

A GUIDE to FE LOANS

A GUIDE TO 24+ ADVANCED
LEARNING LOANS FOR COLLEGES
& OTHER PROVIDERS



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Welcome to this *FE Week* supplement



Eleanor Radford
@EleanorRadford

It's never a surprise to see a new way of doing things come along for the ever-resilient FE sector.

But the advent of 24+ advanced learning loans has left many feeling unprepared.

College leaders, lecturers, trainers and students are all grappling to get their heads around the new funding regime —

the first time a credit system has entered the world of FE.

It has been brought in by the government as it scraps subsidies for mature students, getting them to foot the bill instead.

This supplement aims to offer a helping hand while assessing this change, casting a critical eye over where the main challenges lie and what the current thinking on them is.

On the next page we start off by looking at the background to the new loans system — the government's justification for them and the finances involved.

A flowchart on page 4 explains the journey the learner will take through the new system, steered by the Skills Funding Agency, with anchorage from providers and the Students Loans Company.

On page 5 we have compiled a handy collection of figures such as how much students would start paying back per month, once they become eligible to cover their debt.

But how have prospective learners heard of the change?

On page 6 we hear about the government-funded marketing of loans and how providers are using their allotted cash to promote them — complete with the

posters, slogans and some of the artwork they used.

And a 27-year-old learner tells *FE Week* first-hand on page 7 why she couldn't go back to education without the funds as she waits on her loans application.

Page 8 and 9 carry an advert from

This supplement aims to offer a helping hand

Tribal, before we hear how providers have supported learners in taking up a loan through the learning and funding information letter; on page 10.

Providers have explained, on page 11, how they set their fees as a result of the loans, and the bursary fund — for students with extra needs — is explored with some of its flaws exposed.

Fierce opponents of learners incurring debt are Shadow Skills Minister Gordon Marsden and Toni Pearce — soon to become the National Students Union's

president.

Both make their thoughts clear on pages 12 and 13 with Mr Marsden warning the sector isn't ready for what he describes as the "biggest change in FE in over a generation".

And Ms Pearce points to a survey her union sent out which showed a quarter of lecturers, managers, support staff, and students were "not at all" aware of the new system, while just six in 10 were "slightly aware".

On the other hand David Hughes, chief executive of the National Institute of Adult Continuing Education, considers the possibility that relationships could improve between providers and learners as students become "empowered" customers.

And Barry Brooks, strategic adviser to the Tribal board, talks of the risks that will lie on principals' shoulders with the birth of the new regime.

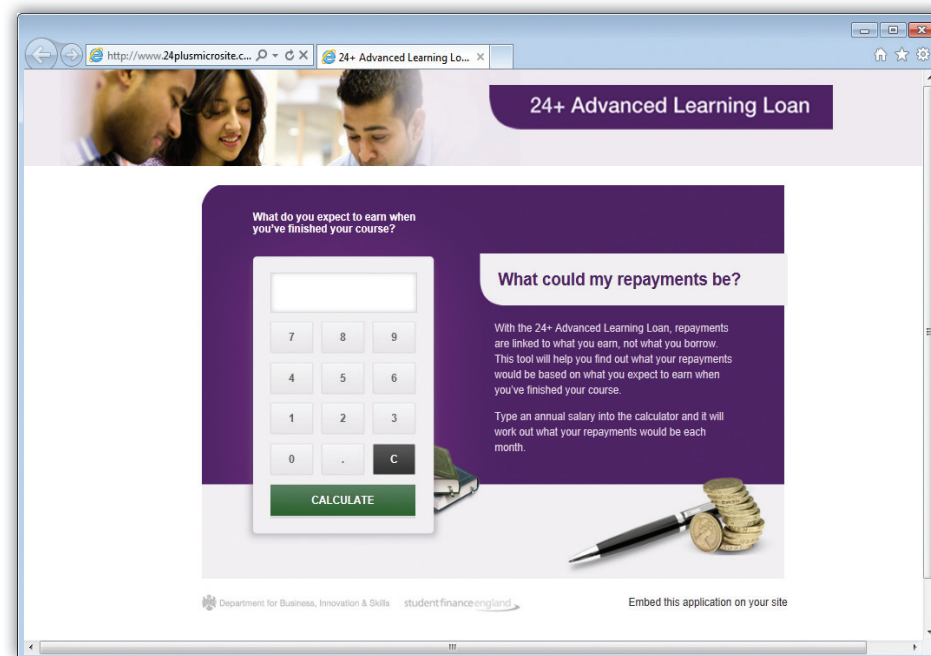
Finally on pages 14 and 15 we have provided a list of resources you can use to help you find out more.

Whatever your role in the sector the message out there is loud and clear — everyone needs to know what these loans are for, how they might be of use and what to be aware of.



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The online repayment calculator and a short animation, both of which can be added to provider websites, are available from www.24plusmicrosite.com. See page 15

Loans represent a very new way of funding FE

Eleanor Radford
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This month — and without much fanfare — loans made their debut in further education.

Now mature students can apply for a 24+ advanced learning loan to pay for courses starting from August, at levels three and four in England.

Eligible learners must be aged 24 and above, a group thought to represent between 10 and 15 per cent of the FE student roll. They can now apply for a loan through Student Finance England, with advice and support from their providers.

Courses covered include BTec diplomas, advanced or higher apprenticeships, access to higher education courses and QCF (Qualifications and Credit Framework) certificates starting from this August.

Until now fees were government subsidised by up to 50 per cent, with learners covering the rest in upfront

payments.

But the Spending Review of 2010 dictated that the overall FE budget be cut by 25 per cent and, with it, funding for the older age group died a death.

A year on, the government published its New Challenges, New Chances document and the concept of a loans system was born.

In the policy's fine print, the Department for Business, Innovation and Skills (BIS) justified its moves saying that in a "tighter spending environment", it was "right" to focus available funds on 19 to 24-year-olds who "didn't complete their schooling, those without basic skills, and those seeking employment".

The move would allow the government to save around £64m in 2013/14 and £170m in each year from 2014/15 onwards.

But one of the main concerns is that potential learners would be put off by the thought of getting into debt.

During their April launch, Skills Minister Matthew Hancock said loans would "help thousands of people to meet upfront course fees, taking away one of the main barriers to learning".

The new system is similar to the higher education loans process with learners obliged to start paying back the debt only when they earn £21,000 or more. But only tuition costs are covered and the loans are paid directly to the provider.

There was a dip in higher education enrolments in both 1998 and 2006 when upfront payment of fees and loans were introduced.

Nevertheless, the Skills Funding Agency (SFA) said in its policy overview documents: "Without FE loans, we would see a significant fall in learner numbers; with loans, thousands of learners will continue to benefit from life-changing opportunities."

It continued: "Individuals who are qualified at level three and above experience benefits, including increased wages, compared to those who are not qualified similarly.

"Therefore, it is fair that we should ask those individuals to make a greater contribution to the costs of their courses."

With a budget of £129m in the 2013-14 financial year and £398m in the 2014-15

financial year, the system can support around 80,000 learners in the first year and 200,000 in the second.

This is a significant reform for the sector and has not come without resistance and calls for caution.

Shadow Skills Minister Gordon Marsden told *FE Week*: "Ministers themselves admitted earlier this year they had little idea what apprentices or employers would do when the new system comes into operation for them too.

"It seems that BIS ministers are shutting their eyes and crossing their fingers that everything will be OK while in the process running the risk of a lost generation of adult learners."

The gauntlet has now been passed to colleges and training organisations who will need to factor the change into their business plans. They can only offer loans-funded courses if they have a loans facility approved by the SFA.

Kim Thorneywork, the agency's chief executive, said 792 groups had been approved and were now working with the agency to "ensure they are ready" for the revolution.

This supplement was produced by *FE Week*, in partnership with Tribal

FE Week is a newspaper dedicated to reporting on news, analysis, jobs and fun in the further education sector.

