



Department
for Education

Undergraduate part- time maintenance loans

Consultation analysis – final report

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CooperGibson Research

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Executive Summary

An online consultation on the Government's proposal to extend maintenance loan products to part-time undergraduate students ran from 4 November until 16 December 2016. The consultation sought views on the technical detail of the proposed maintenance loans, with a specific focus on the loan's terms, eligibility rules and means testing arrangements.

CooperGibson Research (CGR) was commissioned by the DfE to conduct coding of qualitative data and analysis of all consultation responses.

Methodology

All consultation responses were directed to, and handled by, the Department for Education (DfE). They were then securely shared with CooperGibson for independent analysis and anonymous reporting.

Consultation responses were analysed to develop a series of categories and themes based on common responses. The resulting coding framework was then used to analyse all responses submitted to the consultation.

When reading and interpreting the results, please note that respondents were self-selecting and may not be fully representative of the Higher Education (HE) or student landscape. Not all respondents answered each of the questions. Tables are provided throughout the report, where appropriate, with the number and proportion who answered particular questions.

Further considerations for the analysis can be found in section 1.3.

Respondents

A total of 105 responses were received. The majority (53) were individuals, including current students, prospective students and their representative bodies; 42 were Higher Education Institutions and their representatives bodies, and the remaining 10 represented industry or 'other' responses.

A further breakdown of respondent profiles can be found in section 1.2.

Key Findings

Overall, consultation respondents were broadly positive about the proposal for part-time undergraduate maintenance loans. The most common areas of feedback are summarised below, with further detail and commentary available within the main body of the report.

Age eligibility restriction

Of 103 respondents, 67 (65%) agreed that an age eligibility restriction was an effective way of mitigating the risks associated with lending large amounts of public money to cohorts of students who are unlikely to enter repayment.

Fifty-seven respondents gave reasons for agreeing with an age eligibility restriction on part-time undergraduate maintenance loans. The majority of these 57 respondents (35 respondents, 61%) felt that learners aged 59 or over were nearing retirement age and were therefore less likely to have employment income enabling them to repay the loan (or, conversely, that younger learners were more likely to repay the loan). Higher Education (HE) representatives also felt that this restriction provided parity with other Higher Education funding policies.

Forty-three respondents provided reasons why an eligibility restriction would not be an effective approach. Most commonly this was due to concerns that the restriction could potentially create discrimination against older learners (27/63%) – a point raised more by students and individuals than HE representatives.

When asked, respondents (of all types) most commonly selected an age eligibility restriction of 59 and under as the best approach to achieve the Government's aims (41 of 103 / 40%), reflecting their view that older learners were less likely to repay the loan. Less than one-third (31/30%) suggested that there should be no age eligibility restriction at all.

For further detail on the age eligibility restriction, see section 2.1.

Distance Learning

Consultation respondents more commonly highlighted benefits rather than challenges associated with extending maintenance loans to part-time undergraduate distance learning courses.

The two main benefits of extending maintenance loans to distance learning courses highlighted in the responses from the consultation were widening participation (32 of 67 /

48%) and, ensuring that all forms of part-time study were regarded equally (28 of 67 / 42%). These were indicated by HE representatives and students individuals alike.

When asked to identify the challenges with extending the part-time maintenance loan to distance learning courses, respondents emphasised the need to ensure that learner progress and engagement were adequately monitored by institutions, and to ensure that appropriate institutional systems are in place to enable this monitoring to take place.

For further detail on extending the loan product to distance learning courses, see section 2.2.

Level 4 and 5 qualifications

Consultation respondents were generally positive about the proposal to extend the part-time maintenance loan to Level 4 and 5 qualifications. Nearly two-thirds of those who identified the benefits of doing so (43 of 66 / 65%) felt that this would be important for widening participation, attracting learners who may not have engaged with Higher Education for a long time.

There were several challenges raised by smaller numbers of respondents: budgetary issues, learner progress/engagement, the potential duplication of funding streams and the need to ensure that alternative providers offer high quality courses at this level.

Respondents highlighted that it would be necessary to ensure consistent levels of learner engagement – although this was balanced with perceptions that existing institutional systems would be adequate for monitoring learners at Level 4 and 5.

For further detail on extending the loan product to distance learning courses, see section 2.3.

Intensity of Study

Eighty-five respondents selected a specific approach to intensity banding (fractional bandings or percentage bandings). Just less than half (39 / 46%) opted for fractional bandings, compared to one-third (33/39%) choosing percentage bandings.

HE representatives were more likely to select fractional bandings as it was recognised that these reflected common patterns of work/study. Students and individuals more commonly selected percentage bandings, stating that these were easier to understand.

Twenty-one respondents (across all types) identified challenges with adopting the intensity bandings approach:

- Establishing accurate intensity rates for part-time learners
- Intensity patterns changing for individual learners (and systems institutions require to manage this)
- Administrative processes for managing breaks or deferrals in study
- Risk of financial difficulties for part-time learners who change intensity during a course

The majority of those identifying these challenges (18 respondents) suggested that clear information and guidance about intensity band calculations needed to be distributed to Higher Education institutions, and to students and prospective students.

For further detail on intensity bandings, see section 3.

Means testing

Just less than three-quarters of respondents (75 of 102 / 74%) agreed that means testing should be applied to the part-time maintenance loan product. Eighty-two respondents provided additional commentary, with the majority (56 / 68%) indicating that adopting the existing means test arrangements used for the full-time maintenance loan would be a suitable approach.

Nonetheless, more than half of those who provided commentary (42 / 51%) said that additional factors should be considered:

- Means testing on an individual rather than a household basis to reflect the 'independent' status of many part-time/mature learners
- Ensuring that suitable financial support arrangements are available for disabled students who may not be able to work and study simultaneously
- Managing the interaction between a maintenance loan and other benefits/welfare payments

For further detail on means testing, see section 4.1.

Safeguarding

Of 79 respondents who provided commentary about safeguarding and controls, just less than half (39 / 49%) stated that the same safeguards that are applied to full-time loans were appropriate for the part-time product. This was particularly common among HE representatives.

Others provided commentary in relation to the safeguarding of loan repayments such as stipulating repayment criteria and ensuring repayments are made where an individual is working or living outside of the United Kingdom.

For further detail on safeguarding, see section 4.2.

Consequences of policy

Of the 55 respondents who highlighted consequences of extending maintenance loans to part-time undergraduate courses, three-quarters (41 / 75%) recognised the positive impact on widening participation by enabling a broader range of learners to access education through flexible modes of delivery and intensities of study.

Other consequences commonly identified were:

- Skills development: enabling individuals to reskill/upskill whilst remaining in employment
- Encouraging take-up of part-time courses: halting the decline in enrolments onto these courses

For further detail on the consequences of the policy, see section 5.

Public Sector Equality Duty

Fifty respondents identified points in relation to the Public Sector Equality Duty. Nearly three-quarters (32 / 64%) indicated the need to consider the needs of disabled learners, and particularly the interaction between a maintenance loan and benefits payments. Similar issues were raised for carers and those in receipt of a Parent Learning Allowance.

