service delivery is disrupted or temporarily suspended) until at least the **end of June**
- **can consider making advance payments to suppliers if necessary.**”

This could ensure service continuity, protect the provider network and jobs, as well as the wider supply chain.



Supplier relief due to COVID-19 (PPN 02/20)

“To qualify, suppliers

- should agree to act on an open book basis and make cost data available to the contracting authority during this period. They should continue to pay employees and flow down funding to their subcontractors.
- must ensure that all of the parts of the workforce identified to deliver the contract in full are not furloughed during this period (under the Covid-19 Job Retention Scheme) because the supplier is receiving the **continuity and retention** payment.”

Important that you do not claim the 80% CJRS for staff covered by supplier relief.

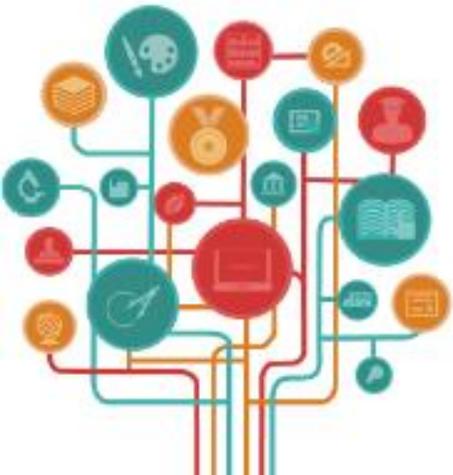


Does the supplier have to pay back any money they are paid during this period?

“In many cases, suppliers in receipt of the continuity and retention payments made under PPN 02/20 will not be required to pay back this money, even if they have not been able to deliver any of the goods, services or works required under the contract due to the impact of COVID-19 during the period.

However, the goods, services or works paid for during this period may be required to be delivered at a later date. **In some individual cases, and following reconciliation of payments made, the contracting authority may consider a future claw-back of monies paid where delivery will not be made in the future but this will be decided on a case by case basis.**

Contracting authorities may seek to recover all or some of those monies if the supplier has been found not to be compliant with the terms of the interim contract variation, for example not complying with open book requirements, not paying staff and subcontractors promptly and in full.”

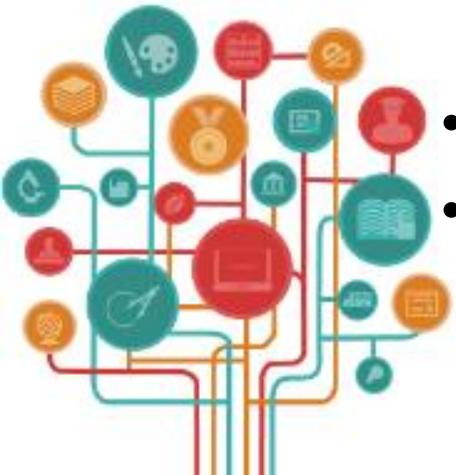


Where does this leave independent training providers?

- It appears that **no supplier relief** will be available for apprenticeship income to anyone, including FE Colleges and ITPs, because of the activity-based funding model
- Some devolved authorities are applying the Cabinet Office guidelines to pay **all** their providers of AEB funded provision, including ITPs, until either end of June or July
- No confirmation on national AEB yet
- So, contradictions in the guidelines

Government policy “does not allow payment for services in advance of delivery,” it claimed.

Training providers in Liverpool will continue to receive adult education payments to “provide stability and help to protect the sector during Coronavirus crisis”.



How could supplier relief be applied to apprenticeship provision?