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LOANS FOR FURTHER EDUCATION CONVENTION

Taking 24+ Advanced Learning Loans from implementation to delivery

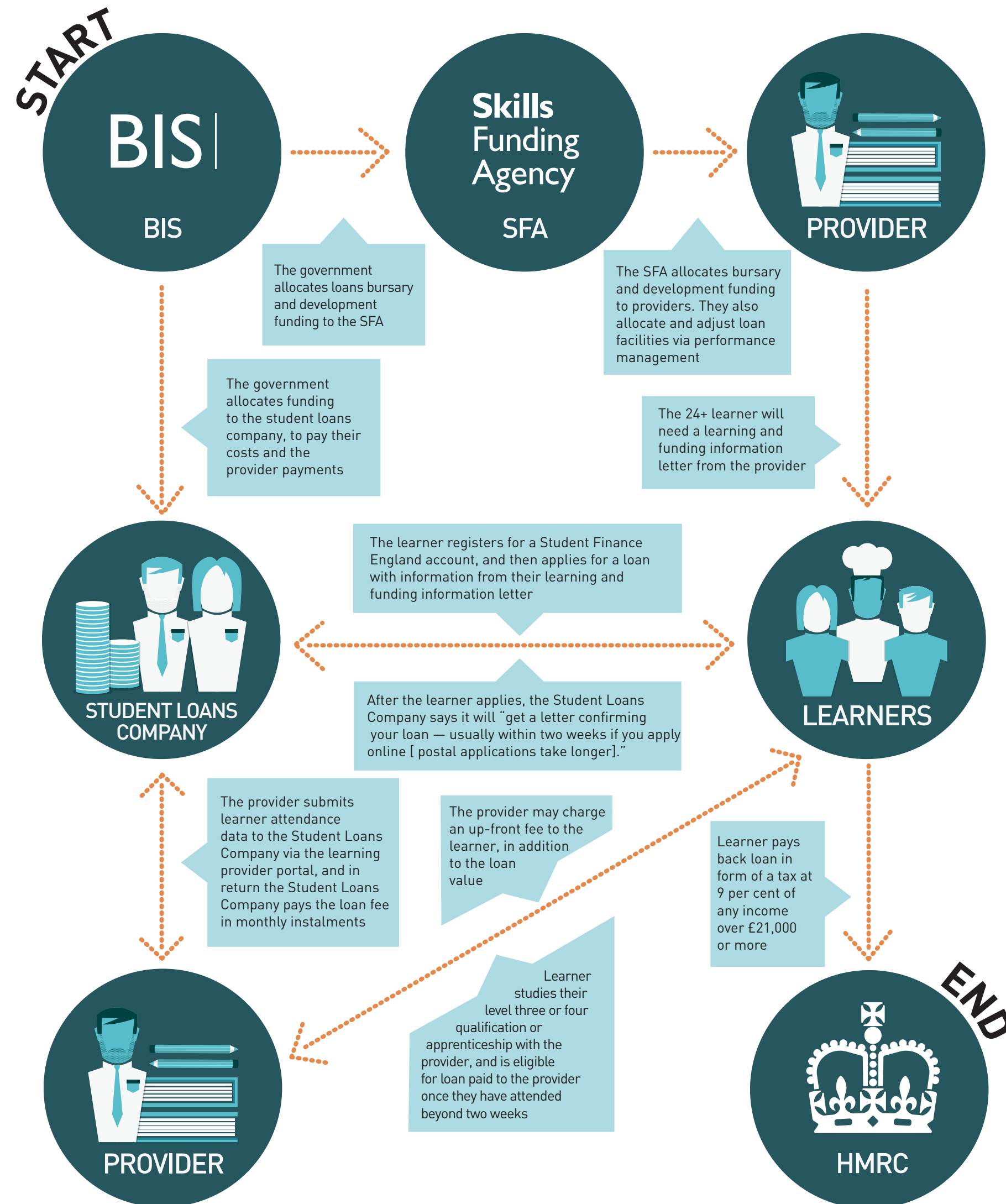
On 3 July 2013 the Skills Funding Agency, Student Loans Company and Department for Business Innovation and Skills will be hosting a convention in Birmingham. The programme for the day will include a variety of workshops and activities; aimed at a range of staff within colleges and training organisations.

This event is funded by SFA and is **free of charge** to attend for all skills providers.

Wednesday, 3rd July 2013
Hilton Birmingham Metropole Hotel, Birmingham
www.etches.com/ehome/62750/117863/?&



The 24+ Advanced Learning Loan journey



24+ Advanced Learning Loans in numbers

Impact on the individual

Individuals aged **24** or over at the start of their Level three or four course are eligible

Learners repay after the course and when earning more than **£21,000**

Any outstanding balance remaining after **30** years will be written off

Learners will make repayments at **9** per cent of annual earnings above £21,000

The minimum amount a learner can take out as a loan is **£300**

Attitudes to FE loans

Proportion of those likely to study at level three aged 23+ who said they definitely would do some learning that would probably/definitely etc take a course/loan.

	Take a course	Take a loan
Definitely would take a course/loan	11%	10%
Probably would take a course/loan	26%	19%
Might take a course/loan	37%	29%
Probably wouldn't take a course/loan	23%	33%
Definitely wouldn't take a course/loan	3%	9%

Source: BIS research paper number 73, table 3.1: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32282/12-795-attitudes-to-further-education-loans.pdf

FE loan interest rates

Income	Interest rate
While on the course	Retail Price Index plus 3%
£21,000 or less	Retail Price Index
£21,000 to £41,000	Retail Price Index plus up to 3%
£41,000 and over	Retail Price Index plus 3%

The interest rate that applies to the loan is based on the UK Retail Price Index. If a learner leaves a course early they still have to repay the loan, and if they go abroad for more than three months they will need to fill in an overseas income assessment form. Student Loans Company will then work out their repayments. Learners can make voluntary payments if they choose to do so.

Source: http://www.studentloanrepayment.co.uk/portal/page?_page_id=93,6678755&_dad=portal&_schema=PORTAL

Example monthly repayment (before tax)

Earning up to £21,000	Repay £0
Earn £22,000	Repay £7
Earn £25,000	Repay £30
Earn £30,000	Repay £67
Earn £35,000	Repay £105
Earn £40,000	Repay £142

Employers deduct repayments from earnings through the tax system, so there is no role for colleges and training providers in the repayment process. No repayments will be made through the tax system until April 2016, which is when HMRC will introduce the £21,000 threshold. Repayments will therefore start from the April after the individual has completed or left their course (but not before April 2016).

Estimated FE loan take-up in 2014/15

	Learners	Starts
Level three classroom-and work-based	116,000	76,000
Level three Apprenticeships	106,000	38,000
Level three total	222,000	114,000
Level four classroom-and work-based	25,000	11,000
Level three and four total	247,000	125,000*

*Figures above based on take-up at 55%. BIS expect to spend the total budget and fund 204,000 starts

Only **40%** of loans will ever be repaid by learners, BIS has estimated

Source: BIS impact analysis, page 44: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32315/12-873-further-education-advanced-learning-loans-regulatory-impact.pdf

Government budgets and allocations

The government has moved **£527m** out of the Adult Skills Budget, to be used for loans in the 2013-14 and 2014-15 financial years

The Skills Funding Agency has allocated **£232m** in loans facilities to nearly 800 colleges and training providers for the 2013/14 academic year

There is a **£50m** bursary fund for 2013-14 and 2014-15 financial years. Of this, £17.33m has been allocated for the 2013/14 academic year

The Skills Funding Agency allocated providers a share of a **£6.5m** development fund to be used for capacity building and marketing

Providers pick up the marketing challenge

Eleanor Radford
@EleanorRadford

How have learners got to hear of the new loans system?

This is a question that has caused some controversy as the government declined a national marketing campaign on 24+ advanced learning loans.

Shadow Skills Minister Gordon Marsden said he believed it was “potentially disastrous” that there was no “proper” national marketing budget to communicate these “major changes effectively”.

However, a spokesperson for the Department for Business Innovation and Skills (BIS) told *FE Week* that “in light” of the “relatively small numbers” of students involved for the first year of the change, it didn’t feel a national marketing budget was needed.

“We feel it is best to concentrate on local channels,” he said.

So a £6.5m pot of cash — the Development Fund — was dished out to providers who could show to BIS they were ready to use it.

Colleges and training providers were allocated different amounts, ranging from £2,000 to £25,000, pro-rated against the value of the facility BIS said, and were free to use the money in different ways, from advertising and website development to leaflets and staff communications.

Chesterfield College, near Sheffield, was allocated £18,000 and chose to promote the strapline “qualify now, pay later” (pictured).

Krysia Wooffinden, head of research and marketing at the college, said: “When the term loan is used these days it can very quickly be perceived as a wholly negative message so we were keen to concentrate on the benefits to the student.”

She said her main aim was to keep the campaign as “simple and clean” as possible with “high impact” advertising.

The college spent £7,500 on initial campaign launch costs which included full-page advertising in local press, mobile billboards which targeted Chesterfield residents at the

busiest times of day, phone box size

adverts at football grounds and train stations, as well as leaflets, promotion on Facebook, YouTube, Twitter, and a video which runs through the loans’ main facts and was quickly shared online by several of the town’s large organisations such as the local authority.

The budget was also used for staff training from Student Finance England to “ensure efficient processing of enquiries,”

the college said. The rest of the budget was set aside for a wave of promotion starting in June, to coincide with the launch of adult course brochures.

and throughout summer.”

Greenwich Community College has gone down a similar route, promoting the slogan: “Study now, pay later” (pictured top of page 7).

Head of marketing at Greenwich Alec Brand said he believed around 700 students — around 12 per cent of the funded cohort — would be affected.

“We are aware that the target audience would not necessarily be aware of the 24+ advanced

learning loans so created the strapline, study now, pay later to relate to the audience,” he told *FE Week*.

“We are promoting it as a fantastic opportunity for students who have not previously been able to pay their fees upfront or in instalments,” he added.