For further detail on the Public Sector Equality Duty, see section 6.

Conclusion

Overall, consultation respondents were broadly positive about the proposal to introduce maintenance loans for part-time undergraduate students.

- Most commonly, both HE representatives and students and individuals selected an age eligibility restriction of 59 and under. Just less than one-third suggested no age restriction.

- The proposal to extend the maintenance loan to part-time distance learning courses, and courses at Level 4 and 5 was met positively by respondents in terms of widening participation and developing flexible, responsive provision.
- Adequate monitoring of learner progress and engagement were felt by respondents to be important checks if the maintenance loan is extended to part-time distance learning and Level 4 and 5 courses.
- Overall, most respondents selected fractional bandings for calculating intensities of study. The fractional bandings approach was favoured by HE representatives as it was perceived to reflect common work/study patterns; students and individuals felt that percentage bandings would be easier to understand.
- Challenges to the banding approach were raised in relation to the management and reporting of changes in intensity, study deferrals/breaks, and tracking learners over potentially longer periods of time (up to a maximum of 16 years).
- There was broad support for means testing, and respondents generally felt that applying existing arrangements for the full-time loan product would be appropriate for the part-time loan product.
- One theme that emerged was a need to consider how the maintenance loan will interact with other benefits, particularly in relation to the needs of disabled learners.
- Other common themes emerging from the consultation were that the policy supports widening participation, skills development and will help to stem the decline in take-up of part-time courses.
- HE institutions, and students, require clear information and guidance for key aspects of the policy such as intensity bandings, eligible courses, and monitoring/reporting requirements

For detailed conclusions, see section 7.

1. Introduction

The consultation on undergraduate part-time maintenance loans ran between 4 November and 16 December 2016, using an online self-completion survey which was placed on the Department for Education (DfE) Consultation Hub. The consultation sought views on the technical detail of the proposed maintenance loans for part-time Higher Education, with a specific focus on the loan terms, eligibility rules and means testing arrangements.

CooperGibson Research (CGR) was commissioned by the DfE to conduct coding of qualitative data and analysis of all consultation responses. This report presents the findings from that analysis.

1.1 Methodology

The consultation consisted of six closed questions and ten questions that provided space for free-text responses.

CGR developed a coding framework based on the first 28 responses received, to manually code the free-text responses. Each response was analysed to develop a series of categories and themes based on common responses. The resulting coding framework was then used to analyse all responses submitted to the consultation. The open responses were coded into data analysis software to allow quantitative and qualitative analysis to take place. Coded responses have been analysed quantitatively to explore proportion of representation, and qualitatively to explore the range of responses and contexts. Any responses falling outside of the framework themes ('other' responses) have been analysed manually.

1.2 Summary of Respondents

In total, 105 responses were received with the majority (101) being completed online, with four separate responses submitted by email.

Of the 105 respondents, 55 stated that they were responding as an individual, and 50 as an organisation.

Where they were responding on behalf of an organisation, 33 were Higher Education Institutions, seven were university representative groups and two were alternative Higher Education providers with designated courses (Table 1).

Table 1: Consultation respondents by type.

Respondent type	No.
Higher Education Institutions and their representative groups, comprising: <ul style="list-style-type: none"> • Higher Education Institutions • University representative group • Alternative Higher Education provider with designated courses 	42
Alternative Higher Education provider with designated courses <ul style="list-style-type: none"> • Current students • Prospective students • Neither of above • Student representative bodies 	53
Other, including industry representative organisation	10
Total	105¹

For the purposes of presenting key findings within this analysis the report has categorised responses by two main respondent types – ‘Higher Education institutions and representatives’ and ‘students and individuals’ defined as follows:

- **Higher Education Institutions and representative bodies:** includes organisations responding and identifying their response as coming from a Higher Education Institution, a university representative group or an alternative Higher Education provider with designated courses (42 in total).
- **Individuals, including students and their representative bodies:** includes those who identified themselves as a current or prospective student, student representative bodies, plus eight individuals who did not provide further detail (53 in total).²
- **Other:** includes the remaining ten responses – one industry representative organisation and nine respondents not otherwise categorised.

¹ Two respondents ticked two responses. However, these have been included once each as a respondent from ‘student representative bodies’ and as ‘industry’ (this respondent ticked ‘industry’ and ‘other’).

² In the main body of the report, this group is referenced throughout as ‘students and individuals’.

1.3 Considerations for Analysis and Reporting

When reading this report and interpreting the results, please note the following:

- Respondents were self-selecting and the sample is not necessarily fully representative of the Higher Education or student landscape.
- Many respondents did not follow the routing instructions within the consultation document. For example, they may have answered 'no' to a previous question and then continued to offer commentary on a following question that started with 'If yes...'. Their comments were nonetheless included within the analysis and the base numbers for each question is reflective of this.
- Likewise, some respondents provided long-form consultation responses that did not follow the structure of the questionnaire, did not answer a specific question directly, or, answered questions in a free-text box that were given separate space elsewhere in the consultation document. Where it was clear that their response related to a specific question, this was coded accordingly. Otherwise, they were coded as 'other' comments.
- Consequently, where free text responses are reported in this document, the base number of respondents for these comments is different to the total number of respondents for the consultation as a whole (i.e. the reported base represents the number of respondents providing free text commentary on that topic specifically). This means that proportions of respondents to some questions need to be treated with caution.
- Bases are provided throughout the analysis to provide an indication of the scale of response to particular questions. Some bases are low, particularly for some open questions allowing free-text response and where a question might address several issues (respondents tended to address one or two issues but not all covered by the question).
- Base numbers for the free-text responses exclude responses that contained commentary such as 'not applicable'; 'N/A' or used only special punctuation marks such as question marks or exclamation marks.
- Suggestions to approaches and queries are reported where more than one respondent offered them; those respondents who identified themselves as replying on behalf of student/university representative bodies are counted as one respondent each.
- Some of the findings are based on a small number of respondents. Caution is therefore advised in interpreting and using the findings.

2. Individual Eligibility

2.1 Age Eligibility Restriction

From the consultation document: *Restricting the availability of the maintenance loan to those aged 59 and under is intended to tackle the potential problem of low value for money, associated with lending large amounts of public money to cohorts of students who are unlikely to enter repayment. Do you think that an age eligibility restriction is an effective way of mitigating this risk?*

Table 2: Respondent views on a proposed age eligibility restriction. (DfE consultation data, 2016).

	All respondents (Base = 103)	Higher Education Institutions and representatives (Base = 41)	Students and individuals (Base = 53)	Other (Base = 9)
Yes – it is effective	67 / 65%	28 / 68%	34 / 64%	5 / 56%
No – it is not effective	36 / 35%	13 / 32%	19 / 36%	4 / 44%

Almost all respondents answered this question. Overall, 67 of 103 respondents who answered this question (65%) agreed that an age eligibility restriction was an effective way of mitigating the risks associated with lending large amounts of public money to cohorts of students who are unlikely to enter repayment. The remainder disagreed with the proposal of an age eligibility restriction.

