

Written evidence submitted by the Association of Employment and Learning Providers (AELP)

House of Commons Education Committee: AELP submission to the call for evidence on the impact of Covid-19 on education

In response to the House of Commons Education Committee inviting evidence on the impact of the Covid-19 pandemic on education and children's services, the Association of Employment and Learning Providers (AELP) is making a submission which addresses the needs of young people and adults who are in or out of work.

Executive Summary

The further education (FE) and skills sector has suffered devastating consequences as a result of the pandemic, which have affected young apprentices and adult learners alike. According to the Department for Education (DfE), apprenticeship starts fell from 22,300 in May 2019 to just 9,000 in May 2020 due to the imposition of lockdown restrictions. Young people bore the brunt of this devastating blow, with 16-18 apprenticeship starts plunging by 79% from 2,900 to 600 between May 2019 and May 2020, with learners over the age of 25 also seeing a 52% drop in starts from 12,900 to 6,200 over the same period.

The Association of Employment and Learning Providers praised the Chancellor of the Exchequer in July 2020 for his commitment to training and skills shown in his 'Plan for Jobs', where he rightly identified the key role that FE providers will play in helping to restart the economy. However, we believe that the Government needs to go much further in the coming months by laying out a 'Plan for Skills', especially as we head towards the Comprehensive Spending Review that will set out the financial framework for the next three years.

AELP thinks that the recent ongoing resurgence in Covid-19 cases across the country underscores the importance of the FE and skills system learning to live alongside the virus until a permanent solution is found. This requires commitment to an investment framework aimed at tackling short-term challenges posed by the ongoing presence of Covid-19 through targeted interventions. To that effect, we have made the following recommendations:

1. Providing additional support for apprentices disrupted by Covid-19 by extending funded training for three months to support a catch-up period.
2. Protecting at-risk young apprentices who have been previously furloughed by introducing a targeted wage subsidy and/or extending the furlough scheme.
3. Extending the current ESFA funding rules to appropriately support and safeguard displaced apprentices undertaking programmes of longer duration.
4. Helping more apprentices to complete programmes on time by extending flexibilities around end point assessment (EPA) and functional skills qualifications (FSQ) until July 2021.
5. Reconsider the use of centre assessed grades (CAGs) for functional skills qualification assessments to avoid tens of thousands of learners being disadvantaged this autumn and winter.
6. Addressing flaws in the Institute for Apprenticeship and Technical Education's (IfATE) funding consultation that would impact on both quality and the availability of high quality apprenticeship training and assessment.
7. Helping young people into the labour market by committing stable yearly funding to the traineeship programme.
8. Allowing training providers flexibility to support employed at-risk learners on adult education budget (AEB) programmes by allowing them to continue their training and supporting them as part of their transition to secure alternative employment.
9. Recognising the efforts of providers who over-delivered on their AEB contract in 2019/20 to provide continuity of service, particularly to support key workers in the early months of the pandemic.

10. Ensuring that the ESFA appropriately recognises the impact of the pandemic on providers by allowing for pragmatic accounting/auditing in measuring a provider's performance.

Providing additional support for apprentices disrupted by Covid-19 by extending funded training for three months to support a catch-up period

It is indisputable that, during the lockdown, there has been a significant number of apprentices who have dropped behind on their planned learning and experienced significant disruption to their individual apprenticeship programmes, through no fault of their own or their employers or training providers.

Ofsted's independent review into the effectiveness of online learning during the pandemic supports this assertion. Despite the "considerable efforts to support learners" made by providers, the report paints a picture of mixed experiences marked by connectivity issues and some teachers "not always able to use their online sessions effectively to check on and develop learning". On top of that, it found that learners, although engaged, were not able to make the same progress on their learning programmes as if they would when receiving training via the traditional route.

As a result, we now have a significant cohort of apprentices who have made slower progress than originally planned, many of whom have been furloughed and will need additional support to transition back into work and learning. Heading into the final quarter of 2020, many apprentices who were due to finish in the summer are moving past their planned end dates and becoming unfunded. Where apprentices have been furloughed, providers have continued to support them through training but many AELP members have warned us that the volume of unfunded apprentices is beginning to climb steeply, with delays to EPA and FSQ outcomes being additional contributing factors.

AELP believes that the solution is to inject additional catch-up funding to support the extension of apprentices' programmes by up to three months, with more funding needed to cover this period of additional catch-up training.