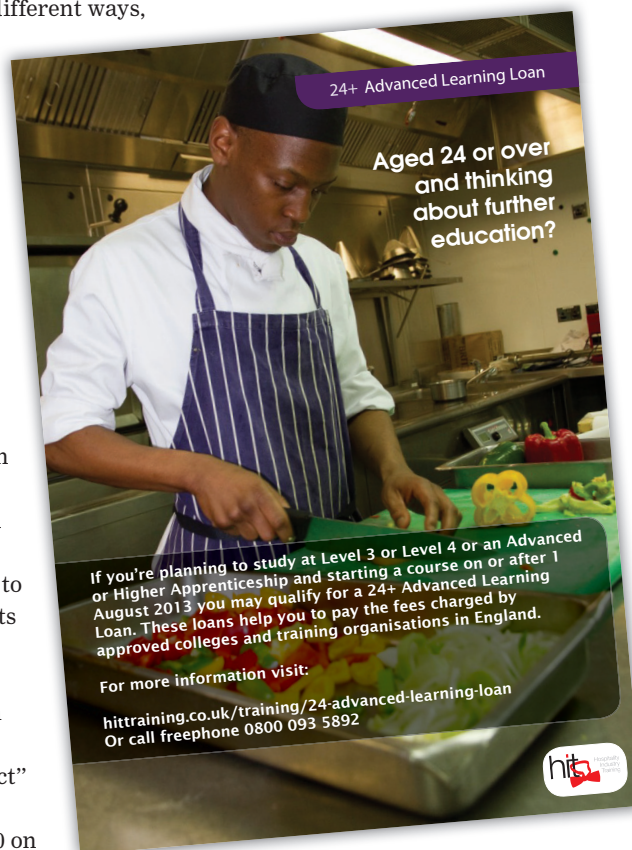
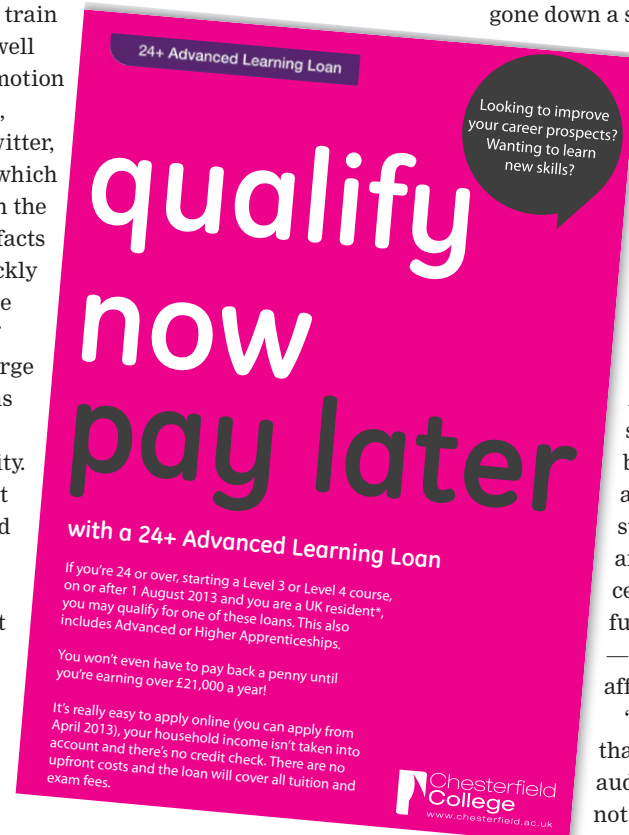
The college held focus groups for current students who would be affected by the change as well as sending out text messages to students 24 and over who are progressing onto level three courses.

Each course page on the college website has reference to the loans with a link to an information page that has been set up and posters have been circulated to those who work with the affected age group, including Job Centre Plus, a local volunteer centre and the college’s national careers service adviser, he said.

In the summer Mr Brand said the provider would be running an outdoor media campaign including a community roadshow at supermarkets to promote courses and the loans.

Care and hospitality specialists HIT Training Ltd, which with 400 staff is one of the UK’s largest providers, used its allocation to employ a consultant specifically to train staff on FE loans.

Tracy Phelps started in January, working her way round the country training staff, associates, sub-contractors, learners, employers and facilities on how



Mrs Wooffinden

added: “It’s early days yet but we’ve received some good feedback and plan to start another advertising push in June



Krysia Wooffinden, Chesterfield College



Tracy Phelps, consultant for HIT Training

the change will work.

“I’ve briefed our managers, area managers and I’m working from the top down,” she said.

“The message is really important — you don’t know when the learner will ask, so everyone must be ready.”

“We are planning on following someone through the process — like a case study, to see how they get on,” she added.

HIT has also used posters (pictured left) to promote the loans, as well as a social media campaign.

Apply from April 2013!

GET THE LOAN

GET THE QUALIFICATION

GET THE JOB

Are you over 24?

Apply for a loan for your tuition fees and pay nothing up-front!

From September 2013, anyone aged 24+ and living in the UK will be able to apply for an advanced learning loan for a level 3 and level 4 course. Loans will not be means tested or subject to credit checks - and you don't pay anything back until you're earning £21k.

*Resident in the UK for three years prior to the start of the course. Ask about further eligibility.

GET THE CAREER YOU WANT accross

Loan helps Toni back to into the classroom

Eleanor Radford
@EleanorRadford

As soon-to-be health and social care student told *FE Week* what led her to take out a 24+ advanced learning loan and her experience in applying for it.

Toni Harling (pictured) has worked full-time since she was 16 when circumstances forced her to leave school.

Now, at the age of 27, the Marks & Spencer shop assistant from Newburn, Newcastle, says she’s finally able to further her education because of the new loans system.

“I didn’t get the right qualifications when I was at school and I had to leave home when I was 16,” said Toni, who has a place to study a level three course in health and social care at Westgate College in Newcastle and hopes to become a midwife.

“I was forced to grow up so quickly going into full-time work straightaway and had my own place and bills to deal with. I’ve worked full-time ever since.”

Things changed earlier this year, however when Toni got made part-time at Marks & Spencer.

She explained: “I thought, why not do a course now? I have more flexibility with my working hours and I don’t want to get any

older — but I was having to look for another part-time job so I could pay for the fees.

“I was looking for extra work in the evenings or afternoon but then I saw the

“I was dubious at first, but the payments are quite small and it’s not a daunting amount of money

adverts for the loans and it was like it was meant to be.”

She saw an advert in a newsletter handed to her by her mum after it was posted through the door.

The leaflet outlined what courses were available in Newcastle and she went to an open day to find out more.

“I wasn’t feeling confident — I was always under the impression that if I went back to further education it would be with loads of

really young people but when I went into the college I was assured that I would be with other adult learners and this put me at ease,” she said.

“At the open day I was taken straight through for a literacy and numeracy test which I wasn’t expecting but that was good because if I knew it was going to happen I probably would have fretted about it and wouldn’t have been able to sleep.”

She sailed through the tests and the college explained to her how to apply for a loan, which she completed online at home.

“I was dubious at first, but the payments are quite small and it’s not a daunting amount of money compared to buying a house,” she said.

She added that the application process was “surprisingly easy” and took just 10 minutes.

Toni, who will complete her course part-time over a year before going on to study midwifery, is now just waiting to hear if she’s been accepted for the loan. She can’t see any reason why she wouldn’t.

“If it wasn’t for the loans system I doubt I would have been able to arrange all the payments,” she said.

She added: “Now I’m really excited and motivated about starting — I’m sure it’ll be worth it.”

Study Now, Pay Later

24+ Advanced Learning Loan

If you are 24 or over and enrolling onto a Level 3 or higher course from September 2013, you are now entitled to the new 24+ Advanced Learning Loan.

- No upfront course, registration or exam fees to pay
- Only start to pay back once you are earning over £21,000
- Repayments will be lower than for a bank loan with interest charged at only inflation plus up to 3%
- Getting a loan doesn’t depend on your household income and there’s no credit check

Relevant courses at GCC Include:

- Access to Higher Education
- A Levels
- Vocational and Professional qualifications including; AAT, BTEC, CELTA, Counselling and Electrical Installation
- Higher Apprenticeships

For details of all our courses and the 24+ Advanced Learning Loan, please visit www.gcc.ac.uk

studentfinanceengland

Greenwich Community College

BIS
Department for Business Innovation & Skills

24+ Advanced Learning Loans are administered by Student Finance England (SFE). Student Finance England is a Student Loans Company service, providing financial support to students on behalf of the UK Government.