2.1.1 Reasons for agreeing with an age eligibility restriction

Fifty-seven respondents stated a specific reason for why they agreed with the restriction. The majority of these respondents (35 / 61%) felt that it was because learners aged 59 or over were nearing retirement age and were therefore less likely to have employment income enabling them to repay the loan (or, conversely, that younger learners were more likely to repay the loan) (Table 3).

Table 3 also shows that it was felt, particularly by Higher Education representatives, that the age eligibility restriction provided parity with other Higher Education funding policies (for example full-time postgraduate loans).

Table 3: Reasons given for agreeing with an age eligibility restriction on part-time undergraduate maintenance loans. (DfE consultation data, 2016).

	All respondents (Base = 57)	Higher Education Institutions and representatives (Base = 22)	Students and individuals (Base = 31)	Other (Base = 4)
Older learners less likely to repay loan	35 / 61%	8 / 36%	24 / 77%	3 / 75%
Aligns with other age caps	15 / 26%	12 / 55%	3 / 10%	-
Skills unlikely to be used in workplace / older learners study for leisure	12 / 21%	6 / 27%	5 / 16%	1 / 25%
Other	5 / 9%	2 / 9%	3 / 10%	-
Have other means to fund course personally	2 / 4%	-	2 / 7%	-

(Note: respondents were able to give multiple responses)

2.1.2 Reasons for disagreeing with an age eligibility restriction

Table 2 shows that 36 respondents suggested that an age eligibility restriction was not an effective approach to tackling the potential problem of low value for money. In addition, some of those who felt that it was effective, also went on to raise points. Forty-three respondents (including those who agreed with the age restriction) gave comments suggesting a reason for why they thought it was not an effective approach and their disagreement with the age eligibility restriction was most commonly due to perceptions of:

- Discrimination against older learners (27 of 43 / 63%).
- People increasingly working beyond normal pension age and therefore thought to be either more likely to repay the loan, or more likely to require access to education for longer in order to upskill/retrain (21 of 43 / 49%).

Table 4 looks specifically at the breakdown of those who disagreed with an age cap. It shows that students and individuals who responded to this point were more likely than

HE representatives to perceive this approach to be discrimination against older learners (74% versus 53% respectively).

Table 4: Reasons given for disagreeing with an age eligibility restriction on part-time undergraduate maintenance loans. (DfE consultation data, 2016).

	All respondents (Base = 43)	Higher Education Institutions and representatives (Base = 15)	Students and individuals (Base = 23)	Other (Base = 5)
Should not discriminate against older learners	27 / 63%	8 / 53%	17 / 74%	2 / 40%
More people are working longer / rising pension age	21 / 49%	7 / 47%	10 / 44%	4 / 80%
Positive impact of education (e.g. economy, individual health)	12 / 28%	4 / 27%	6 / 26%	2 / 40%
Older workers will reach payback threshold quickly	5 / 12%	2 / 13%	3 / 13%	-
Loan provides support for upskilling	4 / 9%	1 / 7%	3 / 13%	-

(Note: respondents were able to give multiple responses)

2.1.2 Age eligibility restriction options

From the consultation document: *The older the student, the fewer the number of years they will have to repay the loan. In your view, which of the options relating to age eligibility below would best achieve the Government's aims - broadening and strengthening the skill base and addressing employer demand for high level skills - whilst also providing good value for money for the taxpayer?*

A total of 103 responded to the question on age eligibility restriction. Most commonly, both HE representatives and students and individuals selected *an age eligibility restriction of 59 and under* as the best way to achieve the Government's aims (Table 5).

Just less than one-third of respondents suggested *no age eligibility restriction* at all. The remainder were equally split between *another eligibility restriction* and *another specific method* (Table 5).

Table 5: Respondents views on which age eligibility option best achieves the Government’s aims. (DfE consultation data, 2016).

	All respondents (Base = 103)	Higher Education representatives (Base = 41)	Students and individuals (Base = 53)	Other (Base = 9)
An age eligibility restriction of 59 and under	41 / 40%	17 / 42%	21 / 40%	3 / 33%
No age eligibility restriction	31 / 30%	15 / 37%	13 / 25%	3 / 33%
Another age eligibility restriction	16 / 16%	6 / 15%	8 / 15%	2 / 22%
Another specific method of achieving the Government’s aims whilst mitigating the value for money risk associated	16 / 16%	3 / 7%	12 / 23%	1 / 11%

(Note: totals do not equal 100% due to rounding)

The reasons that respondents most commonly gave for their choices were broadly reflective of those given to the overall proposal of an age eligibility restriction.

- Those in support of a restriction of 59 and under added commentary that this offers the chance for a loan to be repaid (22 of 83 / 27%). This was more commonly stated by students and individuals (15 compared with 7 Higher Education representatives).

- Those in support of no age eligibility restriction added commentary that this potentially may be discrimination, and that individuals are working for longer and require upskilling at an older age (31 of 83 / 37%). In terms of respondent type, this reason was given by similar numbers of HE representatives, and students and individuals (15 versus 13 respectively).³

Where respondents were in support of ‘another age eligibility’ and then went on to add further commentary, they generally offered a range of alternative age thresholds to consider, or suggested that the threshold should remain variable and reflect study intensity.

- The range of alternative maximum age limits proposed most commonly included lowering the restriction to 40 and under (4 respondents), to 55 and under (2 respondents) or increasing the maximum threshold to 65 (2 respondents). Two felt that the age restriction should be set in line with the prevailing state pension age; four suggested that the age restriction should be reviewed periodically to assess the level of demand for loans at the upper age limit (and therefore determine if a restriction was necessary).
- Variability of the age threshold was suggested in order for learners aged over 59 to receive a maintenance loan where they commit to completing a course within a specified intensity/duration (for example, those aged 60 – 65 completing within 50% FTE) (6 respondents).

Eight of 83 respondents (10%) – split across the respondent types – suggested that specific subjects or courses should remain eligible for learners beyond the age of 59, for example in sectors experiencing skills gaps and shortages (e.g. STEM subjects, specialist art and crafts) or where skills require regular updating (e.g. ICT).

Twelve students selected ‘another specific method of achieving the Government’s aims’ (Table 5). Of these twelve, where they made suggestions these included encouraging employers to contribute to loan repayments (four respondents); means-testing to make loan allocations on a case-by-case basis (three respondents); restricting part-time eligibility to specific courses or subjects (two respondents).

“An age eligibility restriction of 59 and under is a pragmatic balance between avoiding an overly restrictive age threshold and value for money.”
(Higher Education Institution, supporting age eligibility)

³ The remaining three who selected this option were ‘other’ respondents.

“I think that balancing the needs of a work force to retrain, which will continue to be an issue, and the likelihood that a student will repay is important. 59 is a reasonable age that allows people who didn't get a chance to go to university at the traditional time in their lives or midlife learners who need to retrain because of the changing job market to return to university while allowing for the loan to be repaid.” (Current student, supporting age eligibility)

“Many individuals will be working well into their sixties and their organisations will benefit from the skills and learning developed during part-time programmes.” (Individual respondent, supporting no age eligibility)

“There may well be those individuals...who will make a unique contribution to specialist or cottage industries. It may well be helpful to have criteria that will differentiate between different cohorts of learners and the skills gaps and shortages within industries, or those seeking support who are studying for specialist subjects that may well be critical to the future of those industries in the United Kingdom.” (Adult Education College, supporting another specific method)

2.1.3 Maximum length for eligibility

Nine respondents (across respondent types) queried the maximum length of eligibility of 16 years (equivalent to a four-year Full Time Equivalent course studied at 25% intensity each year and for the duration of the course). These respondents felt that this duration was too long, or queried whether 16 years was appropriate due to existing course/sector requirements.

