

# Introduction to 24+ Advanced Learning Loans

**Skills  
Funding  
Agency**

Presentation to – Learning City York

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# 24+ Advanced Learning Loans

- Announced in Skills Investment Strategy 2010-11 and restated in New Challenges, New Chances, December 11.
- Concentrating Government funding on areas where it can have the most impact, means there needs to be a greater shared responsibility for funding courses.
- Government grant funding is focused on young people, those without basic skills and those below 24 and seeking work.
- Public funding for 24 year olds and above on advanced level courses will be in the form of a loan via the Student Loans Company.

# 24+ Advanced Learning Loans

- Loans will be available for learners aged 24 and above studying at Level 3 and above.
- This represents between 10-15% of the total adult budget for FE and the vast majority will continue to be grant funded.
- Without the introduction of loans – a reduction in learners.
- Research commissioned on behalf of BIS – three quarters of learners asked say they would consider learning funded through a loan.

# Roles and Responsibilities

**Skills  
Funding  
Agency**



Policy Owners



Application, Payment and Repayment of Loans



FE Sector Management inc.

- Budget / Performance Management
- Communications (IAG)
- Sector-buy in and change



Collection of Loan Repayment

- PAYE
- Self Assessment

# SLC – Key Facts

- Non profit making Government owned organisation
- Student Finance England in any one academic year has:
  - over one million applications (1.2million in AY 11/12) for Student Finance
  - of whom 500,000 were new applicants that year
- Last year SLC paid out:
  - £5.5 billion directly to students in loans and grants
  - £2.7 billion in tuition fees to Higher Education Institutions
- Repayments

SLC manage the debt of 4 million customers and have approximately 3 million customers in repayment

# Policy Overview (1)

- Loans will be available for learners
  - aged 24 and over and not means-tested (or subject to credit checks)
  - studying at Level 3 or above, including QCF Certificates and Diplomas, Access to HE, A-Levels and Advanced and Higher Apprenticeships.
- Learners can apply for a loan to meet the tuition costs of their course, which will be paid directly to their college or training provider on their behalf.
- A learner must be studying at an Agency approved provider.
- The loan amount available will be up to the fully funded rate for the qualification as set by the Skills Funding Agency. For Apprenticeships the 50% employer contribution is still assumed.
- Loan amounts are likely to range between £300 - £4,000 (with some exceptions), in line with funding rates, and will be reviewed annually.
- The Loans application process will be launched in April 2013 for qualifications beginning in the 2013/14 academic year.

# Policy Overview (2)

- First loan funded learner qualifications to commence from August 2013.
- There will be one application for the duration of each loan regardless of the period of study.
- A learner can access up to four loans, each at a different level to support progression.
- At the end of each individual loan period regardless of further study, that loan will enter repayment.

## **Repayments**

- Loan repayment will only start once the learner has finished their qualification and is earning more than £21k gross a year.
- The learner will enter repayment status the April after their qualification ends, with interest being accrued following the first profiled loan payment being made to the college or training provider.
- There will be a mechanism for voluntary repayments payable to the SLC.

# Learner Journey

## Stages 1-5

1. Learner considers skills and training options and accesses any relevant IAG.
2. Learner attends chosen college or training organisation and discusses options. College or training organisation issues a “course offer”.
3. Learner is given time to consider the offer and any funding options.
4. Learner completes an online application and submits to SLC.
5. SLC assess and send the learner correspondence to confirm the application has been approved.



