## SCHEDULE 1: SPECIFICATION & MONITORING

### ADVANCED LEARNER LOANS SPECIFICATION

#### Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>“Advanced Learner Loans Provision”</td>
<td>Means technical qualifications at levels 3, 4, 5 as defined in the Qualifications Catalogue and the Loans Bursary.</td>
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<tr>
<td>“Loans Bursary”</td>
<td>means funding to help vulnerable and disadvantaged Learners who are being funded through a Loan; up to the value confirmed in Schedule 2, Payments.</td>
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<tr>
<td>“Loans Facility”</td>
<td>gives the Contractor the authority to access Loans funding from the SLC, up to the value confirmed in Schedule 2, Payments, and offer Loans funded learning to Learners.</td>
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<tr>
<td>“Loans Prospectus”</td>
<td>Means How Awarding Organisations will update the qualifications eligible for loans support.</td>
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<tr>
<td>“SLC Service Agreement”</td>
<td>Means The service agreement between the Student Loans Company and the Contractor. <a href="https://www.lpservices.slc.co.uk/information-and-guidance/service-standard.aspx">https://www.lpservices.slc.co.uk/information-and-guidance/service-standard.aspx</a></td>
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**Summary of Service**

1. Advanced Learner Loans provide a source of fees and support to help people aged 19 and over undertake general and technical qualifications at levels 3, 4, 5 and 6 that will be provided by the Contractor.

2. Funding is for the 2019 to 2020 Funding Year, 1st August 2019 to 31st July 2020.

3. The legal basis for this Service is the Loans Regulations.

4. Failure to comply with this Specification will be a breach of the Contract. If the Service is terminated, the Department will remove the Contractor’s eligibility to offer Loans-funded places to Learners.

**Service Commencement and Duration**

5. Advanced Learner Loans Service Start Date: 13th May 2019


**Service Requirements**

**Recruitment**

7. The Contractor shall recruit eligible Learners onto this service from the Service Start Date until 31st July 2020.
8. The recruitment will comply with the Advanced Learner Loans Funding rules, SLC Service Agreement and User Guide for the Learning Provider Portal.

9. The Contractor shall aim to maximise the use of the Loans Facility and Bursary fund as set out in Schedule 2, Advanced Learner Loans Payments through its recruitment.

10. The Contractor shall not recruit Learners from another contractor that has ceased trading or has had their contract terminated by the Department, without the permission of the Department.

11. Funding for Learners to complete their qualification after the 31st July 2020 will be made available in a subsequent contract, subject to budget availability.

Outputs

12. The Contractor will deliver the Advanced Learner Loans Provision set out in the Qualifications Catalogue and Advanced Learner Loans Funding Rules to the requirements set by the Department between 1st August 2019 and 31st July 2020. The Department may update the Qualifications Catalogue from time to time as set out in the Loans Prospectus.

13. The Contractor will maximise the number of Learners that achieve a qualification. The Department will monitor the achievement rate.

14. The Contractor will maintain evidence of the delivery of the Service as set out in the Advanced Learner Loans Funding Rules.

15. The Contractor will support eligible Learners by using the Loans Bursary to fund hardship, childcare, residential support, and learning support as set out in the Advanced Learner Loans Funding Rules.

16. The Contractor will support eligible Learners using Exceptional Learning Support where applicable as set out in the Advanced Learner Loans Funding Rules.

17. In delivering the Advanced Learner Loans Provision, the Contractor will comply with the Advanced Learner Loans Funding Rules.

18. In accordance with paragraph 25 of the Advanced Learner Loans Funding Rules the Contractor must not sub-contract Advanced Learner Loans Provision delivery or administration. For the avoidance of doubt Clause 34 of the Contract does not apply for the purposes of Advanced Learner Loans Provision.

19. The Contractor must deliver the Advanced Learner Loans Provision in England only.
20. The Contractor will deliver the Service in a way that ensures

   a. value for money;
   b. the protection of public funds;
   c. the effective delivery of a high quality service for Learners appropriate to their needs;

and meets the public benefit test.