Protecting at-risk young apprentices who have been previously furloughed by introducing a targeted wage subsidy and/or extending the furlough scheme

While the 'Plan for Jobs' will help stimulate new apprenticeship starts, there has been no move beyond the mainstream Coronavirus Job Retention Scheme (CJRS) to protect young apprentices aged 16 to 24, who are at real risk of becoming displaced through redundancy.

While a wage subsidy can be a significant investment, AELP believes that a scheme for young adults should be implemented before the end of October 2020. The criteria for eligibility should be consider whether the 16-24 apprentice has previously been placed on the CJRS and therefore is at greater risk of becoming displaced as the scheme is phased out. By having a very targeted approach, this would assure the Treasury that the scheme does not become too costly but reduces the threat of deadweight if it were opened more widely.

Extending the current ESFA funding rules to appropriately support and safeguard displaced apprentices undertaking programmes of longer duration

The current ESFA funding rules on support arrangements available to redundant apprentices are a helpful mechanism, but AELP believes that they do not go far enough to support apprentices on longer duration programmes appropriately and effectively.

Currently, the rules allow training providers to support apprentices through the "alternative English apprenticeship" route to complete their programme if they are within 6 months of the end of their practical period, or up to 12 weeks of support if they are more than 6 months

from the end of their practical period. On the shorter duration programmes of 12 months, this safeguard equates to helping apprentices with enhanced support if they are more than 50% of the way through their programme. Comparing this to an apprentice on a 36-month programme, he or she would need to be around 85% of the way through his or her apprenticeship to obtain the enhanced level of support.

On 10 September 2020, the Government laid down a statutory instrument in Parliament that will allow the ESFA to continue funding apprentices to complete their training if they have completed at least 75% of their programme at the point of redundancy. This is certainly a helpful step as it will better safeguard apprentices on longer duration programmes more fairly and appropriately, while offsetting the risk if the apprentice was made redundant and struggled to find alternative suitable employment during the normal 12-week period of redundancy support.

AELP took note of Minister Keegan's comments in response to questions on the 12-week rule when she appeared before the Committee on 29 September. While we understood the points that she was making, we know that apprenticeship training providers have been working extremely hard over the past few months to find new jobs for redundant apprentices and it is our view that an extension of the period would help with the task of putting the apprentice's interests first.

Helping more apprentices to complete programmes on time by extending flexibilities around end point assessment (EPA) and functional skills qualifications (FSQ) until July 2021

AELP recognises the efforts of the Institute for Apprenticeships and Technical Education (IfATE) and trailblazer employers in adapting the EPA requirements for over 120 assessment plans, ensuring assessments are still robust and rigorous. Furthermore, EPA organisations have invested considerably in developing additional materials and assessments to turn those flexibilities into operational assessments for apprentices.

AELP believes that it would be more sensible for the IfATE to extend its flexibilities on EPA until the end of the academic year in July 2021, rather taking a short-term approach. During this period, the IfATE would also have more time to consider which flexibilities to retain after the pandemic and how this can help the long-standing challenge of ensuring that EPA is appropriately scalable and sustainable as the volumes eventually recover and start to ramp up over time.

During the summer period, the ESFA also allowed apprentices on apprenticeship standards to undertake their EPA ahead of receiving their centre assessed calculated results for FSQs in a change to the gateway requirements. This flexibility was hugely beneficial to apprentices, as it meant they did not lose up to 12 weeks of dead time waiting to move to the next stage of their apprenticeship programme. Although Ofqual seems to be moving away from calculated assessments to adapted assessments for FSQs, we are still seeing bottlenecks building in delays for apprentices to undertake the adapted FSQ assessments. Therefore, a further extension to allow a temporary change to the sequencing of maths and English would enable a smoother transition from the deliverability challenges still being encountered with maths and English assessments.

Further to this, AELP recommends including some targeted mandatory on-programme qualifications in scope for a further extension to the revision to the gateway sequencing requirements. Providers tell us that issues still exist in specific sectors which are hampering the deliverability of some assessments – examples include dental nursing, adult care and financial services. As long as Covid-19 remains, the IfATE should allow greater flexibility with regard to the apprenticeship sequencing to allow apprentices to temporarily undertake EPA ahead of the completion of their mandatory on programme qualifications.

Reconsider the use of centre assessed grades (CAGs) for functional skills qualification assessments to avoid tens of thousands of learners being disadvantaged this autumn and winter.

AELP believes that c75% of planned functional skills qualification (FSQ) assessments will be delayed this year unless the DfE and Ofqual rethink their current approach to adapted assessments as opposed to centre assessed grades which were successfully deployed across vocational and technical qualifications over the summer.