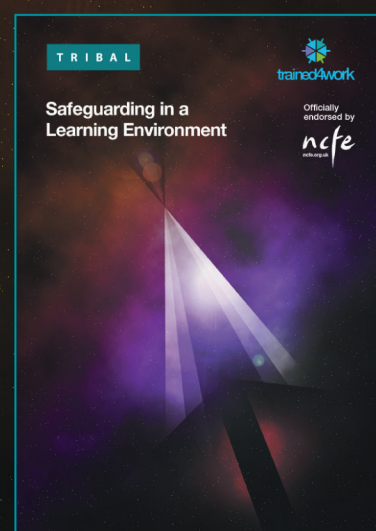
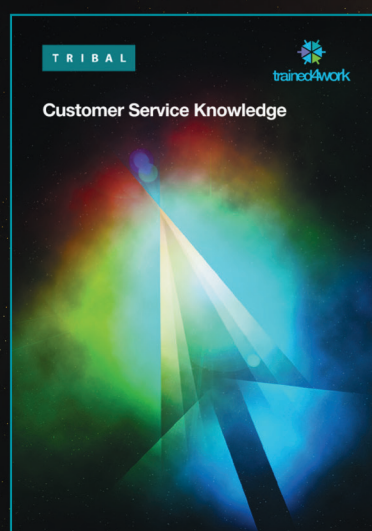
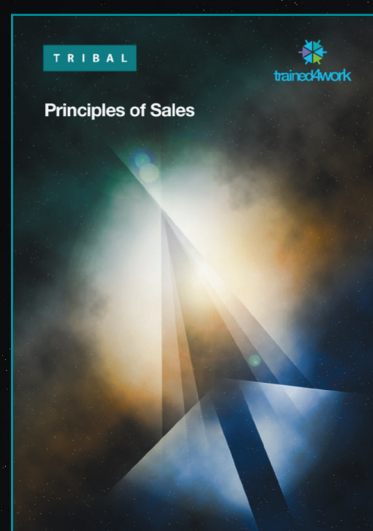
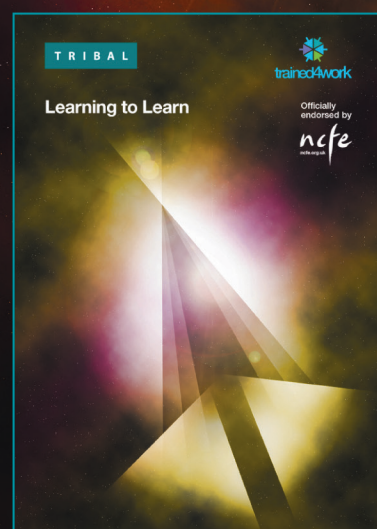
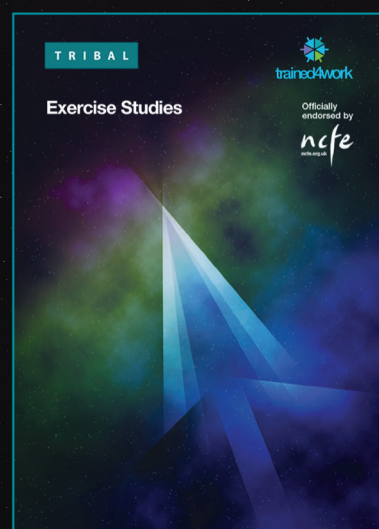


TRIBAL



Tribal responds to demands for more flexible and cost-effective training with the launch of innovative online learning resources

Tribal has expanded its extensive course portfolio and can now provide a number of e-learning programmes that offer cost-effective learning solutions.

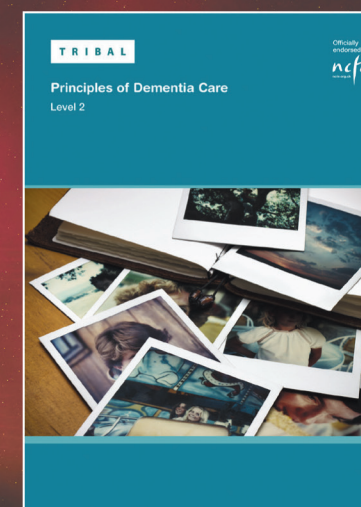


This year's Budget included an extra £2.5 billion in spending cuts across government departments. This includes more cuts for the FE sector, with government investment in further education and skills likely to reduce over the next two years. The challenges continue for colleges and training providers in offering cost-effective learning. E-learning and m-learning are increasingly replacing traditional paper-based resources, and can help to reduce individual learner costs. Being able to access courses on the go via a smartphone or tablet is especially valued by those who are studying part-time (perhaps in addition to a full-time job), and by those who find learning easier in small chunks rather than in text-heavy workbooks.

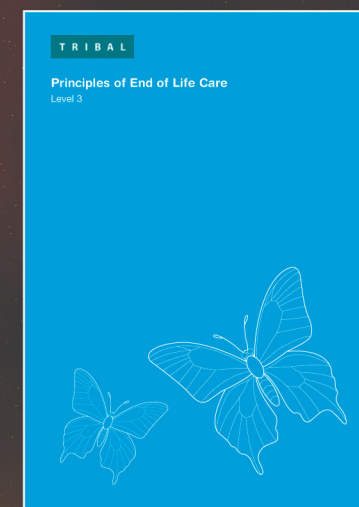
In addition, we can provide online assessments for the following paper-based programmes:



Mental Health Awareness



Principles of Dementia Care

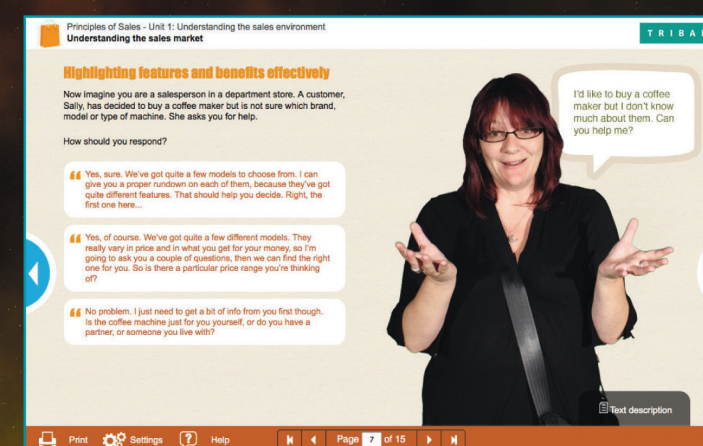


Principles of End of Life Care

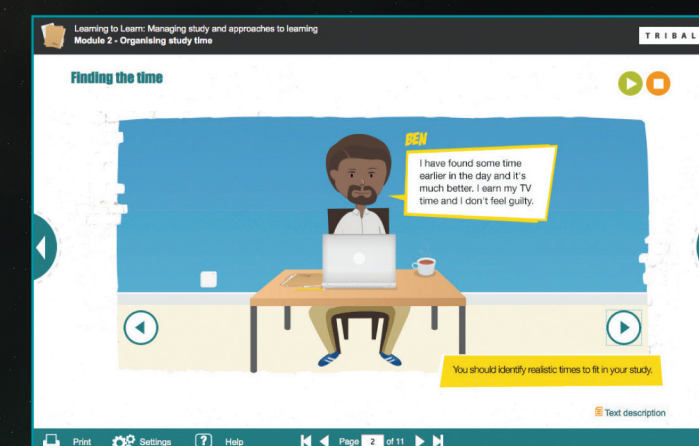


Understanding the Safe Handling of Medicines

Tribal's range of new, interactive e-learning programmes cover a range of vocational areas, many of which are accredited as national qualifications and meet the full Level 2 agenda. They are filled with user-friendly, interactive content and are presented in easy-to-follow, bite-sized modules, allowing learners to undertake their learning in manageable amounts.



Principles of Sales



Learning to Learn

Customers can take advantage of accessing the programmes via Tribal's VLE, Trained4Work, where a fully integrated back-office system provides tracking and reporting of learner progress, providing a just-in-time and cost-effective delivery solution. Trained4Work is provided free of charge to centres using the programme and our realistically priced package includes full access to the course materials, assessment player, PDF support documents and tutor resources.

For a free demo of Tribal's innovative resources join our live webinars, from 3pm until 4pm, on 15 May and 12 June.

To reserve your webinar place, please email katie.mclaren@tribalgroupp.com quoting 'FEWEEK' and the date you wish to attend.

Online roadshows!

Also, we will be showcasing our online resources at regional roadshows throughout June and July.

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The all important learner funding letter

Learners sitting down to fill out their loan application form between now and August will be relying on their learning and funding information letter to help them.

The letter (template pictured), given out by providers, should contain vital information such as provider name and UK Provider Reference Number, course details including learner aim reference, title, and start and end dates. It will also contain financial details such as course fees, other costs, the maximum loan available and, where applicable, an assumed employer contribution.

The Skills Funding Agency (SFA) website has two template letters — one for apprenticeships and another of non-apprenticeship provision, which providers can simply download, as well as advice on how they can construct their own.

How providers choose to put together and distribute the letter will depend on what processes they have in place.

Fiona Davis, funding and registry data manager at Boston College, says the college is going to amend its original course offer letter to reflect some of the SFA's recommendations, but will cover the bulk of the information for 24+ Loans in a separate letter which will only be given to learners applying for the loan, alongside the standard letter.

“For anybody who is 24 and over and studying a level three, we're doing a sort of course information sheet, that pulls

out all the relevant details and everything that's needed, and we're going to print off a whole batch of those so they can just be put in with the relevant letters that go out,” she says.

“We've been looking at what we could add into our current letter, rather than having to start all over again, because we couldn't see the point of us doing that.”

Bournemouth and Poole College's letter is based on the SFA templates, but the college uses mail merging software to pull out the information relevant to each learner from a database insert it into the template, automatically creating a personalised letter.

“We're trying to minimise any discrepancy,” says Anthony Wright, director of adult and higher education.

Both colleges will be offering telephone and in-college support to help learners fill in the application form, including

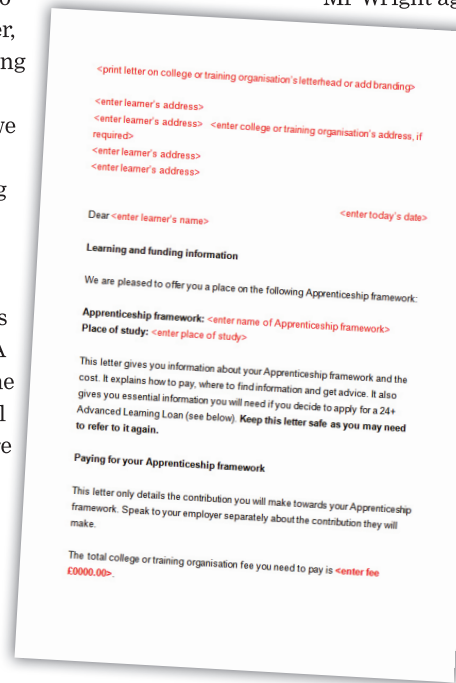
computers for those who do not have home internet access.

