

## Written evidence submitted by Whitehead-Ross Education and Consulting Ltd

### About Us

Whitehead-Ross Education and Consulting (WREC) is an Independent Training Provider (ITP). Founded in 2012 we deliver a variety of high-quality skills-related programmes and social services provision. Our programmes include support for unemployed individuals to retrain and secure jobs, vocational training programmes, and social services provision such as support for families who have children with disabilities and the recruitment of foster carers for local authorities.

With a team of 29 staff in South Wales, Dorset, Swindon, Brighton and Solent, we supported 1,352 individuals across our programmes in 2018/19. Our funders include Welsh Government, Department for Work and Pensions, Education and Skills Funding Agency, European Social Fund and several local authorities.

### ESFA Programmes and Funding Models

We have been delivering the ESFA Skills Support for the Unemployed (SSU), NEETs and Skills Support for the Workforce (SSW) since April 2019. SSU provides classroom-based qualifications for unemployed learners to reskill and secure a job, whilst SSW supports employees already in employment working in SMEs to upskill and progress within work. Skills for NEETs provides learning opportunities for young people aged 15-24 who are at risk of becoming NEET or already unemployed.

For SSU, NEETs and SSW providers are paid 25% of the qualification funding when a learner starts a qualification (as published on the ESFA's Learning Aim Reference Hub) and 75% when a learner finishes their qualification or non-accredited learning. No funding is received in between these two points.

We also deliver Traineeships to young people aged 16-18. We have no direct contracts with the ESFA and are a subcontractor working with three direct contract holders. We deliver ESFA-funded programmes in the Dorset, Swindon and Wiltshire, Solent, and Coast to Capital LEAs.

### Initial Impact of COVID-19

On Friday 20<sup>th</sup> March, when our centres closed, all provision was delivered face-to-face in classroom settings. Our delivery venues included our own premises along with community venues, such as local libraries and Children's Centres. We had to quickly migrate all delivery online and put all resources on Moodle, an online learning platform.

We were grateful to the Coast to Capital LEP who awarded us a £6,000 *Backing Business Grant* to upgrade our Moodle platform and purchase a suite of videos and resources from City and Guilds, the awarding body, to enhance our online learning resources. Coast to Capital LEP launched this grant scheme to support SMEs to adapt online and enhance remote working and approved our application within just 9 calendar days of the scheme being launched. Their responsiveness deserves some recognition and praise.

During the transition from classroom to online learning, we had two main challenges: (1) Getting all resources online and having to quickly develop new resources suitable for

distance learning, and (2) We had the challenge of supporting 52 unemployed learners to use Moodle for the first time. The biggest barrier we faced was trying to provide continuity of learning to many learners who were digitally excluded. Many adult learners do not have laptops or computers at home, so were instantly at a disadvantage.

Our Skills Support for the Unemployed courses have traditionally attracted high proportions of lone parents and long-term unemployed. Many lone parents struggled to balance their own learning alongside home schooling, resulting in a significant disengagement rate despite the best efforts of our Tutors trying to provide remote support via telephone, e-mail, Zoom, WhatsApp, Facebook Messenger and traditional post with Royal Mail.

Our NEETs programme was supporting young people, aged 15 and 16 in secondary schools across Dorset, who were identified by the schools at risk of becoming NEET. With all schools closed, this programme came to a sudden stop.

We have furloughed 5 out of 29 staff, as of the end of April.

#### Limited Guidance from ESFA

The ESFA published very little guidance during the first 3 weeks of lockdown. They suggested providers should continue to deliver provision online. Their simplistic guidance reveals a lack of understanding and detachment from the barriers involved in supporting hard-to-reach learner groups. It is worth highlighting that the ESFA expected wet ink signatures on learner paperwork for the first 3 weeks of lockdown before finally issuing guidance on alternative acceptable evidence.

We deliver Traineeships to learners aged 16-18 in Swindon. With employers closed due to lockdown, all learners are unable to complete their 100 hours of work placements. Traineeship funding is clawed back by the ESFA if a learner does not complete their programme within 26 weeks. No guidance has been issued by the ESFA to address this issue. We have a number of learners (all young offenders) due to exceed the 26 week timescale yet we have no control over these unique circumstances.