Advanced Learner Loans Provision Administration

21. Where the Service is continued from the 2017 to 2018 Funding Year, the Contractor must migrate data for continuing Learners from the 2018 to 2019 ILR to the 2019 to 2020 ILR. The Contractor must submit this data in the first ILR data return for 2019 to 2020, as set out in Appendix B – Migration Specification of the ILR specification 2019 to 2020.

22. The Contractor will submit Learner Data to the Department to comply with Clause 23, Submission of Learner Data of the Contract. The data will be accurate and based on evidence or base documentation and align with the data submitted to the SLC by the Contractor. Failure to submit records for less than 95% of Learners and their learning supported by Advanced Learner Loans at any time during the delivery of this Service will be a Minor Breach of the Contract.

23. The Contractor shall complete the Learner’s qualification on or before the planned end date in the data submitted in the ILR. Where the Contractor misses this date, the Department may consider this a Minor Breach of the Contract.

24. Where required, the Contractor shall submit funding claims in line with Schedule 1B, Advanced Learner Loans Monitoring.

25. The Contractor will support the five stages of loans administration as set out in the Advanced Learner Loans Funding Rules, the SLC Service Agreement and the User Guide for the Learning Provider Portal. Failure to meet SLC’s service requirements will be a Minor Breach of the Contract.

   a. Stage 1 – Issuing the Learning and Funding Information Letter
   b. Stage 2 – The Learner Application
   c. Stage 3 – The Initial Liability Point
   d. Stage 4 – In Learning
   e. Stage 5 – Completion and Achievement

26. The Contractor must repay any funds paid in error by the SLC including where the Contractor has not informed the SLC that a Learner has withdrawn from or changed their qualification. The Contractor will repay within 30 days of being requested to do so by the SLC. The Department may recover any SLC payments by offsetting against other Services funded.
by the Department. Failure to repay the funds will be a Serious Breach of the Contract.

27. The Contractor cannot exceed for any reason the Loans Facility and Loans Bursary contract allocations except by an agreed variation to this Contract.

28. The Contractor must inform the Department of any changes to their bank details. The Contractor must not use the new account until the account has been verified by the Department. (https://www.gov.uk/guidance/provide-information-about-your-banking-and-payments-to-dfe)

The Department

29. The Department will set out the maximum amount that can be claimed from the SLC for the delivery of a qualification supported by a loan in the Maximum Loan Amount Guidance.

30. The Department will pay for the Advanced Learner Loans Provision as set out in Schedule 2, Advanced Learner Loan Payments.

31. The Department will pay for Exceptional Learning Support as set out in Schedule 2, Exceptional Learning Support Payments.

32. The Department will supply the Contractor’s verified bank details to the SLC to enable the SLC to pay for the delivery of the loans supported qualifications.

33. The Department will monitor the Advanced Learner Loans Service as set out in Schedule 1B, Advanced Learner Loans Monitoring.
SCHEDULE 1B: MONITORING

ADVANCED LEARNER LOANS MONITORING (PAY ON ACTUAL)

Monitoring of ILR Submission

1. The Department will monitor and review the data submitted under Clause 23, Submission of Learner Data of the Contract to ensure that payments are made in accordance with the requirements set out in “Financial Assurance: Monitoring the funding rules for apprenticeships and adult skills”.

2. The Department will publish monitoring reports via submit learner data https://submitlearnerdatabeta.fasst.org.uk/. The Contractor must access the monitoring reports every month and amend any errors for the next submission by taking the actions specified in the report user guide. Failure to amend the data as required will constitute a Minor Breach of Contract in accordance with Clause 39 of the Contract.

3. If served with notice of a breach, the Contractor must correct data or supply the Department with evidence within the period specified in the notice. This evidence can include digital copies of documents such as Learner files, commitment statements or employer declarations. Annotated spreadsheets or notes are not acceptable as evidence.

4. Where data is incorrect in the final data submission of the academic year the Department will recover the payments associated with the incorrect data.

