



Department
for Education

Evaluating the Extension of Advanced Learner Loans

Research report

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IFF Research on behalf of DfE

Contents

List of figures	4
Executive Summary	5
Background	5
Research objectives	5
Methodology	5
Findings	6
Awarding organisations	6
Providers	7
Learners	8
1. Introduction	10
1.1 Background	10
1.2 Research Objectives	11
1.3 Methodology	12
1.4 About this report	13
1.5 Report interpretation	13
2. ILR Analysis	14
3. Awarding organisations	19
The extension of ALLs has had a limited on Awarding Organisations' offer or marketing	20
Several barriers have prevented awarding organisations from changing their qualifications in response to the extension of ALLs	22
Awarding Organisations had positive views on ALLs, but felt that the future depends on other policy changes	25
4. Providers	27
Providers did not report making notable changes to the information and marketing of ALLs following the extension	27
Providers have not actively raised awareness of the ALL bursary fund to boost learner participation	39
Providers expressed mixed views about ALLs as a whole.	41
5. Learners	43

Learners' motivations for learning can be grouped into four broad areas.	44
Cost was a major factor for most learners but it was not the only consideration.	45
Awareness of funding was dependent on the learner's needs, with self-funders less likely to be aware than those who took out an ALL	47
Learners' awareness and depth of understanding of ALLs was mixed.	50
Not having an ALL would not have stopped learners with loans from doing the course, but it would have changed when they studied	51
Many non-loans learners did not take-out an ALL because they had enough savings to pay for the course and few would have approached their learning differently had they taken a loan.	52
6. Conclusions and recommendations	55
Administering loans	55
Communications and promoting ALL's	55
Appendix A – Detailed methodology	58
ILR Analysis	58
Awarding organisations	58
Providers	58
Learners	60
Appendix B – Research topic guides	63

List of figures

Figure 2.1 Learner volumes in 2015/16 and 2016/17 by extension group

Figure 2.2 Learner volumes in 2015/16 and 2016/17 by level of course

Figure 2.3 Learner volumes by course type (among learners aged 19-23 on Level 3 and Level 4 qualifications)

Figure 2.4 Gender profile of 19-23 year old learners on Level 3 or Level 4 courses

Figure 2.5 Gender profile of learners on Level 5 or Level 6 courses

Figure 2.6 Ethnicity profile of 19-23 year old learners on Level 3 or Level 4 courses

Figure 2.7 Ethnicity profile of learners on Level 5 or Level 6 courses

Executive Summary

Background

From the 2016/17 academic year, the Department for Education extended Advanced Learner Loans (ALLs) to the following groups of learners:

- 19-23 year olds studying Level 3 or 4 qualifications (without impacting on access to grant funding for first full Level 3); and
- those of all ages studying at Levels 5 and 6.

Some of this first group of learners would have historically been eligible for contributory funding (where the Government provides some funding and providers either charge learners the balance or subsidise with funds raised from other sources). By and large, learners at Level 5 and 6 would previously have needed to self-fund their learning in its entirety either through savings or the use of commercial loans.

The aim of the expansion of ALLs was to remove some of the barriers (for example, funding) to participation by providing a route for learners to develop high-level technical skills. It was also hoped that the extension of ALLs would incentivise learners to 'invest' in their own learning. In addition to providing financial support to learners, the loans policy envisaged that providers and awarding organisations would become more responsive to paying customers and tailor their products to meet their needs.

Research objectives

It was in this context that DfE commissioned IFF Research to undertake this research to qualitatively explore how providers and awarding organisations have responded to the extension of ALLs and assess the attitudes towards and experiences of ALLs among learners in the two groups to which Loans were extended in 2016/17.

The findings from this research will help DfE to understand the learner and provider response to the extension of Advanced Learner Loans, which will help to support future development of the student finance system and to make sure the offer targets resources and support most effectively.

Methodology

Qualitative research was conducted with three key audiences: awarding organisations, providers and learners.

Nine telephone interviews were conducted with awarding organisations, 25 were conducted with providers (10 face-to-face and 15 by telephone) and 40 telephone were conducted with learners.

Interviews were conducted between 25th January and 27th March 2018 and lasted between 45 and 60 minutes on average.

Participants of the research were purposively sampled in order to get a wide range of perspectives on the extension of ALLs.