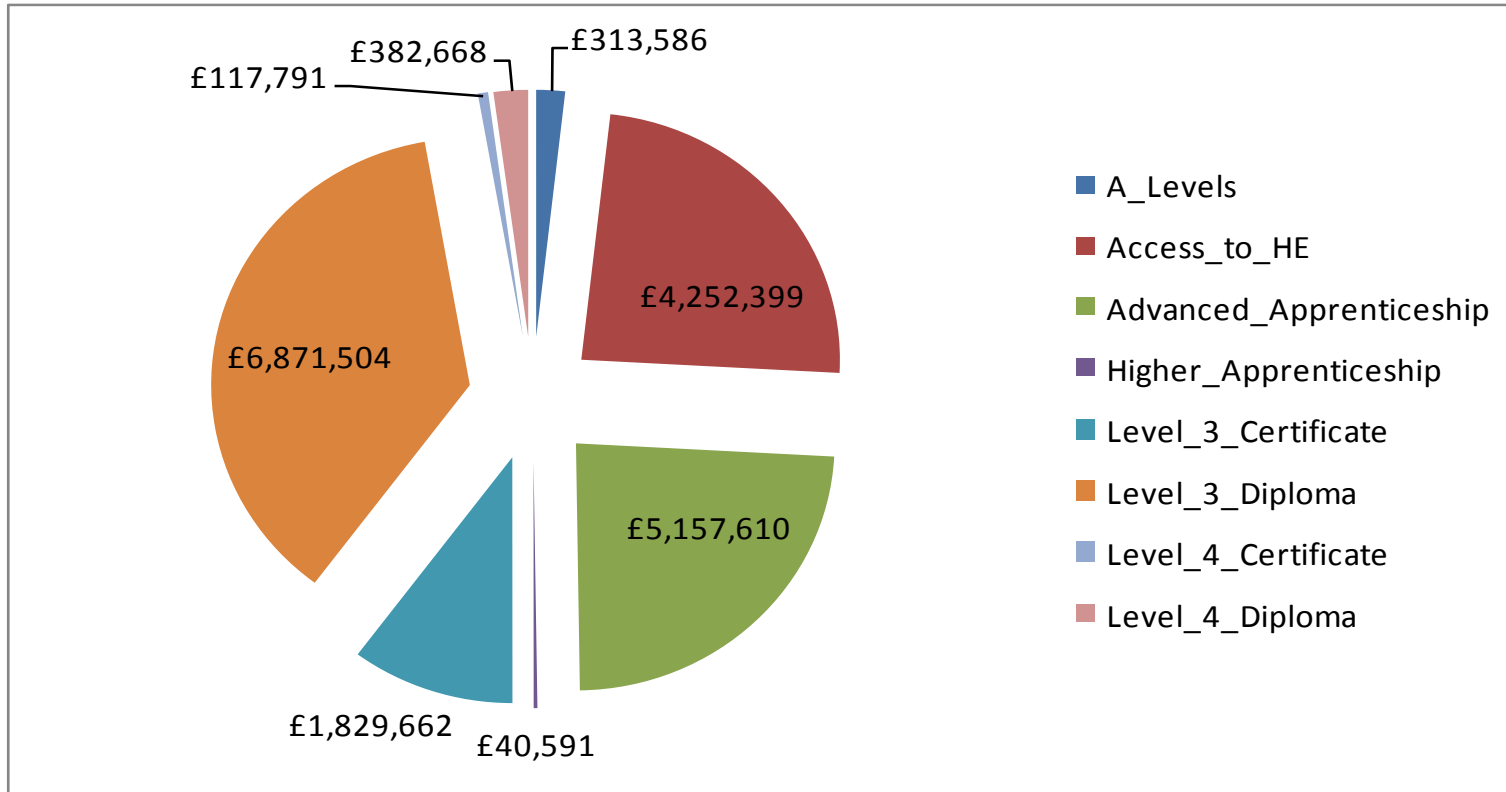
# Learner Journey

## Stages 6-10

6. Learner attends college / training organisation and commences course
7. College / training organisation confirms learners attendance – SLC make payment direct on behalf of learner
8. Learner completes course
9. Once learner is in work and earning more than £21k gross per annum repayment commences at 9% of earnings above £21k
10. After time repayment is complete.