For Ms Davis, the most important piece of advice she would give to other colleges is to ensure all the relevant departments are working well together.

Mr Wright agrees; at Bournemouth and Poole College, a working group was set up, with members of staff from finance and planning, adult learning, management information service, admissions and guidance and student support, to oversee production and distribution of the letter.

“We felt that that way we could make sure that we had got all angles of the learner journey covered, so the letter itself, the content of it is being directed by our advice and guidance and it is being informed by student services and it is mail merged from our management information service,” he says.

Templates and advice for putting together the learning and funding information letter can be found on www.24plusmicrosite.com.



Fiona Davis, Boston College



Anthony Wright, Bournemouth and Poole College

Provider payments and the funding rules

The Student Loans Company (SLC) makes payments to providers, but it is the Skills Funding Agency (SFA) that will performance manage and its rules apply for the purposes of audit requirements and evidence.

The SFA funding rules includes the following regarding payment: “The SLC will make loan payments to you using a flat monthly profile based on the initial liability point and the learning aim or Apprenticeship framework end date. So, if a learner takes out a loan of £900 for a learning aim or apprenticeship framework that will be delivered over nine months, you will receive nine separate monthly payments of £100 from the SLC.

“Loans payments can only be made up to a maximum period of time. If the learning aim or apprenticeship framework end date is later than the maximum period of time for payments, the payments will be scheduled to be paid in full (depending on any change of learner or provider circumstances) during the maximum period of time allowed for that learning

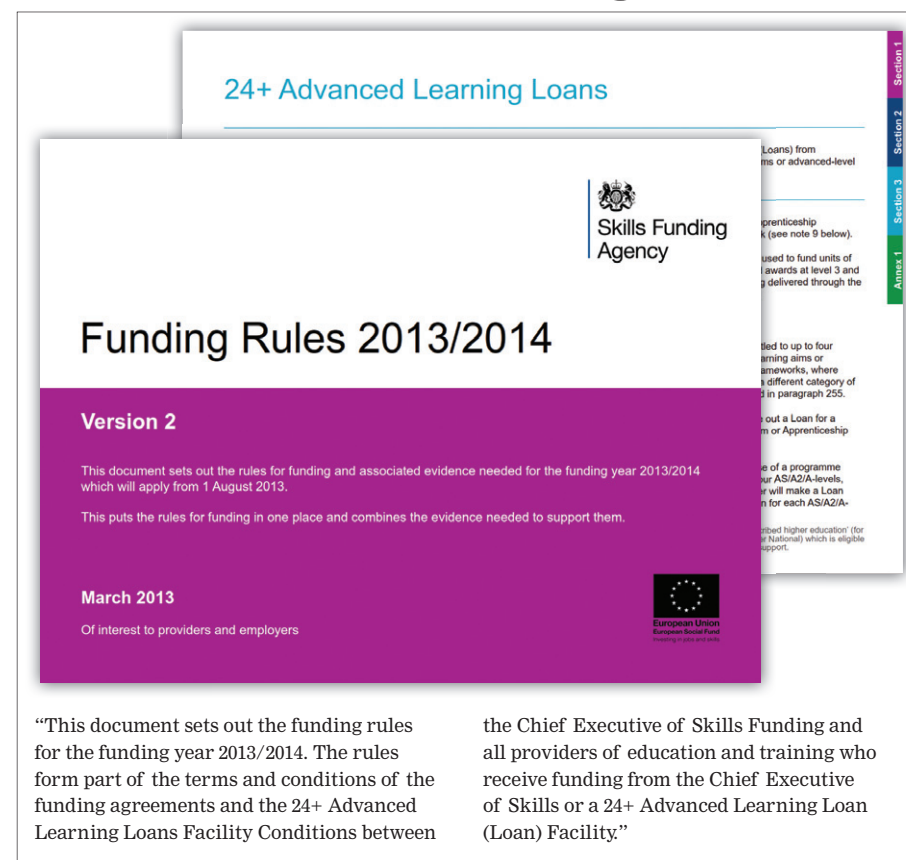
aim or apprenticeship framework.

“Payments will be made on a set date in each month. Payments are based on the learner's initial liability point and the end date of the learning aim or apprenticeship framework. If the end date changes in the first three months of the learner starting the learning aim or apprenticeship framework, payments will reflect the revised end date. If the change happens after the first three months, payments will stay the same as originally planned.

“The only exception to this, where the payments will reflect the new end date, will be where a learner takes a break in their learning and returns within 12 months.

“The three month rule applies to SLC payment systems, and does not affect the individualised learner record rules for recording planned end dates of learning aims and apprenticeship frameworks.

“If a learner completes their learning aim early, the SLC will make a balancing payment to you once you tell them about this using the learning provider portal.”



“This document sets out the funding rules for the funding year 2013/2014. The rules form part of the terms and conditions of the funding agreements and the 24+ Advanced Learning Loans Facility Conditions between

the Chief Executive of Skills Funding and all providers of education and training who receive funding from the Chief Executive of Skills or a 24+ Advanced Learning Loan (Loan) Facility.”

Setting fees for FE loans

Rebecca Cooney

@RebeccaKCooney

The arrival of 24+ advanced learning loans in August will stop government funding of 50 per cent of course costs for adult learners at level three and above.

Learner loans will instead cover the full cost — and providers will have to adjust their fees to reflect this.

How they do this will depend on which of the following four ways they set their fees at present; whether it's on a course-by-course basis according to the Skills Funding Agency maximum funding rate, by banding based on course size and level, working out a full cost for the course or by market-based pricing.

Middlesbrough College sets fees for individual courses, according to the agency funding rates, but pays attention to the local market.

“We ask people on the ground for their view, and sometimes they flex fees up if they think the market can stand that or they flex them down if they think they'd lose students if they didn't offer a low fee,” said Zoe Lewis, Middlesbrough's deputy principal.

In future, the college will still base

its fees on the agency rates, effectively doubling them; the process will be similar, but with the amount of ‘flexing’ depending on whether learners will be prepared to take out a loan.

We're all sort of guessing really how people are going to respond

The Learning and Skills Improvement Service has warned that doubling fees may not cover all costs as government subsidies may have previously included extra money for high-cost courses, or courses in high-cost or disadvantaged areas. This means that fees may have to rise more than 100 per cent.

It also warned that blanket fee-setting may have to be adjusted for the introduction of loans.

Jerry White, director of planning and performance at City College Norwich,

said that learners on courses offering more than one qualification might not be able to take out a loan for the full amount, and would have to pay the extra themselves as the loan was granted according to learning aims.

“What we've tried to do is set a full-time fee rate where a vast majority of the learners who come on those courses aged 24 or more will still be able, on the basis of their main qualification aim, to take a loan out for the majority of the fee that we're charging them,” he said.

He added that the fee setting mechanism hadn't changed, it had just become more complex, something that the college had tried to avoid.

For this reason, City College's policy was to charge a flat rate for all full-time courses.

It was set to double its over-24 fees, but would ensure the figure remained below the agency rate to allow this method of funding — a variation on the banding method — to be viable.

Mr White said that it was “too early to tell” how enrolments would be affected by fees.

Ms Lewis agreed. “We're all sort of guessing really how people are going to respond to them,” she said.



Zoe Lewis, Middlesbrough College



Jerry White, City College Norwich

Making use of the loans bursary fund

Eleanor Radford

@EleanorRadford

Learners with extra needs such as childcare will have the chance of financial help from a Loans Bursary Fund — which they don't have to pay back.

As part of the new loans regime providers have been distributed £50m over two years — campaigned for by the National Union of Students.

The cash will help cover those who need to pay for childcare, travel costs and extra tuition as well as supporting some ex-military personnel and those with learning difficulties or disabilities.

But many providers have reported less cash in their bursary allocation for 2013/14 compared with the demand they faced in the current academic year.

Jerry White, director of planning and performance at City College Norwich, said his college faced a shortfall of around £75,000. Staff were in the process of trying to work out how they would adjust their bursary policy to cover more vulnerable learners, he said.

“Adult learners are more likely to be on big full-time courses like access to HE so they often have disproportionate

requirements for childcare and tend to come from backgrounds where they may need a lot more learner support,” he told *FE Week*.

He said last year demand for their 24+ learners worked out at around £120,000. He broke this down as £50,000 spent on childcare and £70,000 on books and equipment. He added that around £20,000 was on in-class support due to particular learning disabilities and difficulties such as dyslexia which actually took them up to around £140,000. For the coming academic year they have been allocated £45,000.

Providers must prioritise vulnerable groups

In previous years he said these needs were covered by the mainstream learners' pot but the new bursary fund was ring-fenced so he was worried his college would incur costs.