Monitoring of SLC Data Submission

5. The Contractor’s submission of data to the SLC will be monitored against the service levels set out in the Contractor’s SLC Service Agreement. The Contractor must take any corrective action to correct submissions or service levels when requested to do so by the SLC.

Loans Facility and Bursary Performance Management

6. The Department will review the performance of the Services as set out in the Advanced Learner Loans Funding Rules. Where the performance of the Service is below the published tolerances and thresholds, the Department will reduce the Contract Allocation in line with the Advanced Learner Loans Funding Rules.

7. At the performance management points set out in the Advanced Learner Loans Funding Rules, the Department may invite Contractors to submit requests for increases to its Funding. The Department will award growth in-line with the criteria set out in the Advanced Learner Loans Funding Rules.
Loans Facility Monitoring

8. It is not permitted to vire the Funding between the Loans Bursary and Loans Facility without an agreed variation in writing to this Contract (in accordance with Clause 49, Amendments to this Contract, of the Contract).

9. The Loans Facility cannot be exceeded for any reason except by an agreed variation in writing to this Contract.

10. The Department will instruct the SLC to stop approving new Loans applications and/or to stop making Loans payments to the Contractor, and/or reclaim any Loans payments made, where the Contractor exceeds its Loans Facility without agreement, breaches the Contract or goes into administration or liquidation.

Loans Bursary Reconciliation

11. The Department will restrict payment under this Contract against the Financial and Funding Years set out in Schedule 2, Advanced Learner Loans Payment.

12. Where the delivery within a Financial Year fails to meet the delivery profile or where the delivery within a Financial Year would result in the overall Contract Allocation of Funding being exceeded, the Department reserves the right at its absolute discretion to vary the Contract accordingly to balance funding and delivery in the respective years by means of a variation (i.e. “paying for capping”).

13. Reconciliation payments or recoveries may extend beyond the Contract.
SCHEDULE 2: PAYMENT

ADVANCED LEARNER LOANS PAYMENT (PAY ON ACTUALS)

Advanced Learner Loans Facility

1. The Loans Facility will be paid by the SLC as set out in the SLC Service Agreement. The Department will not pay for the Loans Facility.

2. The Contractor's Loans Facility is set out in the Funding Agreement of this Schedule.

Advanced Learner Loans Bursary

3. The Contractor will submit ILR Learner data, Supplementary Data and the Earning Adjustment Statements monthly, as set out in Clause 23, Submission of Learner Data, of the Contract.

4. Using validated ILR data, the Department will calculate the value of the Contractor's earnings for the Funding Year to-date by the method set out in the Advanced Learner Loans Funding Rules. The Department will pay any unpaid earnings where the cumulative earnings do not exceed the Funding Year or Financial Year allocations, as set out in the Funding Agreement.

5. Under Item 5A to Group 6 of Schedule 9 of the VAT Act 1994, the supply of education or vocational training funded by the Department and the supply by the person providing that education or vocational training, of any goods or services essential to that provision, is considered to be an exempt supply for VAT purposes. The Department is generally unable to recover any Value Added Tax charged. The maximum Funding payable under this Contract, as set out in the Funding Agreement of this Schedule is inclusive of all of the costs of the Service including, but not limited to, and any other VAT or taxes to be charged, where they apply.

6. The Department will pay the Contractor on the 14th Working Day of each month.

Adult Exceptional Learning Support

7. The Contractor must submit a planned claim for Exceptional Learning Support at the start of the Funding Year in line with the process and eligibility set out in the Advanced Learner Loans Funding Rules. The Contractor must not incur costs until the planned claim for support has been approved by the Department.

8. The Department will only fund planned claims agreed before the end of the Funding Year, 31st July 2020.

9. The Department will only pay final claims that meet the eligibility requirements in the Advanced Learner Loans Funding Rules and are received by the Department before the claim deadline of 31st October 2020.
10. The Department will pay final claims on the 14th Working Day of December 2020.

**Funding Agreement**

11. The following Funding Agreement sets out the funding available for this Service.