



Education & Skills
Funding Agency

Advanced Learner Loans Funding and Performance Management Rules 2018 to 2019

Advanced Learner Loans

- Advanced learner loans are available for individuals aged 19 or above to undertake designated qualifications at Levels 3 to Level 6, at an approved provider in England
- Advanced learner loans give individuals access to financial support for tuition costs similar to that available in higher education and are administered by the Student Loans Company (SLC)
- The availability of loans for learners aged 19-23 studying at Level 3, does not replace an individual's legal entitlement to full funding for a first full Level 3 qualification

Delivery Partners

Department for Education

- Policy owners

Education and Skills Funding Agency

- Designation of qualifications and calculation of maximum loan amounts
- Identify which providers are eligible to offer loans-funded provision and monitor delivery
- Budget management

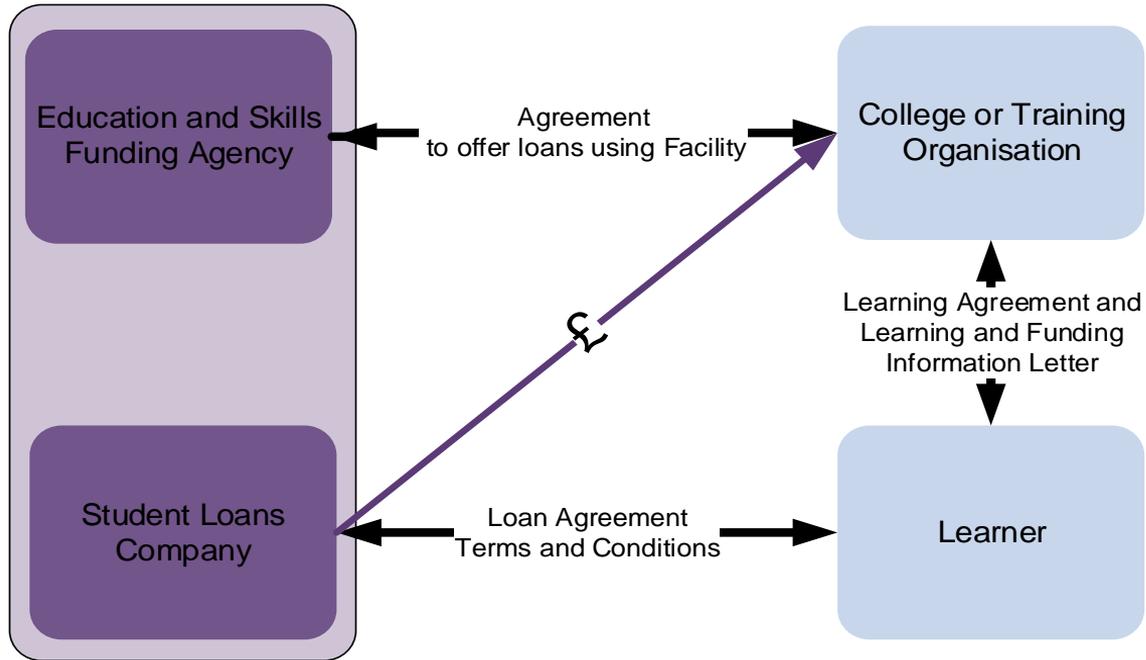
Student Loans Company

- Delivery and management of the loan application service for learners
- Assessment and decisions on loan applications
- Make loan payments to providers
- Process changes when learners' circumstances change

HMRC

- Collect loan repayments through the tax system

High level process



Useful Documents

- [Advanced Learner Loans Funding rules 18/19](#)
- [Maximum Loan amounts for designated qualifications](#)
- [Advanced Learner Loans qualifications catalogue](#)
- [Advanced Learner Loans Prospectus for Awarding Organisations](#)
- [Learning and Funding Information Letter and Guidance](#)
- [Individualised Learner record specification and guidance](#)