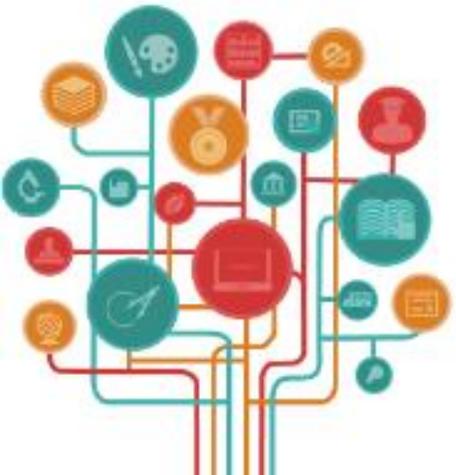
- E.g. Average of the last three months of on-programme activity for non-levy paying employers
- Can you suggest other ways?
- Answers:
 - Average of same period last year
 - Include your expected completion payments based on last year's profile

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874178/PPN_02_20_Supplier_Relief_due_to_Covid19.pdf



Relaxation of apprenticeship rules

“Our flexibilities will make it easier for apprentices to continue as an apprentice, by enabling them to take a break from their learning, or do their learning or assessment in a different way to that originally planned. As well as ensuring that employers will still have the skills they need for the future, it means that they can temporarily redeploy apprentices without ending their apprenticeship.”



Relaxation of apprenticeship rules

- Introducing flexibilities to allow furloughed apprentices to continue their training as long as it does not provide services to or generate revenue for their employer
- Encouraging training providers to deliver training to apprentices remotely and via e-learning as far as is practicable – **audit evidence?**
- Enabling employers and training providers to report and initiate a break in learning where the interruption to learning due to COVID-19 is greater than four weeks – **suspension of payments to the provider**
- Clarification on how to record breaks in learning so that funding is not unnecessarily disrupted
- Confirming that, where apprentices are made redundant, it is the ambition to find them alternative employment and continue their apprenticeship as quickly as possible and within 12 weeks – **is this long enough in current situation?**

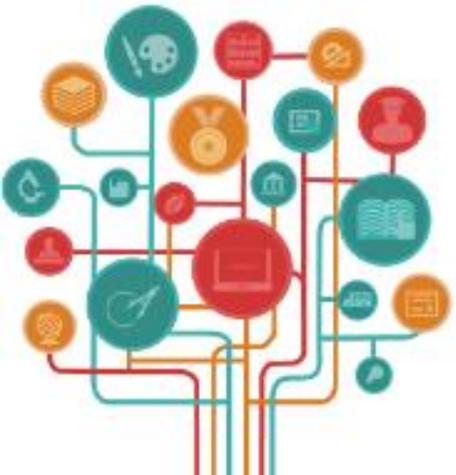
<https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response>



Relaxation of apprenticeship rules

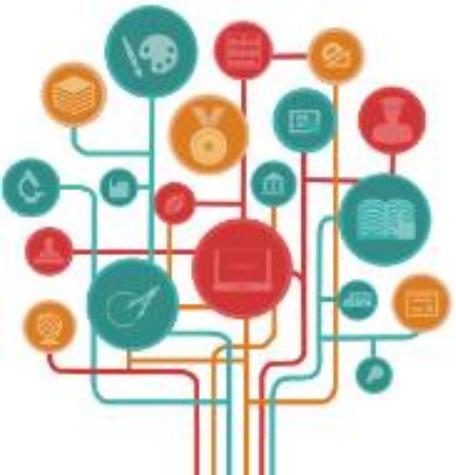
- Allowing the modification of end-point assessment arrangements, including remote assessments wherever practicable and possible
- Clarifying that apprentices ready for assessment, but who cannot be assessed due to COVID-19 issues, can have their end-point assessment rescheduled.
- Apprentices whose gateway is delayed can have an extension to the assessment timeframe

<https://www.gov.uk/government/publications/coronavirus-covid-19-apprenticeship-programme-response>



Financial support available to businesses

- **Coronavirus Job Retention Scheme – for furloughed employees**
- **Deferring VAT and Self-Assessment payments**
- Self-employment Income Support Scheme
- Statutory Sick Pay relief package for small and medium sized businesses (SMEs)
- 2-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- Small business grant funding of £10,000 for all business in receipt of small business rate relief or rural rate relief
- Grant funding of £25,000 for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- **Coronavirus Business Interruption Loan Scheme offering loans of up to £5 million for SMEs through the British Business Bank**
- **New lending facility from the Bank of England to help support liquidity among larger firms, helping them bridge coronavirus disruption to their cash flows through loans**
- HMRC Time To Pay Scheme



Furloughing apprentices

Apprentices can be furloughed in the same way as other employees and they can continue to train whilst furloughed.