Consultant Michael Gray (pictured) has been working for the Learning and Skills Improvement Service (LSIS) as part of its loans support programme. He said many

providers had given “generous learner support” in the past.

“Some are now seeking to lower the support expectations of loans-funded learners,” he said.

Providers might have to “ration a scarce resource” by setting a “low financial threshold” above which all requests for additional support would be considered, he said.

These should then be based on “affordability” and the ability to make “reasonable adjustments”, by a panel of at least two staff, he added.

He warned: “There needs to be a caveat here that providers ensure they are working within the law with regard to considerations of the equity for all learners”.

The Skills Funding Agency's Funding Rules dictate that bursary cash would be paid monthly based on Independent Learner Record returns, and claimed by providers who would decide how it's distributed.

Providers must make sure funding is available for teaching assistants under the Equality Act and must prioritise vulnerable groups, the rules say.

And the cash must not be used to pay learners' fees or cover costs for items the



learner should already have to complete their course — these should already be included in the course fee. Also funding must not be transferred between the Loans Bursary Fund and any other budgets or funds.

LSIS has produced a draft 24+ advanced learning loans bursary policy as guidance. It advises that apprentices may apply for bursary support but it was expected that their employers would normally meet their costs of learner support.

Biggest FE change in a generation

Worries about how the new FE Loans system might affect student numbers have won government concessions, explains Gordon Marsden. However, there is much left to continue causing concern



And I have argued forcefully against the government's decision not to put in place a national marketing budget to promote the loans to learners.

The government's own impact assessments, suggesting up to 45 per cent of learners could be deterred by the introduction of loans has done little to reassure anyone.

Many of the learners likely to be hit are women. More than 60 per cent of women, based on college enrolments in 2010/11, looking to get back into employment or improve their career prospects after childcare or caring commitments would be affected.

The situation for almost 100,000 adult apprentices also raises deep concerns, not least because the Department for Business, Innovation and Skills itself in a recent research paper conceded it had little idea how many apprentices or employers would take up the new system.

Concerns have also been expressed over how the Student Loans Company (SLC) will cope with the new loans, given much more variability over start dates, course duration and a lack of a Universities and Colleges Admissions Service-style central administration.

I recently met its chairman, who assured me the SLC would be ready, but as outlined, it is clear that much remains unanswered. The broader context for adult learners wishing to do post-level three courses could hardly be less inviting.

The recent 40 per cent drop in part time undergraduate students since 2010 seen in Higher Education Funding Council for England statistics — the majority of whom are mature learners — was recently highlighted by Baroness Bakewell in her new role as president of Birkbeck University.

This is on top of the overall drop in mature student numbers in HE seen last year. Given this chilly climate, who can be convinced Ministers have addressed the many legitimate concerns over this policy coming from right across the FE sector?

Ministers have talked up this new system but now they will have to deal with any unintended consequences.

Gordon Marsden, Shadow Skills Minister

Ability to pay or ability to learn?

Adult, community and further education once courted learners through 'second chance education'. But how will things look post-September, asks Barry Brooks

The challenges that face adult learning are stark during these austere times.

We need more and better qualified young people to enter the world of work, we need a workforce with more confidence and competence to manage the pace of change, and we continue to have a large rump of people with low or no skills that are perceived as a continuing drain on our social security system.

The government is trying to share or spread the financial burden as there is not enough money in the public purse to address these challenges.

The policy decisions are clear and unequivocal and, as ever, there are winners and losers. The raising of the participation age, Ofsted's emphasis on teaching and learning, the reform of national qualifications, the development of traineeships and the continued support for apprenticeships have signalled the government's determination to secure more and better qualified young people.

And few educators would challenge their commitment to concentrate funding on adults with low level skills, including English and maths.

From September all post-16 learning will be structured around an individual's programme of study; anyone without GCSE English and maths at A*-C level will have to study them.

Ensuring confidence, capability and proficiency in these subjects is to be welcomed. But there is concern that the sector may not be able to recruit or train enough high quality, experienced teachers in time. The emphasis is on 'high quality' and 'experienced', as without an appropriately skilled and trained teaching workforce we will commit these learners to reprise their school experience.

Advanced learning loans also become available from September. The Skills Funding Agency believes that these 'will provide great opportunities for those over 24, to gain qualifications that provide access to better jobs and future careers'. A great deal of research confirms the increased commercial returns for a company and the improved financial returns to the individual of level three and four qualifications.

In these austere times when, as a country, we need to support adults who have the ambition and commitment to work hard and seek higher level qualifications, I am sure that I am not alone in feeling just a little



uncomfortable with the introduction of this risk and reward funding model.

The approach has been described as a partnership between the government and the individual as there are no up-front costs and nothing needs to be paid back until the individual earns £21,000 or more, so the burden of risk sits with the government. Many college principals actually believe that the risk sits with the provider as core grants are reduced, to be topped up by loans. Also there appears to be some confusion as to who is eligible for these loans, and what they cover.

'FE loans' has become common parlance for 'advanced learning loans'; to the ill-informed this inaccuracy may suggest that all study in FE now requires a learning loan. This uncertainty is not going to help recruitment and has to be a concern for colleges now more reliant than ever on income from fees.

There was a time when adult, community and further education courted older learners through 'second chance education'. All that was asked of them was their commitment, their dedication and their efforts. As educators, our return was their achievement and success. As a service, people's skills and life chances improved, employers directly benefited from increased performance and ultimately the economy benefited from a retrained or well-trained workforce.

It is a pity that our current financial circumstances mean that, at advanced levels at least, we must now differentiate our education offer in terms of an individual's ability to pay rather than their ability to learn.

Barry Brooks, strategic adviser to the Tribal board

Loans in place, but opposition remains

The sector is facing a profound shift into unchartered and unstable territory, says Toni Pearce. But there can be little doubt or uncertainty about the impact on students. . .

For me, April was a month of mixed blessings. I was delighted to have been elected NUS president, the first from an FE background. And yet, about the same time, FE fees (or "24+ advanced learning loans" as we are supposed to call them) reared their ugly heads.

During my time as National Union of Students (NUS) vice president for FE, I worked closely with the University and College Union (UCU), Unison, the Association of Teachers and Lecturers and others to challenge the rationale and potential impact of this retrograde policy through the #no2FEfees coalition that we formed.

Our pressure — letters, lobbying, and protests — forced significant government concessions last year in the form of a £50m bursary fund and loan cancellation for those who subsequently progress to higher education.

All of this, however, has not dented for one moment our opposition to the loans, or our concern about the problems that lie ahead.

The government's own impact assessment showed that older learners, those with mental or physical disabilities and Muslim learners would be particularly affected. But, perhaps most worryingly of all, research by the Department for Business, Innovation and Skills (BIS) suggested that only 11 per cent of students wanting to do an apprentice course at level three or above would take out such a loan — even after the scheme's details were explained to them.

And yet a recent survey we ran with UCU and the other members of the #no2FEfees coalition suggested that alarmingly few of those in FE knew about the policy at all.

Our survey of lecturers, managers, support staff and students showed that a quarter were "not at all" aware of the policy, while six in 10 said they were only "slightly aware". Just a third said they were "very aware". This latter finding is all the more worrying when we recall that last year the government responded by claiming perceptions of the scheme would change with greater awareness.

It is clear that far too few, even now, know about the proposed loans and that those identified as most vulnerable by the government's own impact assessment look set to also be the least likely to know.

It's not just about awareness though: it's also about the potential impact — on learners, institutions, and their staff.

Here, nearly half of those who replied said they were unsure about how the new loans would affect the number and type of courses available, and just one in six said they were very aware of what the impact would be on their own institution.

Respondents to our survey overwhelmingly felt that the new loans would deter learners — with eight in ten saying that they would be less likely to study level three or four courses as a result.

That should worry all of us who care about the transformative potential of FE. The failure of the policy and problems with its implementation will damage lives and prospects.

The responses we have seen in places such as MidKent, Bradford and Sheffield, where students and staff have worked together to raise their concerns, have been truly inspiring. A special mention is due to Laura Seward, the president of the students' union at Grimsby Institute, who not only persuaded her MP to table an early day motion, but got an unlikely coalition of Conservative and Labour MPs to back it.

I am convinced that the energy and



commitment of these activists will bolster our opposition — and that we will be vindicated.

But being able to say "I told you so" is not what we want. We need to see a change of course before the damage is done.

The rumours that BIS plans to extend the loans to other age groups are hugely concerning. Not only is it an untested policy, but it would be grossly irresponsible to even consider pressing ahead and extending it before any of the evidence is known.

Toni Pearce, NUS president-elect

Who can be convinced Ministers have addressed the many legitimate concerns?

Our campaigning bore fruit last summer, when we, together with stakeholders such as the Association of Colleges and with unions such the University and College Union, forced then Skills Minister John Hayes into a number of concessions.

Most notable of these was writing off access to higher education course loans for learners that successfully complete a degree.

But major concerns remain.

Mr Hayes's original commitment to look at allocating additional resources for subjects in science, technology, engineering, and mathematics appears to have been watered down.

The most recent parliamentary response I got from new Skills Minister Matthew Hancock merely suggested officials would look at the situation at the end of the 2013/14 academic year.

This will be far too late for college courses and for learners put off by higher costs.

Nearly a year on we still do not know the detailed mechanisms by which the £50m bursary fund will be distributed.