This impacts not only apprentices, but other programmes such as AEB too. Some of this is still a lack of access to workplace for training providers, learners working from home and awarding organisations being behind the curve on the technology, including a lack of proctoring solutions.

With a fresh lockdown coming this is just going to squeeze access and deliverability even more. AELP believes that Ofqual and DfE need to reconsider the restrictions imposed in the Extended Extraordinary Regulatory Framework (EERF) to allow the use of centre assessed grades for functional skills qualifications, failure to do so will result in tens of thousands of apprentices and other learners not being able to complete their learning.

Addressing flaws in the Institute for Apprenticeship and Technical Education's (IfATE) funding consultation that would impact on both quality and the availability of high quality apprenticeship training and assessment.

AELP recognises that the IfATE has taken on board feedback from the first round of its consultations by publishing a new consolidated hybrid model for determining funding bands in apprenticeship standards, which enables trailblazer employers to submit variable costs for teaching and consumables. Given the high degree of variability for teaching and consumable costs among different standards, the personalised and bespoke approach at the heart of this variable input model enables the involvement of training providers and end point assessment organisations to help trailblazer employers make informed decisions throughout this process. AELP has stated from the outset that involving training providers and end point assessment organisations from the start and as part of the trailblazer groups is vital.

However, AELP has grave concerns about a number of critical flaws the IfATE has yet to address that threaten to impact the availability of apprenticeship provision which will be critical in helping employers bounce back from Covid-19.

The IfATE commissioned the IFF to undertake research on the actual cost of apprenticeships as an evidence base for its proposed new funding model. The IFF research report identified that 22% of the costs that training providers face for delivering apprenticeship standards are deemed as "ineligible" for government funding. It is absolutely astonishing that these include mandated requirements (e.g. enrolment, induction, initial assessment, initial diagnostic testing) that the government requires, but will not pay for, especially when they are actively mandated by the ESFA and are often expected during Ofsted inspections. For far too long, the IfATE has found it tempting to pass the buck to ESFA and adopt the line that its hands are tied by the Agency's funding rules on eligible and ineligible costs. AELP believes that this wrong must be righted with a straightforward solution:

- The ESFA needs to review the ineligible costs that are currently within its own funding rules;

- The IfATE needs to recognise operating overheads in the funding model, such as a monthly or general overhead cost in the funding band model, to cover those mandated aspects of the programme which are not covered at the moment.

Helping young people into the labour market by committing stable yearly funding to the traineeship programme

In July 2020, the Chancellor of the Exchequer announced £111m to triple the scale of traineeships in 2020/21, with businesses receiving a £1,000 bonus payment for every trainee they offer a work experience placement to.

AELP has strongly welcomed the extra funding for traineeships but believes the Government ought to go further and put the programme on a more permanent and sustainable footing beyond this initial injection of cash.

Making this investment of £111m per annum in traineeships ongoing beyond 2020/21 would help young people acquire the skills they need to progress into employment, apprenticeships, or FE programmes that will increase their productivity.

Allowing training providers flexibility to support employed at-risk learners on adult education budget (AEB) programmes by allowing them to continue their training and supporting them as part of their transition to secure alternative employment

Unfortunately, we are seeing more issues with displacement of at-risk learners who are undertaking to learn through the AEB. Whereas with apprenticeships, there is much more flexibility to allow apprentices to continue through the “alternative English apprenticeship” route, adult learners do not have the same flexibility with AEB. One of the Covid-19 flexibilities introduced by the ESFA has been the ability to implement a break in learning but, in reality, this offers very little real value to the employer, the learner or the training provider.

The nub of this issue is that employed learners at risk of redundancy or working their notice cannot continue to study in the workplace and be AEB-funded. So, even if their employer is willing to support their departing employee to prepare for a new role after redundancy, they cannot be funded.

AELP believes that, in the current environment, the ESFA should flex its funding rules to allow employed learners at risk of redundancy on AEB programmes to be able to continue studying in the workplace and be funded for it.

Recognising the efforts of providers who over-delivered on their AEB contract in 2019/20 to provide continuity of service, particularly to support key workers in the early months of the pandemic

On AEB programmes, the ESFA committed to grant-funded providers in the form of paying on profile, regardless of what they delivered. The Agency wanted to ensure that it continued to offer a service where possible and wanted granted funded providers to subcontract out to providers who still had the ability to continue to service learner and employer demand with actual provision during the lockdown e.g. virtually or remotely. On contract for services AEB, the ESFA allowed providers to apply for the provider relief scheme to provide additional income to support the continuation of service and protect provider capacity to help the post-pandemic recovery effort.