In the absence of guaranteed payments by the ESFA, training providers are being signposted to the Treasury's business support measures, such as generic business loans and the Job Retention Scheme. Furloughing has the problem that staff are required to stop work when we would like them to be trying to maintain as much training and assessment as possible using online resources along with other support and training they could be offering learners.

#### Losses Incurred

As already noted, for SSW, NEETs and SSW programmes, providers are paid 25% of the qualification funding when a learner starts a qualification and 75% when a learner finishes the qualification or non-accredited learning. No funding is received in between these two points. Whilst we have done our best to manage during these unique circumstances, issues such as learner digital exclusion and lone parents struggling to complete their qualification alongside home schooling, has imposed a huge financial impact on our cashflow. It is no surprise we have suddenly experienced an alarmingly high disengagement rate when we normally experience a 92% completion rate (as evidenced over the last 3 years).

Before COVID-19 we were forecasting completion payments worth £50,492 at the end of April to be claimed for SSU. However, given the events of the last 6 weeks we achieved just £4,855 of SSU completion payments. It is worth noting that these completion payments fund

the 3 months of staff salaries and venue hire costs that were incurred for January to March. Having such a hole in our cashflow is difficult to manage.

Our NEETs programme was supporting young people, aged 15 and 16 in secondary schools across Dorset, who were identified by schools at risk of becoming NEET. With all schools closed, this programme came to a sudden stop. We had two cohorts of learners due to complete during April, with another four school cohorts scheduled to start after the Easter holidays. These losses equate to an eye watering £37,000 for April.

We calculate that we have lost £87,492 at the end of April. Whilst some of this income will be paid later in the summer once learners complete, it is causing short-term cashflow issues.

### Unlevel Playing Field

On 20<sup>th</sup> March the ESFA announced that all FE colleges and local authorities will receive their full Adult Education Budget (AEB) grant contract values for the remainder of the academic year, regardless of learner enrolments and performance. Unfortunately, this was not extended to ITPs who hold contracts for funding, which was procured. Legally colleges are independent as well. Therefore, by not guaranteeing funding, the ESFA is discriminating against ITPs by not providing a level playing field.

On 24<sup>th</sup> April the ESFA announced its Post-16 Provider Relief Scheme. However, the guidance highlighted that support is only available for AEB and non-levy apprenticeship contracts. The Scheme does not cover SSU, NEETs and SSW, which are Whitehead-Ross Education's main ESFA funding streams. Whilst applications are invited from ITPs, only providers with direct contracts that were procured can apply. Sub-contractors are therefore unable to access the scheme. To put this into perspective, most primes (those with direct contracts) have supply chains of sub-contractors. Across the sector there are hundreds of sub-contracts unable to access this relief support. Sub-contractors are reliant on direct contract holders applying for the financial support.

### Devolved Governments and Mayoral Authorities

Devolved governments are already leading by example. At the end of March, the Welsh Government announced that all training providers delivering Welsh Government-funded Work Based Learning will continue to be paid based on average income and performance from the last 12 months. This decision, made within a week of lockdown, was a lifeline to the sector in Wales.

Devolved mayoral authorities, such as Manchester and London, have also followed with paying providers until the end of July. This leaves the ESFA completely out of step and has made the sector feel the ESFA is out of touch with the challenges on the ground.

### Conclusion

Many training providers are extremely worried about the impact this is going to have on our cashflows and some wonder if they will survive. If learners are taking months longer to complete their qualifications, the delayed 75% completion payments will put many providers at risk.

We calculate that we have lost £87,492 at the end of April. Whilst some of this income will be paid later in the summer once learners complete later than originally expected, the ESFA is playing Russian Roulette with ITP's cashflows by providing limited financial support.

We would like the ESFA to guarantee payments to ITPs for all funding streams, including SSU, NEETs and SSW, based on the last 12 months of performance and income drawn down.

We are not asking the ESFA for extra or new money. We are simply asking the ESFA to repeat what they have done for college mainstream FE, which is to guarantee contracted payments while providers do their best to maintain provision remotely.

April 2020