8 October 2008

Dear Colleague

UPDATE ON DELIVERY OF EDUCATION MAINTENANCE ALLOWANCE PAYMENTS

I wanted to write to you to update you on the current status of the processing of Education Maintenance Allowance (EMA) payments, following on from the problems we experienced with the quality of performance from our contractors for the delivery of EMA. This letter summarises the positive steps that have been taken to work towards resolving the issue of delayed payments to young people, for which your support has been instrumental.

Firstly, I want to thank you for your forbearance, feedback and assistance over the last couple of months on this matter. I am most grateful for your commitment to ensuring no young person faces financial hardship as a consequence of the delays. The local action many of you have already taken to manage the situation through discretionary Learner Support funds has greatly assisted during this period so no individual suffers as a result of late payments.

LSC action

I recognise fully that the current position is causing significant difficulties. However, I can assure you that the performance of the contractor in processing applications is improving.

As of yesterday, 556,829 applications have been processed. This has resulted in just over 283,880 young people receiving notifications that they are entitled to EMAs, which means they can begin claiming the allowance. A further 111,000 applications are being processed.

Despite this being a peak time of year, the number of applications waiting to be processed is now decreasing. The contractor Liberata is now exceeding their target of processing 60,000 applications per week, and the processing time for new applications arriving is now under four weeks.
Liberata have made a number of improvements, which include; engaging additional staff on the helpline and application processing (on 3 October a total of 887 staff were in place); introducing extra shifts opening more sites at Pendle and at Weston to ease the backlog and engaging external experts to advise on speeding up processing. This will help ensure that applications are processed as quickly as possible. Please be assured that we are working very hard to ensure that Liberata continue to improve their performance.

I confirmed last week that that we have temporarily waived, until the end of October, the 28 day limit on backdating EMA applications to the start of the course. This was a decision made by ministers to ensure that no learner misses out on the money they are entitled to. This means that any eligible applications received by the end of October will be backdated to the start of the course.

I would value your support in encouraging all young people that have yet to apply to submit their applications as soon as possible. As long as they do this by the end of October they are guaranteed to receive all the money they are entitled to.

I understand from some of you that there are questions and concerns about how the hardship funds should be administered to support delayed EMA payments. To address this and any other issues you may have, we are working with partners including the Association of Colleges (AoC) and the Department for Children, Schools and Families (DCSF). We are setting up a panel with our partners to review concerns and progress, and find positive ways to resolve issues. We will also consider with our partners the impact that the interim arrangements are having on colleges and other providers. I would urge you to channel any concerns through Paul Warner, National Operations Manager of ALP.

Again, I must offer my sincere apologies for the difficulties which you and your learners are encountering. If you have any further queries, please do get in touch with me directly at mark.haysom@lsc.gov.uk

Yours faithfully

Mark Haysom CBE
Chief Executive