For example, a University representative group highlighted that the sixteen-year duration may have an ‘impact’ on HE institutions in terms of the administration required for students attending for a maximum of 16 years: ‘[The loan] may bring an influx of SEN [Special Educational Needs] learners, which universities will need to consider how to accommodate’ if this was for the maximum duration (University representative group).

2.2 Distance Learning

From the consultation document: *What are the benefits, challenges and impacts upon demand associated with extending maintenance loans to part-time undergraduate distance learning courses and what checks and balances would be appropriate to manage these challenges?*

Overall, respondents to the consultation more commonly highlighted benefits rather than challenges associated with extending maintenance loans to part-time undergraduate distance learning courses (Table 6).

Table 6: Benefits and challenges identified by consultation respondents of extending part-time maintenance loans to distance learning courses. (DfE consultation data, 2016).

Benefits (Base = 67 respondents)	Challenges (Base = 38 respondents)
Widening participation (32 / 48%) Treats all part-time study equally (28 / 42%) Increases motivation/ability to study and stay in work (12 / 18%) Supports employer development of higher level skills (6 / 9%) Other (4 / 6%)	Monitoring levels of learner progress/ engagement (23 / 61%) Other (5 / 13%) Increase in demand – need to ensure offer is different to blended learning approaches (5 / 13%) Ensuring high quality provision (4 / 11%) Increased attrition rates (3 / 8%)

(Note: respondents were able to give multiple responses)

The two main benefits of extending maintenance loans to distance learning courses were highlighted during the consultation as:

- Widening participation (32 of 67 / 48%) and,
- Ensuring that all forms of part-time study were regarded equally (28 of 67 / 42%).

These were the two benefits most commonly highlighted by both Higher Education representatives, and students and individuals (Table 7).

Table 7: Most common benefits of extending part-time maintenance loans to distance learning courses - by respondent type (DfE consultation data, 2016).⁴

	Higher Education Institutions and representatives (Base = 29)	Students and individuals (Base = 32)	Other (Base = 6)
Widening participation	17 / 59%	11 / 34%	4 / 67%
Treats all part-time study equally	14 / 48%	13 / 41%	1 / 17%

(Note: respondents were able to give multiple responses)

In terms of meeting the widening participation agenda, distance learning was perceived to be of especial benefit to learners with individual needs, or personal circumstances that prohibited the ability to travel to study (such as family/caring commitments). For example, it was suggested by a Higher Education institution that distance learning would enable provision to reach ‘cold spots’ where individuals are less likely to take up HE study as a result of geographical distance from the institution itself.

It was also highlighted by 12 respondents (spread evenly across respondent types) that eligibility of loans for part-time distance learning could encourage individuals to take up, or return to, study as they would be able to remain in employment at the same time. In relation to this, the ‘other’ group cited benefits of extending the maintenance loan to part-time distance learning courses included offering increased security to part-time learners.

⁴ Note: The bases indicate the total number of each type of respondent that identified benefits of extending the loan product to distance learning. This table highlights the main two responses given by respondent type – for all responses, see Table 6.

“For consistency and clarity to students the loan should cover distance-learning programmes. A benefit of including distance-learning programmes is the flexibility associated with this type of delivery, which will support engagement of non-traditional students, facilitate provision in cold-spot areas and support students who because of disability or other personal circumstances would find it difficult to regularly attend a geographically distant institution. Financially opening up university study to these groups will support the loan’s aims to engage a diverse and economically beneficial under-represented group.” (Higher Education Institution)

“Extending maintenance loans to distance learners will help ensure that people are able to dedicate their time to the course and improve success rates. It will also help improve stress levels for those learners. Furthermore, it may encourage more people to return to education, improving the education levels and earning power of the workforce.” (Current student)

2.2.1 Distance Learning - Challenges

Thirty-eight respondents specifically identified challenges of extending the maintenance loan to part-time distance learning courses (Table 6). The key issue raised by respondents was the need to ensure that learners engaged adequately with the course to justify receiving their maintenance loan (23 of 38 / 61%), since ‘attendance/registration checks are more difficult to carry out’ (Higher Education Institution).

Of the 17 HE representatives that highlighted a challenge associated with extending eligibility to part-time distance learning courses, nearly three-quarters (12 / 71%) cited the need to ensure adequate learner engagement/progress. More than half of students and individuals reporting challenges (10 of 17 / 59%) also perceived this to be a challenge.

Fifty respondents went on to suggest ‘checks and balances’ to help to manage these challenges – the majority (40 / 80%) recommended ensuring systems are in place to track learners and confirm that they are consistently engaged with the course. This was the key response from both HE representatives, and students and individuals (Table 8).

Table 8: Proportion of respondents suggesting the need to ensure consistent levels of learner engagement – by respondent type (DfE consultation data, 2016).⁵

	Higher Education Institutions and representatives (Base = 17)	Students and individuals (Base = 27)	Other (Base = 6)
Ensuring consistent levels of engagement	14 / 82%	20 / 74%	6 / 100%

(Note: respondents were able to give multiple responses)

Respondents' commentary about monitoring learners focused on the need for HE institutions to ensure that appropriate procedures were in place for recording regular engagement and progress against set aims.

However, some respondents did state that although they recognised that these checks and balances would be necessary, they felt that existing institutional processes are adequate for monitoring distance learning provision: *'there is no reason that [processes] applied to other modes of study cannot be applied to distance learning'* (University representative group).

'Other' challenges highlighted by respondents most commonly included an increase in demand for part-time provision creating additional work for institutions (noted by four respondents).

Smaller numbers of respondents suggested:

- The need to protect students experiencing unforeseen circumstances, including financial change (4 of 50 / 8%).
- Checks to be made on actual costs incurred by distance learners to justify maintenance payment (4 of 50 / 8%).
- Means-testing to ensure repayment (3 of 50 / 6%).

"An...attendance monitoring mechanism e.g. though establishing key contact points/requirements will need to be developed and implemented to ensure monitoring of student participation in study." (Higher Education Institution)

⁵ Note: The bases indicate the total number of each type of respondent that identified challenges of extending the loan product to distance learning. This table highlights the main response given by respondent type – for all responses, see Table 6.

“It is important that there is adequate time prior to the system going live for institutions to refine, test and review any changes required to procedures and processes.” (Higher Education Institution)

“There are already significant checks and balances in place through higher education institutions to authenticate the registration and tracking of distance learners and these robust systems can be the basis of authentication of maintenance loans for part-time distance learners.” (Individual respondent)

2.3 Level of Qualification

From the consultation document: *What are the benefits and challenges associated with extending maintenance loans to part-time undergraduate Level 4 and 5 courses and what checks and balances would be appropriate to manage these challenges?*

A greater proportion of respondents indicated benefits to extending maintenance loans to learners undertaking Level 4 or 5 qualifications than they did challenges.