Findings

Overall, findings suggest that awarding organisations and providers have made little changes to their offer or marketing. There was a general consensus that a national marketing campaign would help to increase awareness of the Loans. Meanwhile, findings suggest that learners tended to only take out an Advanced Learner Loan if they could not otherwise afford to participate on the course, and this group had positive opinions of ALLs – albeit with some lack of understanding on the loan repayment.

Awarding organisations

Awarding organisations reported that the extension of ALLs has had a limited impact on their offer.

- While most ensured that existing qualifications were eligible for ALLs, none introduced new qualifications or re-designed existing qualifications in direct response to the extension itself.
- Awarding organisations felt that they did not need to make any changes in light of ALLs becoming available for those aged 19-23, because they did not offer qualifications specifically aimed at those aged 24+ prior to the extension.
- Awarding organisations have not made significant changes to their Level 5 and Level 6 qualifications following the extension of ALLs, because they perceive there to be a lack of demand for loans-eligible qualifications at these levels.

Several barriers have prevented Awarding Organisations from changing their qualifications in response to the extension of ALLs.

Firstly, a perceived lack of demand for loans-eligible courses, driven by a general lack of awareness (and understanding) of the extension of ALLs among some providers. Awarding organisations felt that this is a consequence of the fact that providers have been giving autonomy in terms of promoting ALLs and they felt that a national marketing

campaign (like the Apprenticeships campaign) could help increase the take-up of Loans by making more individuals aware of the offer.

Secondly, internal resource focused on other key policy developments, resulting in ALLs being a low priority. Other policy developments include Apprenticeships, T-Level reform and regulatory changes brought about by the introduction of the regulated qualifications framework and the move to Total Qualification Time (TQT) from Guided Learner Hours (GLH).

Providers

Most providers reported no change in their marketing of courses, and most reported no marketing to specifically target learners in the extension groups. There was a general consensus that a national campaign would be useful.

- As was the case with 24+ ALLs, some providers have been reluctant to promote ALLs since the extension through fear of being seen to be “selling” ALLs or giving financial advice to (potential) learners.

Some mentioned that introducing the concept of ALLs to younger learners was a challenge and there was a general consensus that a national marketing campaign (similar to that launched to raise awareness of Apprenticeships) would be useful in terms of raising awareness of ALLs among (potential) learners and that this could help increase take-up.

The extension has had a limited impact on providers’ offer.

- Many providers reported that the extension of ALLs had a limited impact on their offer and did not result in them offering courses that they would have not done otherwise.
- Several providers did introduce new courses in direct response to the extension of ALLs, but reported that they had mixed success in terms of learner take-up. A few providers had changed their fee structures in light of the extension of ALLs by setting the cost of loans-eligible courses in line with the maximum loans amount set by ESFA.

Providers have had mixed experiences in terms of their learner intake in the extension groups since the extension of ALLs.

- Private providers were more likely to report increased learner numbers in the extension groups.

- General FE colleges and local authorities were more likely to report decreased learner numbers in the extension groups.

However, it is important to note the small sample size when considering results by provider type.

No providers reported raising awareness of the bursary fund specifically to help boost participation.

- Providers reported that they tended to discuss the bursary fund as part of the process of introducing (potential) learners to ALLs.
- Providers expressed mixed views as to whether the availability of an ALL bursary fund had an impact on learner participation and retention – with those in deprived areas more likely to have used high proportions of their fund and more likely to consider it important in this respect.

Providers felt that ALLs have become easier to administer over time, but some reported that managing the end-to-end process of ALLs could be further refined.

- ALLs have become easier to administer as the processes and systems have had the chance to embed and be refined
- The end-to-end process could be further refined by improving the time it takes to get a decision (and to resolve issues) on ALL applications, and by improving the way in which SLC and ILR reports are collected and interact with one another.

Learners

It is worth noting that this research just covered individuals who went ahead with a course of study. It does not cover any individuals who decided not to study at all for reasons relating to funding or otherwise.

Learners' motivations for learning tended to fall into four broad areas:

- For those aged 19-23 doing Level 3 and 4 qualifications, the main motivation for learning was:
 - a) As a pathway into higher education
 - b) As a pathway into a specific career

- For those aged 24+ doing Level 5 and 6 qualifications, the main motivation for learning was:
 - c) skills development for an existing career
 - d) professional development and progression within a career

Cost of course fees played a major role in the considerations of the majority of learners...

