To all College Principals

Dear colleague

EDUCATIONAL MAINTENANCE ALLOWANCES (EMA)

You will all be aware of the problems we are currently experiencing with the quality of performance from our contractors for the delivery of EMA. This letter summarises the problems and sets out the actions we have in hand to resolve them.

Most importantly, I want to apologise for any difficulties which your students and your staff are experiencing. I know many of you are already taking local action to manage the situation, and I am most grateful for that. It is critical that no learner is disadvantaged as a result of these difficulties, so we would be looking to all colleges to take similar action.

The letter concludes by describing our proposal, developed with AoC, to reprofile our payments to colleges where this is necessary. This will help address any immediate funding pressures so that you can offer support to young people while we sort out current difficulties.

Background and LSC action

Around 450,000 applications have been received, of which just under 300,000 have been processed. As in previous years, a substantial proportion of the applications need supplementary evidence or are otherwise incomplete, so that the number of “Notices of Entitlement” issued, or about to be sent, to learners is around half that figure. This means that the backlog is around 150,000. This speed of processing applications is unacceptable.

There are two main problems. The first is that the contractors intended that applications would be processed efficiently through an IT system, but that has failed to operate at anything approaching the planned and necessary volume.

When the LSC identified this risk, we pressed the contractors (Liberata) to implement a contingency plan, which they did by establishing a separate and manual system. To do this the contractors are deploying an additional 460 staff, at their expense. However, the manual system is still not working as efficiently as planned and a backlog has built up. We continue to press for urgent improvement from the contractors. They have agreed to deploy further staff and to re-organise the workflow so as to be more efficient. We are monitoring closely how these changes lead to improvements in throughput.
Obviously we would wish applicants to get their EMA as quickly as possible, so that no young person decides not to continue in learning because of their financial position. We also need to ensure that no young person misses out financially due to any delay caused by the application process. We guarantee that if an eligible application is sent in on time, all the money owed will be backdated.

The second issue is the Helpline. We have not been satisfied with the standard of customer service, and have pressed the contractors to both re-train their staff and make data available to their operatives on the state of progress of applications through the system, so that they can answer queries. But most seriously, the telephone system itself is unreliable. The contractors and their suppliers are working to resolve these problems, which are very frustrating to learners, their parents and your staff. We are monitoring progress and contingency planning carefully, and keeping a very close eye on all parts of the EMA system, as well as other aspects of learner support.

**Helping learners in the interim**

Our primary concern is to ensure that no young person will lose out. The LSC will backdate all payments in full for applications received within 28 days of the course start.

For those learners who have not received their Notice of Entitlement to EMA when they expected to, we do not want them to be put off going to college, drop out or have poor attendance because of financial pressures. We know that colleges will be working closely with young people at this time and will be aware of problems that arise for individual learners.

Learners who expect to receive EMA should follow the attendance requirements and policy at your college. This will ensure that they can evidence their attendance once they do receive their EMA Notice of Entitlement, and that payments can be made efficiently.

We do not expect colleges to set in place alternative EMA payments systems – that would not be appropriate. As you know, the LSC already provides schools and colleges with discretionary learner support to help learners in severe hardship. Where individuals are suffering as a result of late payment of their EMA, we would want colleges to offer whatever forms of help are necessary to learners. How these arrangements are best administered is a matter for colleges. Colleges will also need to determine how to recover any expenditure from learners once they receive their EMA back payment.
Many colleges are putting such arrangements in place already using existing funding. However, where in the short term a college does need additional funding, the LSC will be willing to reprofile payments to the college in year to front load their overall funding allocation. This will ensure that funds are available to each and every college to meet the current situation. The priority must be to ensure that any learner in need of support to alleviate hardship is able to access it. Colleges wishing to explore the possibility of reprofiling should contact their Regional Finance Director.

These arrangements apply to FE colleges (including Sixth Form Colleges), where most learners in receipt of EMA are located. There are already special EMA fast track arrangements in place for learners on Entry to Employment. We are monitoring how these arrangements are working, as well as keeping a close eye on the situation for learners in school sixth forms. We will take further action as and when necessary to avoid the delays in EMA payments having an adverse impact on any learner in any sector.

Once again, I must offer my sincere apologies for the difficulties which you and your learners are encountering.

If you have any queries about this letter, do get in touch – mark.haysom@lsc.gov.uk.

Yours faithfully

Mark Haysom