# Y&H Analysis

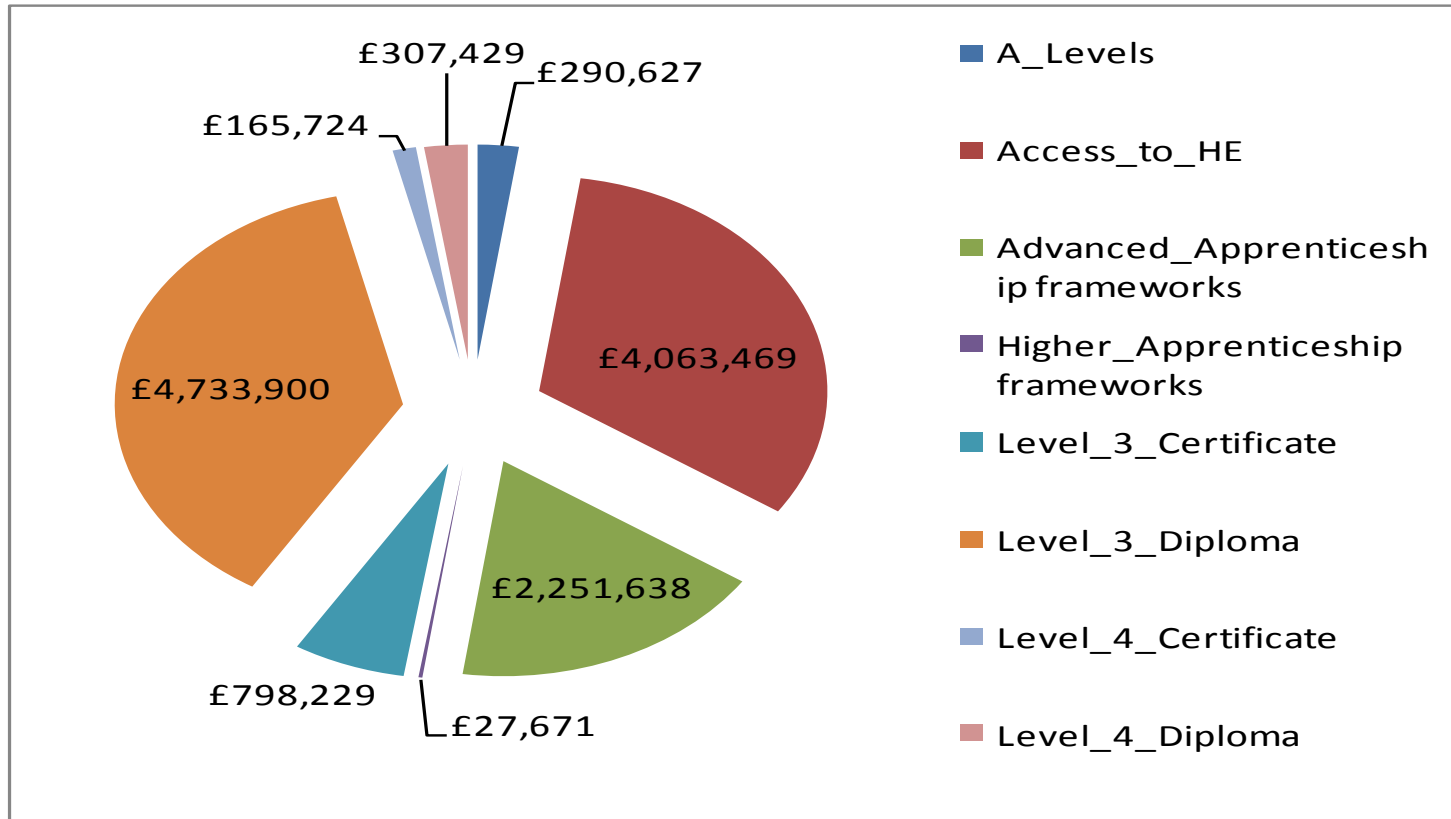
## Breakdown of Y&H provision in scope for Loans – 10/11



In 10/11 the provider base delivered just under £19m of activity that would be in scope of Loans policy.