However, you must pay your Apprentices at least the Apprenticeship Minimum Wage, National Living Wage or National Minimum Wage (AMW/NLW/NMW) as appropriate for all the time they spend training. This means you must cover any shortfall between the amount you can claim for their wages through this scheme and their appropriate minimum wage.

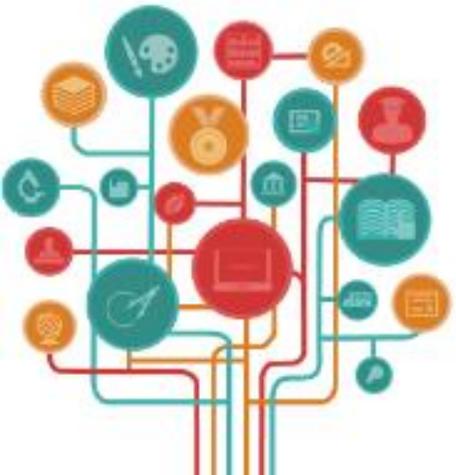
Guidance is available for changes in [apprenticeship learning arrangements because of COVID-19](#).

- Claim employee wages through the Coronavirus Job Retention Scheme
- Grant that covers 80% of their usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contributions and minimum automatic enrolment employer pension contributions on that wage.
- Temporary scheme in place for 3 months starting from 1 March 2020, but it may be extended if necessary.
- **Apprentices must not provide services to or generate revenue for their employer.**
- **Training in this context includes off-the-job training**



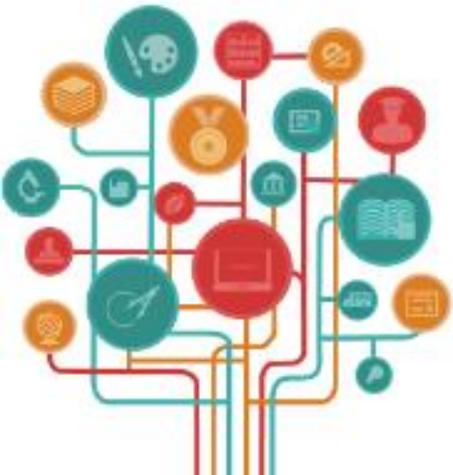
How best to support apprentices during the crisis?

- Keep in touch by whatever means works best for the apprentice
- Use online and e-learning to cover knowledge elements and assess appropriately
- More creative approaches to end-point assessment
- Devise research projects that extend learning
- Provide mentor support and reassurance by phone or online
- Provide learning support
- Keep records of all the learning undertaken



What would really help now?

- Guaranteeing all apprenticeship providers, including ITPs, current levels of on-programme payments for both levy and non-levy funded apprentices to ensure a sustainable provider network and support for apprentices to complete their programmes
- Extend the transition from frameworks to standards, and legacy functional skills (for 6 or 12 months) and postpone the introduction of T Levels for another year
- Allow more flexibility in the ways of assessing apprentice competence, including end-point assessment, e.g. not always face-to-face, simulations, tutor assessment, employer observation
- Allow flexibility around the on-the-job and off-the-job proportions, e.g. for key workers who will not be able to do 20% off-the-job during the crisis
- Not just relying on breaks in learning (as ESFA might have us do)
- Fund the additional training that many furloughed apprentices will require, e.g. possibly by AEB
- Primes, especially FE colleges, continue to honour current contracts and payments to subcontractors, and also future contracts.



Other asks from apprenticeship training providers

- What other things would help **you** through these difficult times?
- Answers:
 - extend period for expiry of levy funds
 - step by step guide to employers of all these measures
 - remove 5% co-investment contribution from non-levy paying employers
 - tutor estimates of grades for EPA (similar to GCSEs and A Levels)
- How will we know that the measures have been effective?



What of the future?

What will the apprenticeship market look like?

How many providers will survive?

What will the recovering economy need?

What will be the demand for apprenticeships?

A totally new system?