It was thought that extending to Level 4 and 5 would also support the broader widening participation agenda within Higher Education (43 of 66 / 65%) – see Table 9.

Table 9: Benefits and challenges identified by consultation respondents of extending part-time maintenance loans to Level 4 and 5 qualifications. (DfE consultation data, 2016).

Benefits (Base = 66 respondents)	Challenges (Base = 23 respondents)
Widening participation (43 / 65%)	Budgetary concerns (8 / 35%)
Developing higher level skills among the workforce (21 / 32%)	Monitoring levels of learner progress/ engagement (5 / 22%)
Treats all part-time study equally (21 / 32%)	Duplication of funding streams (4 / 17%)
Increased motivation to study among learners (8 / 12%)	Private sector regulation (4 / 17%)
Other (8 / 12%)	Other (4 / 17%)

(Note: respondents were able to give multiple responses)

It was noted by both HE representatives and students and individuals that extending the loans to Levels 4 and 5 would offer learners who may have been out of education for a long period a foothold back into study – thereby widening participation in HE (Table 10).

Table 10: Most common benefits of extending part-time maintenance loans to Level 4 and 5 qualifications – by respondent type (DfE consultation data, 2016).⁶

	Higher Education Institutions and representatives (Base = 35)	Students and individuals (Base = 25)	Other (Base = 6)
Widening participation	25 / 71%	15 / 60%	3 / 50%
Treats all part-time study equally	15 / 43%	5 / 20%	1 / 17%
Developing higher level skills among workforce	12 / 34%	6 / 24%	3 / 50%

(Note: respondents were able to give multiple responses)

In turn, respondents thought that engagement with these levels of qualification would increase learners’ confidence to progress to higher qualification levels in time, or they would better enable individuals to retrain in a new field/sector by taking a foundation course first.

‘Other’ benefits of extending eligibility to cover Level 4 and 5 qualifications were most commonly identified as opening up a clear progression pathway for developing higher level skills and associated employer support for individuals returning to study (5 HE representatives). Four respondents also noted that loan eligibility at Levels 4 and 5 was likely to increase retention rates for part-time study due to increased flexibility and more appropriate levels of study being available to a broader range of learners.

“Many students on Level 4 and 5 courses are interested in pursuing ‘top-up’ programmes to achieve an Honours degree. If part-time loans are not extended to students on these programmes, this may create a barrier for some students who are more ready to engage with ‘lower level’

⁶ Note: This table highlights the main two responses given by respondent type – for all responses, see Table 9.

qualifications, but whose confidence in their area of study increases in time.” (Higher Education Institution)

“If the intention is to widen participation, then level 4 and 5 are crucial. Many students (especially STEM) would choose level 4 (HNC) first in order to get back to study, and then progress or not in steps. Employers may want technicians at level 5 and not support level 6 study, so [these qualifications] give everyone more flexibility.” (Further Education College)

2.2.1 Level 4 and 5 qualifications - Challenges

There were several challenges raised by respondents in relation to extending maintenance loans to Levels 4 and 5. These were most commonly in relation to:

- **Budgetary concerns** (8 respondents): future earnings of learners perceived as potentially less than those qualified at Level 6, therefore affecting their ability to repay the loan; plus the large amount of additional public money being distributed to part-time students as a result of this extension.
- **Monitoring levels of learner engagement/progress** (5 respondents): to ensure that courses/targets are being completed and learners are attending regularly enough to justify receiving a maintenance loan.
- **Duplication of funding streams** (4 respondents): particularly in relation to Level 4 and 5 courses that are included as part of Higher Level Apprenticeship frameworks, which have separate funding rules in place – subsequently, there were requests for further guidance or clarification around the funding of these learners in relation to this policy.
- **Regulation of alternative providers** (4 respondents): specifically the need to ensure that for-profit providers were offering high quality courses at this level so as to protect learners and their future opportunities having taken out a loan to study.

As with distance learning courses, respondents most commonly said that the ‘checks and balances’ required to manage the extension to Levels 4 and 5 were to ensure consistent levels of learner engagement with course delivery (15 of 34 / 44%). However, respondents’ perceptions were that existing institutional systems that are in place for full-time and higher level courses are also adequate for monitoring engagement at Level 4 and 5.

Six of 34 (18%) felt that means testing would ensure the challenges for Level 4 and 5 qualifications would be managed adequately; and two (6%) stated that protection was required for students experiencing unforeseen circumstances and who may need to change the terms of study or repayment. There were some calls for clear guidance to be distributed by HE institutions to help reduce any confusion among learners as to course eligibility and level being undertaken/progression pathways available to them.

Two Higher Education representatives also requested clarification in relation to the loan eligibility of 'early-exit' Level 6 learners.

“As with all aspects of the system, strong information, advice and guidance will also need to be made available, not only on loan entitlement but on the nature of these courses and their potential suitability for students, depending on the student’s ambitions.” (University representative group)

3. Intensity of Study

The consultation document set out two possible approaches to calculating levels of loan to be paid to an individual learner, according to the intensity of their study. Depending on the level of intensity, learners would fall into certain ‘bands’ and receive the corresponding loan amount. Two options were proposed: (a) three ‘percentage bands’ at 25%, 50% and 75% intensity of a full time equivalent (FTE) course which was presented as option A; and (b) five ‘fractional bands’ based on the number of module credits being studied towards in a given year which was presented as option B in the consultation.

3.1 Favoured Approach to Intensity Banding

From the consultation document: *With particular regards to any operational and delivery complications for students, providers, the SLC or otherwise which approach outlined do you believe would be most appropriate?*

Eighty-five respondents selected a specific approach that they were in favour of: overall, respondents were more in favour of option B than option A. (Table 11). Under half of respondents (39 / 46%) opted for option B – fractional bandings compared to 33 (39%) selecting option A – percentage bandings.

Table 11: Approach to intensity bandings that consultation respondents selected as being most appropriate. (DfE consultation data, 2016).

	All respondents (Base = 85)	Higher Education Institutions and representatives (Base = 35)	Students and individuals (Base = 44)	Other (Base = 6)
Option A – percentage bandings	33 / 39%	10 / 29%	19 / 43%	4 / 67%
Option B – fractional bandings	39 / 46%	24 / 69%	14 / 32%	1 / 17%
Not sure	6 / 7%	-	6 / 14%	-
Other approach suggested	13 / 15%	5 / 14%	7 / 16%	1 / 17%

(Note: respondents were able to give multiple responses)

As Table 11 indicates, Higher Education representatives preferred Option B (fractional bandings) compared to the students and individuals, who were more supportive of Option A (percentage bandings). Further discussion on the reasons for their choices, and the challenges raised by the intensity bandings, is provided in section 3.2.