Whether they are funded through a grant or a procured contract, there are providers who have delivered an exceptional service to learners, employers and wider communities by continuing to provide a service to learners, many of whom are key workers in sectors that have been instrumental in helping us cope with the pandemic. AELP believes that, where financially possible, the ESFA should support all provider types who over-delivered actual

provision in 2019/20, as well as supporting over-delivery above the 103% existing pre-Covid-19 commitment.

In the context of the Prime Minister's announcements on adult learning on 29 September and in particular the age extension of the level 3 entitlement, which AELP welcomed, the fact that many independent training providers never underspend in respect of their AEB allocations demonstrates providers of all types, such as training providers and adult community learning providers, should be involved in the delivery of the new entitlement. While the details of the announcements have not yet been published, senior government officials have assured AELP that this will be the case.

We also welcome Gillian Keegan's comments to the Committee on the same day that the system for adult education, especially the various funding streams, is being reviewed with a mooted aim of simplifying it. It is encouraging to see National Skills Fund being invested in extra and much needed funding for adult education alongside AEB and we have recommended that the comprehensive spending review should integrate these two budgets and the National Retraining Scheme into a single pot which providers of all types can access. The next step after that is that adult learners should access the pot instead via properly regulated individual skills accounts, so we end up with a fully demand-led system like we now have for employers with apprenticeships

Ensuring that the ESFA appropriately recognises the impact of the pandemic on providers by allowing for pragmatic accounting/auditing in measuring a provider's performance.

The ESFA's decision to recognise the impact of Covid-19 on providers and cancel the publication of the Qualification Achievement Reports (QAR) for 2019/20 was thoroughly supported by AELP.

However, it is important to recognise that the impact of the disruption on longer duration programmes such as on apprenticeships in the current period has a longer-term ripple effect. For some providers who deliver high level or longer apprenticeship programmes, this ripple effect will have an impact over the next 3 or 4 years, with non-achieving leavers being accounted in the current methodology in the latter of the actual end date or the planned end date. Along with the need to account for this disruption in future years, the ESFA also needs to factor this in when reviewing provider performance, having already suspended minimum standards in apprenticeships from 2019/20. The ESFA must also be conscious of what data it publishes at a provider level and how it is presented in the public domain, as this can impact key employer purchasing decisions.

Finally, AELP recognises the key role the ESFA has in ensuring appropriate safeguarding of public funds and provider accountability but we think that the ESFA should also review its approach to how it measures provider financial health, being considerate and accommodating to the huge impact of Covid-19.

Currently, the financial health assessment uses a range of measures including gearing, profitability and solvency. The large decline in starts, breaks in learning and likely increase in learner redundancies have put significant pressure on provider cashflow. Consequently, many providers have taken out loans, including government backed CBILs, which will have an impact on their financial health assessment. Assessments on financial health need to be both pragmatic and reflective of the current extraordinary situation.

About AELP and our members

The Association of Employment and Learning Providers (AELP) is a national membership body with over 800 members. The majority of our members are independent private, not-for-profit and voluntary sector training and employment services organisations with employers,

universities, FE colleges, schools and end-point assessment organisations comprising the remainder of the membership.

Our members support employers of all sizes across the full range of occupational sectors in the successful delivery of high quality work based training which equates to 70% of apprenticeships delivered in England, and they also deliver other publicly funded skills and employment programmes.

The growth in apprenticeships over the last decade has been driven by the adaptability of our members to continually respond to and meet the changing needs of employers to support their aspirations to improve their productivity and address their skills needs. AELP members utilise their outstanding links with employers to deliver the vast majority of 16-24 traineeship provision in England, a programme with a fantastic outcome rates for young people. Our members also support adults access their legal educational entitlements, reskill, upskill and/or progress into employment through funding provided through the national and devolved adult education budget (AEB). Alongside work based provision, AELP members also successfully deliver high-quality classroom based provision in the guise of study programmes, which pave the way for young people to progress into further education or into an apprenticeship.

Ofsted's annual breakdown of quality of provision highlights that independent training providers continue to lead the market in the highest average outcomes from inspections and the Department for Education's annual employer and learner surveys year-after-year provide further evidence of the class-leading service as judged by the end users and beneficiaries of the skills system.

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