- ...but it was not the only factor considered and often not the most important. Other factors that were commonly considered were affordability, location, relationship / reputation of the provider, course content / relevance, course flexibility and course quality.

Awareness of funding was dependent on the learner's needs:

- Most self-funders had limited awareness of ALLs. This was because they had expected to self-fund when considering learning and had done minimal research into funding options as a result.
- The majority of learners who chose an ALL did so out of financial necessity: they could not otherwise afford the course at all, at that time, and/or without substantial personal and financial sacrifice. As such, they were extremely grateful for the provision and positive about the role it has played in their education.
- There was no evidence of widescale awareness or depth of understanding of the Bursary Fund.

Learners had a mixed knowledge of ALLs, and some learners with ALLs seemed to be particularly unclear about repayments and interest charged.

Many non-loans learners simply did not need an ALL, and felt that the addition of interest made it a worse option to self-funding.

1. Introduction

1.1 Background

As a result of the Comprehensive Spending Review in 2010, the Government decided that it was most important to protect the funding of training for those aged 19-23 with low educational achievement, those without basic skills and the unemployed.

As a result, in the 2013/14 academic year, grant funding for individuals aged 24 and above studying full level 3 or 4 qualifications was withdrawn. To try to mitigate the reduction in learner numbers that this removal of funding may have caused, this was accompanied by the introduction of 24+ Advanced Learning Loans (ALLs), which was a new loans system only available to adults aged 24 or older studying full Level 3 and 4 qualifications.

ALLs follow a similar model to student loans in Higher Education, by giving individuals access to financial support for fee costs. Loans are administered by the Student Loans Company (SLC). Individuals can also apply for the Loans Bursary Fund directly from training providers to help with other costs (for example, childcare travel or course-related trips) while studying. Apprenticeships are not in scope for loans, but other forms of work-based learning can be.¹

From the 2016/17 academic year, the Department for Education extended Advanced Learner Loans (ALLs) to the following groups of learners:

- 19-23 year olds studying Level 3 or 4 qualifications (without impacting on access to grant funding for first full Level 3); and
- those of all ages studying at Levels 5 and 6.

Some of this first group of learners would have historically been eligible for contributory funding (where the Government provides some funding and providers either charge learners the balance or subsidise with funds raised from other sources). By and large, learners at Level 5 and 6 would previously have needed to self-fund their learning in its entirety either through savings or the use of commercial loans.

The aim of the expansion of ALLs was to remove some of the barriers to participation (funding, for example) by providing a route for learners to develop high-level technical skills. It was also hoped that the extension of ALLs would incentivise learners to 'invest'

¹ For more information on Advanced Learner Loans, [click here](#)

in their own learning. In addition to providing financial support to learners, the loans policy envisaged that providers and awarding bodies would become more responsive to paying customers and tailor their products to meet their needs.

1.2 Research Objectives

The aim of this research was to qualitatively explore how providers and awarding organisations have responded to the extension of ALLs and assess the attitudes towards and experiences of ALLs among learners in the two groups to which Loans were extended in 2016/17.

More specifically, its primary objectives were to explore the following research questions with each of the above audiences.

With **awarding organisations**:

- How has the extension of ALLs impacted on awarding organisations and the qualifications they offer?
- What have been the triggers and barriers to change?

With **providers**:

- Has the extension of ALLs led providers to change their offer and deliver courses that they would have not done otherwise?
- What have been the triggers and barriers to change?
- Do providers feel there is sufficient support available to manage the end-to-end process of ALLs?
- What methods have providers used to raise awareness of the extension of ALLs and to raise awareness of the Bursary Fund for those eligible?

With **learners**:

- Are learners doing learning that they would not have done otherwise, or is it learning that would have just been funded in a different way (for example, self-funded or funded by their employer)?
- How aware were learners of the extension to Advanced Learner Loans and their eligibility?
- What are learners' perceptions and experiences of ALLs?

The findings from this research will help DfE to understand the learner and provider response to the extension of Advanced Learner Loans, which will help to support future development of the student finance system and to make sure the offer targets resources and support most effectively.

1.3 Methodology

The following section summarises the methodological approach adopted for this research project. More details about the methodology, including the profiles of participating respondents, are provided in Appendix A and discussion guides for the research with participants are provided in Appendix B.

The sections below outline how the perspectives of these key audiences were collected.

Awarding organisations

A total of nine in-depth telephone interviews, lasting approximately 45 minutes each, were conducted with awarding organisations that had an involvement in the Advanced Learner Loans market.