3.1.1 Other suggestions for intensity bandings

Some respondents offered 'other' approaches for calculating intensity bandings and most commonly these were to:

- Change the level of intensity for eligibility (6 respondents): three felt that loans should only be available at 50% intensity or above (less than 50% was felt to be 'doable within...leisure time'), others felt that the maximum loan should be capped at 50%, or queried whether courses at 25% or less intensity were practical or viable.
- Where Open University courses are currently considered part-time but total 120 credits, to reclassify these as full-time, or allow 100% intensity in the part-time bandings (6 respondents).
- Increase the number of fractional bands to six for universities that implement a structure of 20-credit modules (alongside those that offer 15-credit modules), which would be reflective of patterns of study but also straightforward to communicate to learners (2 respondents).

3.2 Benefits of Banded intensity Approach

From the consultation document: *What are the benefits, issues and unexpected consequences which may result from providing loans according to a banded intensity approach?*

Option B (fractional bandings) was selected more commonly by Higher Education representatives responding to the consultation, with over two-thirds of those who gave a reason for their choice (17 of 25 / 68%) saying that this more accurately reflected common study/work patterns, such as the existing arrangements of modular, credit-based courses.

Half of students and individuals providing a reason for their chosen approach (13 of 26 / 50%) stated that it was a clearer and easier approach to understand, with 11 / 42% suggesting that it reflected study patterns.

Overall, these reasons for selecting option A and option B were reflected across the commentary provided by all consultation respondents (Table 12).

Table 12: Reasons that respondents selected their chosen banded intensity approach. (DfE consultation data, 2016).

	Respondents selecting option A – percentage bandings (Base = 26)	Respondents selecting option B – fractional bandings (Base = 23)
Easy to understand / maintain	17 / 65%	7 / 30%
Reflects common study/work patterns	9 / 35%	21 / 91%
Encourages return to study whilst staying in work	5 / 19%	3 / 13%

(Note: respondents were able to give multiple responses)

“It is...critical to minimise the impact of credit-based ‘cliff-edges’ in financial support ...As such, the larger the number (and narrower the width) of bands, the better this is for students and the greater flexibility this affords for HEIs seeking to develop more flexible patterns of part-time provision.”
(Higher Education Institution)

“The first approach [Option A] seems best to me. Purely for it's simplicity, it would make it easy for everyone to understand.” (Current student)

“The fractional banding system seems most fair as it links more closely to course structure and will therefore benefit the students who are considering varying their intensity and wish to avoid a large “drop off” in their loan amount.” (Higher Education Institution)

3.3 Issues with Banded Intensity Approach

There were however, common challenges identified by 21 respondents (across all types) in adopting a banded intensity approach. These were related to the complexities that were perceived to be inherent with adopting this approach:

- **Establishing accurate intensity rates for part-time learners:** difficulties in anticipating intensity patterns in advance; respondents noted that part-time courses can have varying start dates, fluctuations in intensity patterns depending on the module being covered, and there were concerns that intensity levels may not accurately reflect the work that has been required for a specific aspect of a course.

- **Intensity patterns changing for individual learners:** it was flagged that part-time learners commonly change intensity levels of study throughout the course of a year (e.g. they may undertake one module in the first semester and two modules in a second semester), and therefore this was perceived to be a potentially time-consuming issue for institutions to manage, as there would be a requirement to recalculate new intensity levels. Respondents felt that institutions would need to ensure that appropriate systems were in place for recording study intensity and reporting to Student Loan Company (SLC).
- **Administrative processes:** related to the previous point, it was felt that currently there was inadequate detail available for institutions in terms of how to manage referrals/deferrals or breaks in study (e.g. for medical reasons); this was perceived to need consideration, for example in terms of the maximum break in study permitted, and how loans would be apportioned in these circumstances.
- **Risk of financial difficulties:** this were perceived to be possible where learners may receive too much loan and 'overspend', and was thought to be most likely at times when students change intensity during the course and any new payment allocations are being processed.

It was therefore suggested by the majority of respondents to this question (18 out of 21 respondents) that clear information and guidance about intensity band calculations needed to be distributed to Higher Education institutions, and to students and learners, so that it was easy to understand prior to learners applying for a loan and beginning a course, the following:

- The loan amount available for learners.
- How the loan would be calculated.
- Measures used to track part-time learners/intensity levels.
- How changes in study intensity (including for extenuating circumstances) would be managed.
- Signposting to services available for part-time learners should additional financial help or advice be required.

“Part-time students are likely to change the intensity of their study throughout their course, they generally face added complications and life changes during their period of study which needs to be accommodated. The banded approach will therefore need to allow the flexibility for the student to move easily and swiftly between different bands, reflecting the nature of study and avoiding unnecessary bureaucracy for the student and the higher education institution where possible.” (Higher Education Institution)

3.1.3 Unexpected consequences of intensity bandings

There were concerns raised by 13 respondents that for some part-time learners, such as those with disabilities, a banded intensity approach risked inequalities in accessing education because the intensity level set for their course/module may not accurately reflect the additional time that it may take them to complete the work required.

There was a sense emerging throughout the consultation responses however, that the potential flexibility offered through a banded intensity approach, if carefully and clearly managed, would help to mitigate the risk of learners with additional responsibilities or needs, from committing to too large a course of study immediately. This could therefore, help to reduce attrition rates and in the long-term encourage take-up and engagement with part-time provision.

4. Funding and Repayment Arrangements

4.1 Means Testing

From the consultation document: *Should means testing of any sort be applied to this part-time maintenance loan product?*

Around three-quarters of respondents (75 of 102 / 74%) agreed that means testing should be applied to the part-time maintenance loan product; the remainder did not agree (Table 13).

Table 13: Should means testing of any sort be applied to this part-time maintenance loan product? (DfE consultation data, 2016).

	All respondents (Base = 102)	Higher Education Institutions and representatives (Base = 41)	Students and individuals (Base = 52)	Other (Base = 9)
Yes – means testing should be applied	75 / 74%	35 / 85%	36 / 69%	4 / 44%
No – means testing should not be applied	27 / 27%	6 / 15%	16 / 31%	5 / 56%

From the consultation document: *Would replicating the existing means test arrangements currently used for dependant and independent students claiming the full-time maintenance loan product be the most suitable approach, or should a different approach be applied?*

Eighty-two respondents provided additional commentary about the means-testing arrangements. The majority (56 / 68%) felt that the existing means test arrangements that are used for full-time maintenance loans would be the most suitable approach for the part-time product (Table 14).

Table 14: Are existing means test arrangements the most suitable – by respondent (DfE consultation data, 2016).

	All respondents (Base = 82)	Higher Education Institutions and representatives (Base = 40)	Students and individuals (Base = 37)	Other (Base = 5)
Existing approach is suitable	56 / 68%	32 / 80%	20 / 54%	4 / 80%
Consideration should be given to additional factors	42 / 51%	18 / 45%	21 / 57%	3 / 60%

(Note: respondents were able to give multiple responses)

However, more than half (42 / 51%) went on to say that – within the means-testing arrangements – consideration should be given to additional factors that could affect part-time and mature students specifically (Table 14). These additional considerations (mentioned across respondent types) were:

- Means testing on an individual rather than a household basis to reflect the ‘independent’ status of most part-time/mature learners, whilst ensuring that a learner’s existing responsibilities are considered (e.g. childcare payments).
- Ensuring that suitable financial support arrangements are available for disabled students who may be unable to work and study at the same time (e.g. providing higher maintenance loan allocations in these circumstances).
- To ensure that the interaction between a maintenance loan and other benefits/welfare payments such as Income Support, Housing Benefit, Jobseekers Allowance, Employment Support Allowance and Universal Credit is appropriately considered (see section 6 for further discussion).