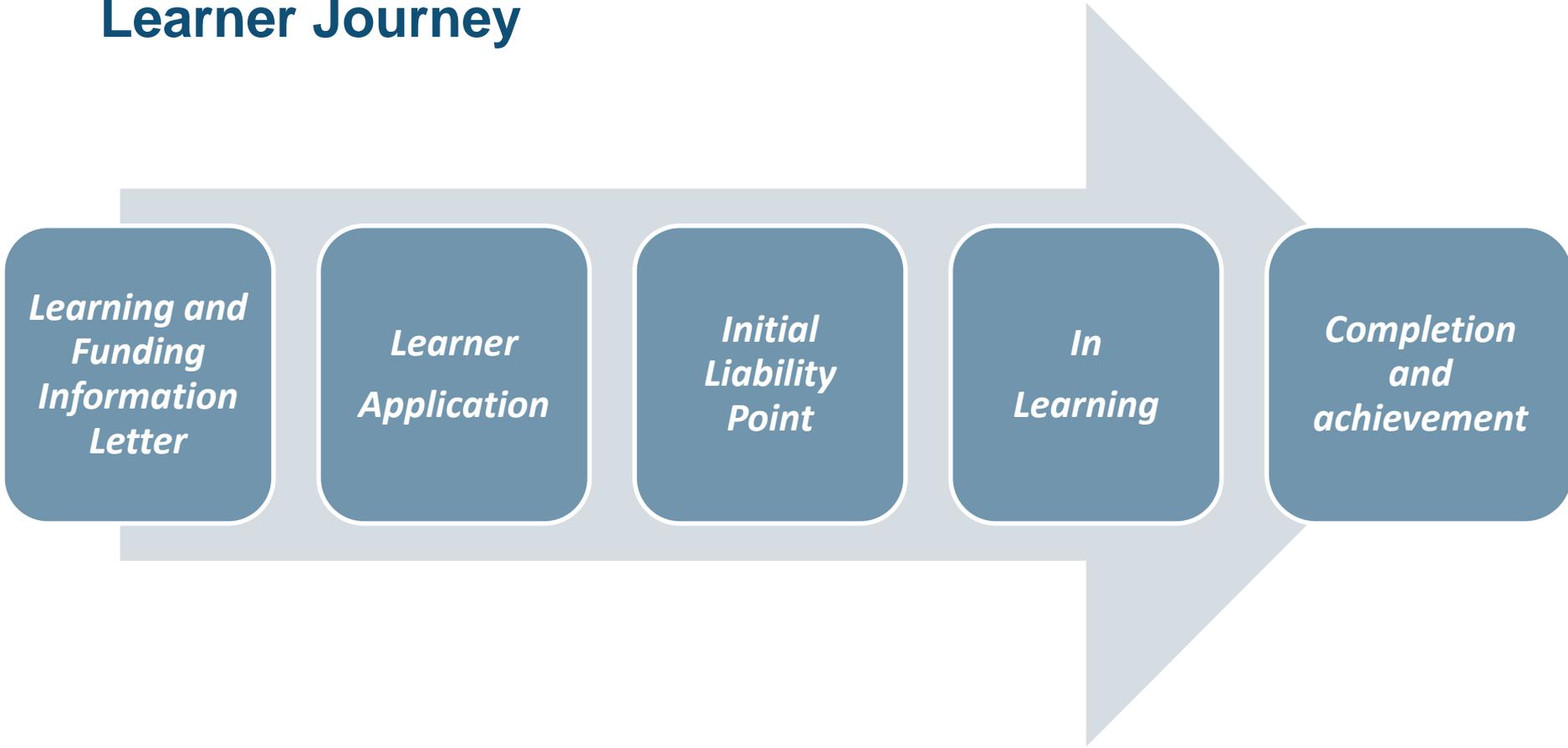
Purpose of Workshop

- Overview of the Advanced Learner Loans Funding and Performance Management Rules 2018 to 2019
- Focus on key changes for 2018 to 2019 and how the funding rules support the learner journey
- we will cover:
 - Section 1: Summarise the changes to the rules – recap on specific areas
 - Section 2: Go through the performance management rules and the growth process

Section 1 – Summary of changes to funding rules

- Learner eligibility has been extended to include individuals who have been granted stateless leave to remain by the UK home office
- Providers must not deliver any loans funded provision outside England

Learner Journey



*Learning and
Funding
Information
Letter*

*Learner
Application*

*Initial
Liability
Point*

*In
Learning*

*Completion
and
achievement*

Specific areas - Frequent Questions

- Qualifications
- Setting maximum loan values
- Loan amounts and financial contributions
- Allocations

Qualifications

The criteria is set out in the [advanced learner loans prospectus 2018 to 2019](#) and include the following:

- A-Level and AS-Levels
- QAA Access to HE Diplomas
- General and technical qualifications at Levels 3,4,5 and 6

The full list of designated qualifications is in the learning aims section of the Hub and the [Advanced Learner Loans Catalogue](#)

You must:

- Check with the AO that the qualification is available and is valid for new starts on the date the learner is due to start
- Have approval from the AO for the qualifications

You must not:

- Use loans to fund only components of qualifications or to achieve a qualification on a unit by unit basis

Designating Qualifications

Further Education qualifications in scope for loans are those at:

- levels 3 to 6 that are part of the Regulated Qualifications Framework (RQF) and offered by awarding organisations recognised by the Office of the Qualifications and Examinations Regulator (Ofqual)
- level 3 that are Access to Higher Education (HE) diplomas and offered by organisations recognised as Authorised Validating Agencies by the Quality Assurance Agency (QAA)

Qualifications that are automatically designated:

- QAA Access to HE diplomas
- GCE A-levels and AS-levels
- Tech level and applied general qualifications the Department for Education (DfE) recognises in its 2020 16 to 19 Performance Tables

Designating Qualifications

Qualifications ESFA designate:

Awarding organisations can ask ESFA to designate a qualification on the RQF that is not automatically designated for loans, as long as they have designed it to support one of the following outcomes:

- Progression to and through higher-level technical skills in the context of skilled employment
 - see paragraph 15
- Direct entry to a specific job role
- Continuing professional development in a specific occupation
- Upskilling or reskilling in an occupational area

Qualifications that support progression for higher level technical skills must:

- have a clear focus on a particular occupational area
- be clear about how they support progression into that occupational area through skilled employment

Setting Maximum Loan Values

ESFA designates the qualifications eligible for funding with Advanced Learner Loans. A designated qualification is one that has been through the ESFA's nomination process and meets the criteria detailed in 2018 to 2019 Designating Qualifications.

Establishing the maximum loan amount

- There is a single set of maximum loan amounts for all designated qualifications, no matter how they are delivered
- We use a 'matrix' (table) to set maximum loan amounts. The matrix contains two criteria to decide the appropriate amount for each qualification:
 - The type of qualification or the size of the qualification in GLH
 - The programme weighting for the qualification
- There are exceptions, where we set the maximum loan amounts as a matter of policy:
 - GCE AS-levels
 - GCE A-levels
 - Access to HE Diplomas
 - 5 specialist Dance and Drama Diplomas

Loan amounts and financial contributions

Loan covers the tuition fee element of provision, including all costs and charges for items without which they cannot complete their qualification.

You can:

- Pass on professional bodies membership fees to the learner and charge these as a requirement of enrolling if this is needed to achieve the qualification
- Ask a learner to pay directly for extra activities not essential to the learning, such as trips and visits

You cannot:

- Make it a condition that a learner takes up the optional extra provision to complete or achieve their qualification
- Charge a learner if they need a Disclosure Barring Service to participate in learning. If the learning is associated with the learner's employment, their employer is responsible for carrying out and paying for this check

Loan amounts and financial contributions cont.

A learner will only be eligible to apply for a loan that is either equal to, or less than:

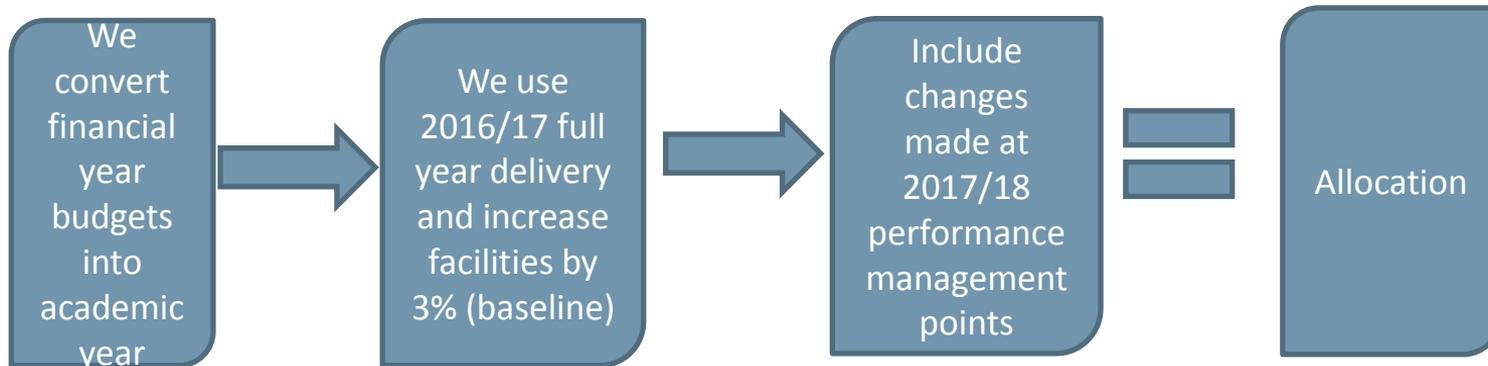
- The maximum loan amount in the learning aims section of the Hub for the qualification(s) they are undertaking
- Your fee as shown in the LAFIL issued by you to potential learners before they apply for a loan, and provided to the SLC as part of the learner's loan application

The minimum loan value a learner can apply for is £300

Allocations

Key drivers:

- The methodology is **simple and responsive** to demand led funding system
- Allocations should reflect delivery therefore representing a **realistic earning position** for providers
- We need to allocate in a way that maximises provider **opportunity to utilise** the funds available
- The methodology does not create any additional complexity/ resource pressure



Career Learning Pilot

- The Department for Education (DfE) has identified that cost is an important reported barrier for adults, who might engage in learning, regardless of qualification level.
- This pilot offers an opportunity to help inform the development of the National Retraining Scheme as announced in the Autumn Budget 2017. It will seek to test the:
 - best ways to reach out to adults who are in work or returning to work and wish to raise their skills levels to levels 3 to 5
 - impact of different levels of fee subsidy on boosting demand for qualifications that are of economic importance, specifically to a local area.

Career Learning Pilot

- The pilot will be taking place in 4 LEP areas across the country and 1 combined LEP area.
- Each area has prioritised, from the loans qualifications catalogue, those qualifications which are to receive a subsidy and will bring greatest economic returns to their local area and for local learners.
- The subsidy values are 25%, 75% and 100% of the maximum loan value as set out in the Advanced Learner Loans Catalogue for 2018 to 2019.
- The DfE will appoint an external organisation to conduct an evaluation of pilot interventions to assess 'what works'.

Further Questions

CareerLearning.PILOT@education.gov.uk

Section 2 – Performance Management

- Managing your facility
- Performance management arrangements
- Growth process

Managing your loans facility (1)

- It is important to plan provision and operate within the loan facility
- The facility represents the maximum value available to support carry over learners and new starts in the funding year
- If the loan facility is exceeded without our permission, we will instruct the SLC to stop processing loan applications and repayment of excess funds may be required

Managing your loans facility (2)

- How many planned starts are intended to be delivered and what will the recruitment pattern be?
- Use management information to consider the relationship between the number of learning and funding information letters issued and learner starts, retention rate and how that may impact
- If there is a risk of exceeding the facility use the growth process to increase it

Performance Management (1)

- There will be 2 performance-management points (PMP) in the funding year:

PMP Point	Month	
PMP1	Oct 2018	Growth only – no reductions
PMP2	March 2019	Growth and reductions

- We use information from the SLC on loans payments received and commitments within the funding year (approved loans, loans learners in attendance and loans payments).

Performance Management (2)

- We have set out a standard national profile for loans payments made by SLC (Annex 4 of the funding rules)
- We will reduce the loans facility value if performance against the standard national profile is outside the tolerance:

PMP Point	%
October 2018	No reductions
March 2019	10%

- The reduction will reflect some or all of the value of the loan facility that has not been utilised. We will not change this approach unless there are exceptional circumstances. For example:
 - historic delivery pattern is significantly different to the standard national profile
 - demonstrate were impacted by data issues that were outside of control
 - it is less than £25,000

How the Reduction Calculation Works

Worked Example for January 2018 (PMP2) for a Provider with an annual loans facility of £250,000

The standard profile for the review period would be £90,265

The tolerance level at PMP2 is 15%, so the provider has to achieve £77,031

Actual Delivery	Over / Under Delivery	Within Tolerance	Reduction
£105,000	Over	Not applicable	No reduction
£84,000	Under	Yes	No reduction
£50,000	Under	No	£27,031

Performance Management – Growth Requests

- Send to advanced learner loan facility change request form to ALLfacilityrequests@education.gov.uk between the following dates:

PMP Point	Dates
PMP1	14 September 2018 – 28 September 2018
PMP2	15 February 2019 1 March 2019

- If performance against the standard national profile is outside the published tolerance level, we will not agree an increase to loan facility values

Reviewing a Growth Case

- Historical Performance
- Current Performance
- Performance Comparison
- ILR Records
- Strength of Narrative

Reviewing a Growth Case

- We are confident that awarding an increase to the loan facility is a good use of public funds
- The SLC confirm compliance with its service standards for managing learner attendance, withdrawals and changes of circumstances through the learning provider portal
- For growth requests over £250,000 a provider must prove there is capacity and capability and quality assurance arrangements in place to deliver the growth requested

Performance-management timeline



Recording data on the Individualised Learner Record (ILR)

- Accurately complete all ILR fields for loans-funded learners as required in the [individualised learner record specification](#) even if they are not used for funding
- Where data does not support the funding received from the SLC or claimed from the loans bursary, this should be corrected. Failure to do this could result in the ESFA recovering funds or repayments to the SLC may be required
- There are [ilr guides and templates](#) guidance to help providers meet the requirements for ILR data returns
- Use the Funding Monitoring Reports available through Hub to compare ILR data against the SLC return