Where will customer demands take us?

Adults deserve to be offered attractive, flexible and high quality learning whatever their age and wherever they live, says David Hughes

Amid all the concerns about 24+ advanced learning loans, it is worth considering how loans might change the relationship between FE learners and the learning providers.

Changes in that relationship have already happened in higher education, and are increasing in pace. Many vice chancellors seem to be spending as much time planning enhancements to student facilities as they are developing quality in teaching and research.

The length of coffee queues and access to sports facilities, as well as the inevitable price of a pint in the student union bar, are high up the list of what differentiates one university from another in the eyes of the newly-empowered students who now need to take out bigger loans.

Perhaps more positively, advertising by universities focuses heavily on employment outcomes and their links with industry and the economy.

Beyond that, student expectations of

the quality of teaching, lectures, learning resources and contact time with lecturers have all heightened.

In short, learners have become empowered customers, both in their own eyes and in the eyes of vice chancellors.

It is clear that the locus of power has shifted and that many investment decisions are being driven by customer demands.

Is this what we should expect for FE over the coming years?

I have a doom and gloom answer and a positively optimistic answer. You can decide which feels more plausible.

First, doom and gloom: the significant differences in the FE market will result in learning providers deciding not to invest in the changes needed to attract learners willing to take out loans. Unlike higher education, the 24+ market is a relatively small part of most FE learning providers' portfolio; they face fierce competition in other parts of their offer, particularly for 14 to 19-year-olds.

Their investment decisions will be about securing core business and 24+ advanced learning is simply not core enough.

Now the optimistic answer: learning



providers in FE are committed to lifelong learning and have a great track record of flexibility and change. They will make the investments needed and they will make the loans work for adults across the country.

This might be through similar customer-driven changes in terms of facilities, pricing, course information and the like. My hope is that it will also be through understanding the needs of adult learners by offering new, flexible, blended and innovative learning experiences.

While it is dangerous to generalise about all adults over the age of 24, many share certain characteristics.

The obvious and most important is that by the age of 24, most have other responsibilities and calls on their time.

Being a full-time learner is not as easy after 24 so learning has to be fitted in with other things — such as caring for others and working.

Flexibility therefore comes in simple

things such as the timing of classes and lectures, access to resources at all hours and on-line learning opportunities.

Flexibility should also be about the ability to alter the pace and place of learning when personal circumstances change — more hours at work, changes to caring responsibilities.

To do this, providers will need to make conscious and brave investment decisions.

The level of demand and price sensitivities in FE are not clear, even if the need for people to be able to learn at level three and above is.

I hope there are enough learning providers in FE making those considered and bold investment decisions, because our economy and our society need adults to have the opportunities to learn.

David Hughes, National Institute of Adult Continuing Education chief executive

Useful resources and updates

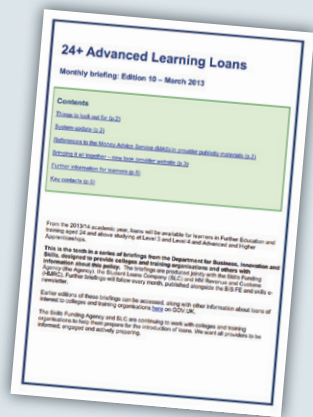
BIS

Department for Business,
Innovation and Skills

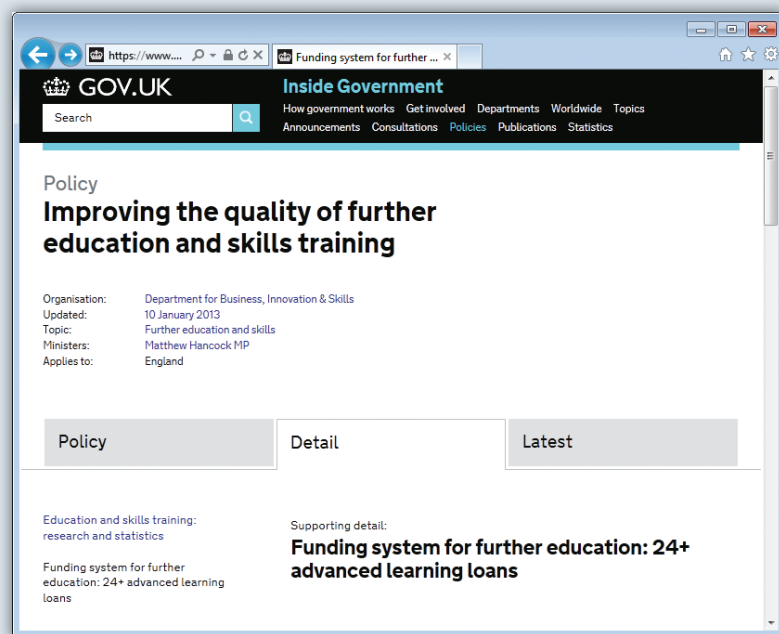
Monthly briefings

Described as a “monthly update to help colleges and training organisations prepare for the introduction of student loans. Produced jointly with the Skills Funding Agency, the Student Loans Company and HM Revenue & Customs.”

<https://www.gov.uk/government/organisations/department-for-business-innovation-skills/series/24-advanced-learning-loans-monthly-briefing>



Government policy and research



<https://www.gov.uk/government/policies/improving-the-quality-of-further-education-and-skills-training/supporting-pages/funding-system-for-further-education-24-advanced-learning-loans>

Key provider and potential learner contacts

If you have any questions about government policy on 24+ advanced learning loans, contact Andrew King (BIS) on 0207 215 1585.

If you have any questions about the implementation of 24+ advanced learning loans, contact your Skills Funding Agency relationship manager in the first instance. Or you can email questions to: advancedlearningloans@skillsfundingagency.bis.gov.uk.

If you have any questions about the administration systems and processes being developed by the Student Loans Company, email LPServices@slc.co.uk.

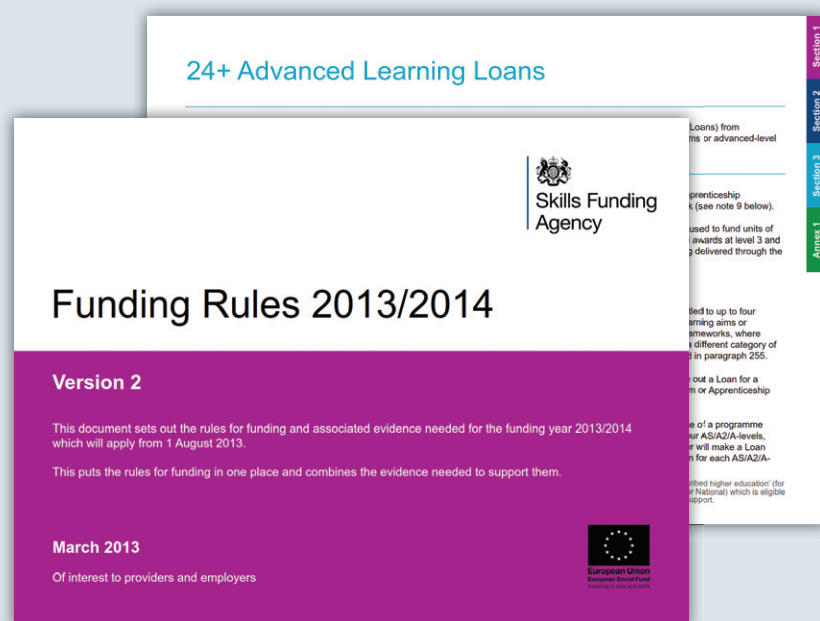
Support for potential learners requiring additional information or guidance during the application process is provided by Student Finance England. This can be accessed by calling 0845 24 02 024, Monday to Friday, 8.00 to 20.00 and Saturday to Sunday, 9.00 to 16.00 or via post to: 24+ Advanced Learning Loans, PO Box 302, Darlington DL1 9NQ

Skills
Funding
Agency

Skills Funding Agency

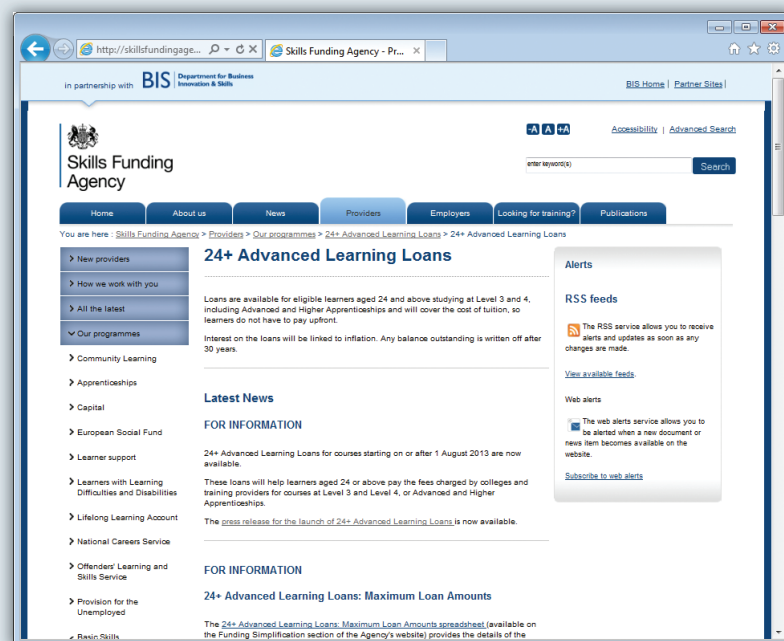
Funding rules

The funding rules document includes the rules for 24+ advanced learning loans and bursary funding and associated evidence needed for the academic year 2013/2014, which will apply from August 1.