L3 diploma, Advanced App's and Access to HE respectively accounted for approximately 62% of total delivery.

## Breakdown of Y&H provision in scope for Loans – 11/12



At P6 the provider base has delivered £12.65 million activity that would be in scope of Loans policy. This increased to just under £17 million by P9.

## Apprenticeships in scope for Loans – Sector Description

Local Area Hierarchy	Yorkshire and the Humber
<b>Academic Year - Data Set</b>	<b>2011/12 SILR SN09</b>

Start	A15 Programme Group
	Adv/Higher
Sector Lead Body Description	24+
Adult Social Care	1,902
Business, Administration & Governance	1,437
Industrial Relations	341
Active Leisure, Learning & Well-being	215
Missing Value	161
Healthcare	136
Retail	109
Hospitality, Leisure, Travel & Tourism	100
Finance, Accountancy & Financial Services	98
Food & Drink	81
Building Services Engineering	63
Adult Social Care/Healthcare	45
Science, Engineering & Manufacturing Technologies	35
Land-Based & Environmental Industries	28
Facilities Management, Housing, Property, Planning & Cleaning	25
Business Information Technology & Telecommunication	23
Construction	22
Freight Logistics & Wholesale	17
Automotive Industries	16
Hair & Beauty	9
Customer Service & Contact Centre	8
Management & Leadership (including HR & Recruitment)	7
Energy & Utility	5

## Apprenticeships in scope for Loans - Frameworks

Start		A15 Programme Group
Sector Lead Body Description		Adv/Higher
A26 Framework Code		24+
Adult Social Care	Children and Young People's Workforce (445)	185
	Health and Social Care (444)	1,717
Adult Social Care Total		1,902
Business, Administration & Governance	Bus Admin (102)	13
	Business and Administration (490)	410
	Contact Centre Operations Management (489)	8
	Customer Service (488)	321
	Management (487)	684
	Sales & Telesales (485)	1
Business, Administration & Governance Total		1,437
Industrial Relations	Learning and Development (541)	27
	Supporting Teaching & Learning in Schools (420)	312
	Youth Work (447)	2
Industrial Relations Total		341
Active Leisure, Learning & Well-being	Active Leis & Learning (231)	0
	Advanced Fitness (461)	10
	Advanced Playwork (457)	10
	Barbering (507)	43
	Beauty Therapy (422)	2
	Hairdressing (508)	137
	Leisure Management (463)	11
	Sports Development (467)	2
Active Leisure, Learning & Well-being Total		215

# Latest Developments

- Indicative “Loans Facilities & Bursaries” issued
- Y&H provider base - £18 million, Nationally £232m
- 64% of indicative allocations pertinent to 11 institutions
- £1.3 million allocated across Y&H provider base in Bursary Funding
- Draft Funding Rules - 2013/14 Published
- Further Dialogue with Providers – Oct/early Nov
- Y&H Provider Loans Event – 26 Nov, Leeds
- SLC Website - Resources available, Learner Factsheets, FAQ's
- December 2012 – Final confirmation of “Loans Facility”

# Useful information

- Guide to Loans and FAQs – available on Agency website
- BIS monthly briefing – available on BIS website
- Research and Impact Assessments – BIS website:

<http://www.bis.gov.uk/policies/further-education-skills/24-plus-advanced-learning-loans>

For queries relating to policy and funding please email:

[advancedlearningloans@skillsfundingagency.bis.gov.uk](mailto:advancedlearningloans@skillsfundingagency.bis.gov.uk)

- For queries on SLC systems please email:

[ipservices@slc.co.uk](mailto:ipservices@slc.co.uk)

- SLC Resources – [www.practitioners.slc.co.uk/further-education.aspx](http://www.practitioners.slc.co.uk/further-education.aspx)



Any Questions?