4.2 Safeguarding Repayments

From the consultation document: *What safeguards and controls should be in place as a proportionate and effective measure to ensure that this loan product provides value for money to the taxpayer?*

Of the 79 respondents who provided commentary, just less than half (39 / 49%) stated that the same safeguards that are applied to full-time loans were appropriate for the part-time product ('e.g. having to reapply for finance each academic year so funding only happens when the student proves they have been attending university'). This was particularly common among HE representatives.

Table 15: Most common safeguards and controls reported – by respondent (DfE consultation data, 2016).⁷

	All respondents (Base = 79)	Higher Education Institutions and representatives (Base = 30)	Students and individuals (Base = 42)	Other (Base = 7)
Same safeguards as applied to full-time loans	39 / 49%	19 / 63%	16 / 38%	4 / 57%
Stipulating repayment criteria	17 / 22%	6 / 20%	10 / 24%	1 / 14%
Ensuring repayments are made when outside the UK	4 / 5%	1 (3%)	3 (7%)	-

(Note: respondents were able to give multiple responses)

The remainder of respondents either provided commentary, or suggested ways in which the loan product could be safeguarded, the most common of which referred to the repayment of loans (Table 15):⁸

- Stipulating repayment criteria such as ensuring repayment regardless of employment/salary status, zero percent interest, and including pension in income criteria (17 of 79 / 22%).

⁷ Note: This table highlights the main response given by respondent type – for all responses, see commentary.

⁸ In addition, some respondents provided commentary that referred to amending loan repayment regulations, or sharing of student loan data for credit assessment purposes. However these broader issues were out of scope for the consultation.

- Ensuring repayments are made even where an individual has moved or started to work outside of the United Kingdom on completion of the course (4 of 79 / 5%).

Smaller numbers of respondents indicated safeguards in terms of institutional administration, individual financial risk, and value for the taxpayer in terms of sector-specific skills development:

- Applying institutional safeguards through monitoring and assessment of learners to ensure engagement and completion of courses (3 of 79 / 4%).
- Reduce personal financial risk: monthly maintenance payments to learners; regulation of private providers to ensure value for money for learners (3 of 79 / 4%).
- Investment in specific courses/skills: eligible courses should offer skills development of 'value'; encourage development of free online courses through which individuals learn for leisure (2 of 79 / 3%).

Some respondents (6 of 79 / 8%) felt that 'value for money' was difficult to measure in reference to education, or that education itself was adequate value for the taxpayer.

5. Consequences of Policy

From the consultation document: *Given the specific features of this policy including: the length of part-time courses and the flexibility of distance learning, the Government's commitment to delivering value for money, and the overall Higher Education loan landscape, do you have any comments about the unintended policy consequences, practical implications and/or possible changes in life chances, which may arise as a result of this policy?*

The feedback that consultation respondents provided in relation to this question did not focus on 'unintended policy consequences', but more on the 'practical implications and/or possible changes in life chances' that they could identify.

Three-quarters of respondents felt that the widening participation agenda was a key consequence of the policy. This was recognised by HE representatives, and students and individuals (Table 16). In this respect it was felt that the introduction of part-time maintenance loans would enable a broader range of learners to access education through offering modes of delivery and intensities of study that are most appropriate for them.

Table 16: Consequences of the policy as identified by consultation respondents. (DfE consultation data, 2016).

Suggested consequences	All respondents (Base = 55)	Higher Education Institutions and representatives (Base = 25)	Students and individuals (Base = 25)	Other (Base = 5)
Widening participation	41 / 75%	20 / 80%	19 / 76%	2 / 40%
Supporting skills development	15 / 27%	9 / 36%	3 / 12%	3 / 60%
Encouraging take-up/halt decline in part-time enrolments	9 / 16%	9 / 36%	-	-

(Note: respondents were able to give multiple responses)

There was positive feedback from HE representatives that the introduction of a part-time maintenance loan would also help to stem the decline in part-time enrolments currently being experienced across Higher Education, and potentially encourage more take-up of this form of provision in the future (Table 16).

As has been reported elsewhere, it was felt that the new loan product would raise challenging complexities for institutions, particularly in relation to the potential impact of part-time learners engaging with provision for longer periods of time (up to 16 years), and for tracking/monitoring students (see sections 2.2 and 2.3). There were also queries as to how institutional processes and systems may need to accommodate for these changes, and that lead-in time would be required to ensure that institutions were able to make required changes ahead of delivery (reported in relation to intensity bandings, see section 3.3).

Smaller numbers of respondents identified a range of other potential unintended consequences (from two respondents each). This included: (1) skills shortages due to a lack of potential recruits when individuals cannot afford to study or retrain because of the level of loan repayments (or who are debt averse and therefore choose not to study); (2) perceived financial burden of taking on long-term loan repayment commitments; and (3) increased attrition from part-time courses if learners commit to too much study and cannot complete a course due to extenuating circumstances.

HE representatives, and students and individuals, also queried the potential impact of receiving a maintenance loan on benefits/welfare entitlements, and these possible issues are set out in more detail in section 6.

In addition to widening participation – there were comments from two Higher Education institutions that the introduction of part-time maintenance loans would ‘drive innovation’ in the development of teaching and learning for fully flexible part-time Higher Education provision, thereby complementing other policies such as the Higher Level Apprenticeships offer.

Furthermore, a small number of queries were raised in relation to the eligibility of Equivalent or Lower Qualifications (ELQs). Three respondents suggested reducing or removing the list of eligible ELQ subjects, others felt that they required ‘clarity’ as to ELQ criteria.

“It [the loan] would enable organisations to utilise resources more efficiently and to develop programmes that enable higher levels of programme individualisation and support learner autonomy. It could open upon the flexibility to offer more specialist routes. It could broaden the opportunities for collaboration.” (Adult Education College)

“It is of vital importance that full details of eligibility are published well in advance of the SLC opening applications for Academic Year 2018/19. Experience tells us students are most successful if they have access to clear, accessible information about what is available to them from the point that they are first considering study...The later the full policies and eligibility criteria are known, the greater the likelihood is that students will be unaware of the funding support available to them, and the higher the risk of confused messaging that impedes their ability to apply for and receive any funding.” (Higher Education Institution)

“The introduction of part-time maintenance loans on equal terms with those available for full-time courses is a critical step in moving towards greater equality of opportunity for students studying at a range of different intensities. This is the first step in seeking to redress the great decline in part-time HE study in recent years.” (Higher Education Institution)

6. Public Sector Equality Duty

From the consultation document: *Are there other issues Government should be aware of, which would impact on the take-up of this proposed loan by those with any of the protected characteristics, and what steps might Government take to mitigate any negative impact?*

The majority of issues identified were in relation to the needs of disabled learners and those on wider welfare benefits – and these were most frequently highlighted by Higher Education representatives (Table 17).