<http://skillsfundingagency.bis.gov.uk/providers/fundingrules/>

Other documents, including FAQs and budget/performance management information



<http://skillsfundingagency.bis.gov.uk/providers/programmes/24AdvancedLearningLoans/>

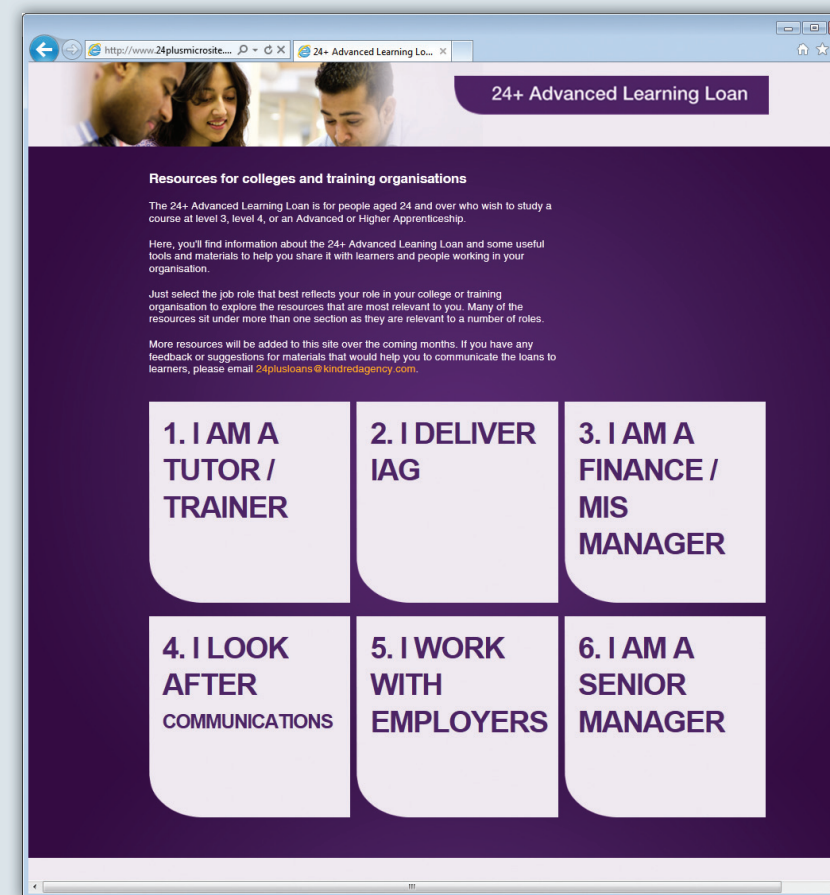


Student Loans Company

www.24plusmicrosite.com

This new 'microsite' developed by a marketing and communications agency on behalf of the Student Loans Company says: “Here, you'll find information about the 24+ Advanced Learning Loan and some useful tools and materials to help you share it with learners and people working in your organisation.”

“More resources will be added to this site over the coming months. If you have any feedback or suggestions for materials that would help you to communicate the loans to learners, please email 24plusloans@kindredagency.com.”



Student Loans Company regional support



The Student Loans Company website says the “student finance information team provide face to face training and support across England.”

To find out more visit: <http://www.practitioners.slc.co.uk/regional-support.aspx>

LSIS

Learning and Skills
Improvement Service
(LSIS)

24+ advanced learning loans toolkits

LSIS has produced four toolkits containing resources and examples of provider practice. All four toolkits were last updated on February 8 and a 'provider practice supplement' was added the following month. These are available on the excellence gateway website, below. They are also accessible via 24plusmicrosite.com.

1. Strategy and planning

This toolkit will help providers assess the strategic implications of the Loans funding option for their core business operation.

2. Finance and data

This toolkit will help providers analyse the curriculum, financial and information implications for their organisation of the change to learner-sourced funding.

3. Communication and collaboration

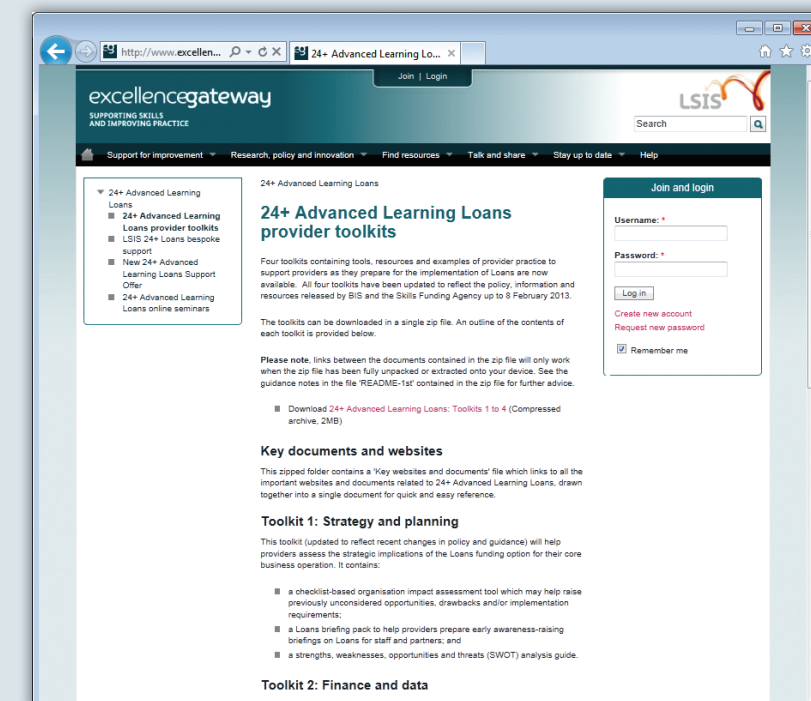
This toolkit helps providers to prepare staff, customers (learners and employers) and delivery partners for loans funding.

4. Quality and the learner experience

This toolkit helps providers to consider how to ensure the learner experience of funding their learning with 24+ advanced learning loans is a good one and refine their quality assurance procedures as they relate to loans.

And a provider practice supplement

This supplement complements the toolkits and offers the added dimension of brief outlines of practice from a range of providers as well as additional tools and the latest news about 24+ advanced learning loans.



www.excellencegateway.org.uk/24plusloans

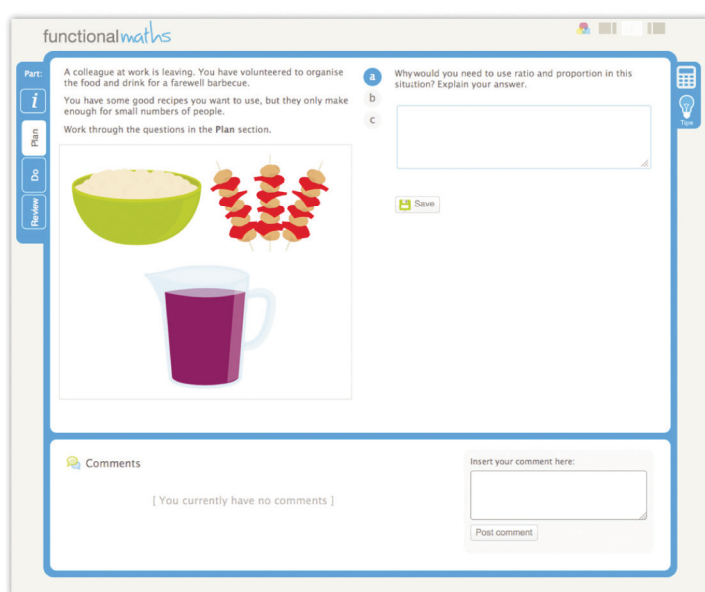
GoLearn Functional Skills Online

At Tribal, we are passionate about English and maths. For over 20 years, we have produced a range of products and services to ensure that all learners have the opportunity to develop their English and maths skills in order to progress in their lives and reach their full potential.

Our latest offer is **GoLearn** – a bespoke Functional Skills solution comprising full learner journeys for English and maths, as well as an ICT initial assessment.

Tribal will provide you with:

- Valid, reliable and adaptive initial/diagnostic assessment tools.
- Hundreds of hours' worth of high-quality, interactive learning materials.
- Functional Skills Apply Your Skills tasks.
- Functional Skills Practice Tasks at Levels 1 and 2.
- A suite of rich and robust reports designed to meet your audit, quality assurance and planning needs.
- Direct access to our experienced and dedicated Customer Service and Client Support team.



For a comprehensive overview of GoLearn, join one of our FREE webinars, from 3pm until 4pm, on the following dates: 21 May, 18 June, 23 July and 20 August.

To reserve your webinar place, please email katie.mclaren@tribalgroup.com quoting 'FEWEEK' and the date you wish to attend. Alternatively, for more information contact Paul Croft by email at paul.croft@tribalgroup.com or call 01223 470480.

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