Table 17: Proportion of respondents mentioning the protected characteristics in relation to the Public Sector Equality Duty. (DfE consultation data, 2016).

Considerations	All respondents (Base = 50)	Higher Education Institutions and representatives (Base = 25)	Students and individuals (Base = 17)	Other (Base = 8)
Learners in receipt of disability and/or other benefits	32 / 64%	20 / 80%	7 / 41%	5 / 63%
Parents/carers	11 / 22%	8 / 32%	-	3 / 38%
Older learners	10 / 20%	2 / 8%	5 / 29%	3 / 38%
Religion/belief	9 / 18%	5 / 20%	4 / 24%	-

(Note: respondents were able to give multiple responses)

For those learners in receipt of **disability** and/or other benefits there were issues raised among consultation respondents (and particularly noted by HE representatives) that there may be a financial disincentive in applying for a maintenance loan for part-time study. This was due to the concern that these learners may, as a consequence, receive a reduction in benefits payments and welfare support.

Similarly, queries were raised for **parents/carers** in receipt of a carer's allowance or Parent Learning Allowance.

In terms of **religion/belief**, it was noted that loan arrangements needed to be acceptable for those students who may be deterred from applying due to interest arrangements on loan repayments. Therefore suggestions were made to introduce what respondent typically referred to as 'Sharia-compliant', or alternative finance products for these groups of learners (for example, those based on the 'Takaful' model of community/charitable loan repayments).⁹

Those mentioning the impact on **older learners** in regards to the Public Sector Equality Duty emphasised as reported earlier that the age restriction of 59 and under may be considered to be age discrimination.

In addition, ten respondents highlighted that mature learners are more 'loan averse' than other demographics, and as a result that there would need to be 'positive and clear messaging' to this sector of the population as to the benefits of undertaking part-time study and lifelong learning.

Six respondents suggested that geographic location should be included within loan calculations, including London weighting and weighting for areas of deprivation.

⁹ The Government's response to its consultation on an alternative student finance product can be found here: <https://www.gov.uk/government/consultations/sharia-compliant-student-finance>.

7. Conclusions

Overall, consultation respondents welcomed the proposal to introduce a maintenance loan for part-time undergraduate students. Their feedback particularly highlighted that the policy had the potential to support the widening participation agenda, and engage (or re-engage) a range of learners with Higher Education, including disabled learners, parents/carers and those looking to develop their skills whilst remaining in employment.

The majority of consultation respondents agreed that an age eligibility restriction was an effective way of mitigating the risks associated with lending large amounts of public money to cohorts of students who are unlikely to enter repayment. Furthermore, when asked to select a specific age restriction, they most commonly suggested a restriction of age 59 and under. Respondents agreed with the proposed age 59 and under position as it reflected the recognition that older learners were less likely to repay the loan, although some (of all respondent types) suggested that specific subjects/courses should remain eligible, for example to address skills shortages/gaps. Where there was disagreement with the proposal, concerns tended to be raised about perceived age discrimination for older learners – particularly as people are increasingly working longer and beyond normal pension age and therefore may need access to study for upskilling and retraining.

In terms of an intensity banding approach, there was slightly more approval for a fractional banding approach. This approach was more commonly selected by Higher Education representatives who felt that it reflected common work/study patterns and could be tailored and more flexible to the needs of part-time learners. However, students and individuals felt that a percentage banding approach would be clearer and easier for learners to understand. Both banding approaches raised a limited number of queries from respondents around complexity. Respondents suggested it would be useful to clarify how HE institutions would manage issues such as establishing accurate intensity levels for individuals, changes in intensity during a year, and setting up/administering appropriate monitoring and reporting processes. It was felt by some that a lead-in time would be required for HE institutions to ensure that their systems and processes could manage the additional administration required by the banding approach.

Overall, respondents to the consultation more commonly highlighted benefits rather than challenges associated with extending maintenance loans to part-time undergraduate distance learning courses. They recognised that the inclusion of distance learning would support the widening participation agenda and enable different forms of part-time study to be treated equally. The main challenge was perceived to be the need to ensure that learners maintained engagement with these courses and evidenced appropriate levels of progress. However, although respondents deemed learner monitoring to be necessary, it was felt that existing institutional systems could be adapted to include distance learners.

Likewise, respondents were positive about the proposal to extend part-time maintenance loans to Level 4 and 5 qualifications, reflecting the widening participation agenda. There were several challenges to this proposal, including budgetary considerations, the potential duplication of funding streams (particularly in relation to the Higher Level Apprenticeship) and ensuring that alternative providers offer high quality courses. The need to monitor learner engagement was felt to be a key check among respondents in relation to Level 4 and 5 qualifications. However, this was not felt to be prohibitive as existing systems used for current courses were suggested to be adequate for monitoring learners on these courses.

The majority of consultation respondents agreed that means testing should be applied to the part-time maintenance loan product, and where they provided additional feedback it was generally felt that using existing arrangements for full-time maintenance loans would be appropriate. It was also commonly suggested that additional considerations should be taken into account during the means-testing process (e.g. means testing individuals rather than households; ensuring suitable financial support is available for disabled students; and the potential impact of any interaction between a maintenance loan and other benefits).

Although the findings are based on small numbers, a few common themes emerged from the consultation.

- **General agreement that the policy supports widening participation:** particularly for disabled learners, those with parental/caring responsibilities, or mature learners who have not engaged in education for many years. In turn, the need to offer flexible approaches to meet the needs of part-time learners was hoped to drive innovation in the sector, and help to stem the decline in take-up of part-time courses.
- **Support of skills development:** it was felt, particularly by HE representatives, that extending the maintenance loan to part-time learners would support older learners upskilling or re-skilling; in addition, the extension of the product to Levels 4 and 5 for example was perceived to have the potential to increase the confidence of some learners to go on to study at higher levels as a result.
- **Interaction with benefits payments:** there is a need to consider how the loan will interact with other benefits, particularly for disabled learners or those in receipt of other benefits such as a carer's allowances; it was suggested that any means-testing for part-time maintenance loans would need to consider these factors also.

- **Need for clear information and guidance:** clarity was requested by HE representatives, and students and individuals, in relation to a range of issues that were highlighted during the consultation. It was felt that this would help HE institutions establish appropriate management systems and administrative processes, but also enable them to communicate key issues such as banding approaches to prospective/current students. It was therefore felt that additional information and guidance would be required by HE institutions (and learners) in relation to:
 - Eligible courses, and formats of study (including eligibility of HNC/D in Higher Level Apprenticeships to avoid duplication of funding).
 - Any impact of receiving a maintenance loan on a learner's existing benefits payments.
 - Approaches to intensity bandings: how these are calculated for individuals; when and how changes to intensity can be arranged and agreed; how changes are reported to SLC, and when learners may experience an amendment to their loan allocations.
 - Appropriate measures for tracking and monitoring levels of learner engagement/progress for those on distance learning courses, and Level 4 and 5 qualifications.



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