Interviews were conducted with a range of awarding organisations in terms of size, type of offer, and level of offer – in order to achieve a broad range of perspectives.

Providers

Qualitative discussions were conducted with providers with an ALL facility. A total of 25 in-depth interviews were conducted with providers (10 were conducted face-to-face as part of site visits and 15 were conducted by telephone). Each interview lasted approximately 60 minutes.

Interviews were conducted with a range of learning providers in terms of type, size and location in order to achieve a broad range of perspectives (full details are provided in Appendix A).

Learners

A total of 40 qualitative discussions were conducted with learners. All learners that took part in the research were eligible for ALLs (20 interviews were conducted with those who funded their course with an ALL and 20 with those who self-funded).

Interviews were conducted with a range of learners in terms of: level of study, gender, ethnicity, deprivation status (which was determined by using identifying learners that lived in areas that were in the bottom quintile of the Index of Multiple Deprivation using their postcode) whether they were still studying or completed their course and location in order to achieve a broad range of perspectives.

A full profile of all participants can be found in Appendix A.

1.4 About this report

The findings in this report have been structured into 5 further chapters:

- **Chapter 2** summarises the findings from ILR data to look at the potential impact of the introduction of loans on learner volumes.

Chapters 3-5 are based on findings from the qualitative discussions with awarding organisations, providers and learners.

- **Chapter 3** summarises awarding organisations' views on the extension of Advanced Learner Loans.
- **Chapter 4** explores providers' perspectives on the extension of Advanced Learner Loans.
- **Chapter 5** discusses learners' awareness and views on the extension of Advanced Learner Loans.

Chapter 6 presents conclusions and recommendations.

1.5 Report interpretation

This report summarises views expressed by awarding organisations, providers and learners during the qualitative discussions conducted as part of this research. Whilst the research aimed to get a wide range of perspectives, its qualitative nature means that findings are not statistically representative of the wider provider population or the wider learner population. The use of words such as 'most', 'many', 'some' and 'few' are illustrative of the data collected for this study and do not represent the views of the general provider population or the general learner population.

2. ILR Analysis

This chapter details findings from the statistical analysis of the Individualised Learner Record (ILR) data for the academic years before (2015/16) and after (2016/17) the extension of Advanced Learner Loans.

ILR data for the 2017/18 academic year has been excluded from this report due to the fact that full 2017/18 year data was not available at the time of this research and any comparison between the 2017/18 data available at the time and that from previous years would have not been like-for-like.

This chapter illustrates how learner volumes have changed between the 2015/16 and 2016/17 academic years to provide wider context to the findings from the qualitative research. This chapter does not provide a statistical analysis of the impact of the extension of ALLs on learner volumes or profiles. Any change to learner numbers should be seen as indicative only. Any **changes do not prove causation** since it is not possible to distinguish between the change in learner volumes that can be attributed directly to the introduction of a loans-based environment and the background change that is likely to be a result of other educational policy changes and / or general economic factors that have affected levels of learner demand.

This chapter does not analyse the take-up of Advanced Learner Loans among learners in the extension groups due to the fact that this data is missing for a high proportion of records in the ILR data files for the 2015/16 and 2016/17 academic years.²

² Data from the ILR suggests that in 2016/17 18,150 (or 34%) of 19-23 year old learners on Level 3 or Level 4 courses funded their qualification with an ALL. However, this data was missing for 23,550 learners (or 44%) so actual take-up could be higher. Data from the ILR suggests that in 2016/17, 750 (17%) learners on Level 5 or Level 6 courses funded their qualification with an ALL. However, this data was missing for 3,100 learners (or 71%) so actual take-up could be higher.

Learner volumes

Overall, this analysis shows that learner volumes have significantly decreased for Level 5 and Level 6 courses.

Figure 2.1 illustrates the participation volumes for learners in the extension groups for the years 2015/16 and 2016/17.

The number of 19-23 year old learners on Level 3 or Level 4 courses remains roughly unchanged between 2015/16 (53,530) and 2016/17 (53,330).

However, the number of learners on Level 5 or Level 6 courses has reduced by approximately 50% from 8,650 to 4,360. This has therefore greatly reduced the potential pool of learners eligible for Level 5 and 6 Advanced Learner Loans.

Figure 2.1 Learner volumes in 2015/16 and 2016/17 by extension group

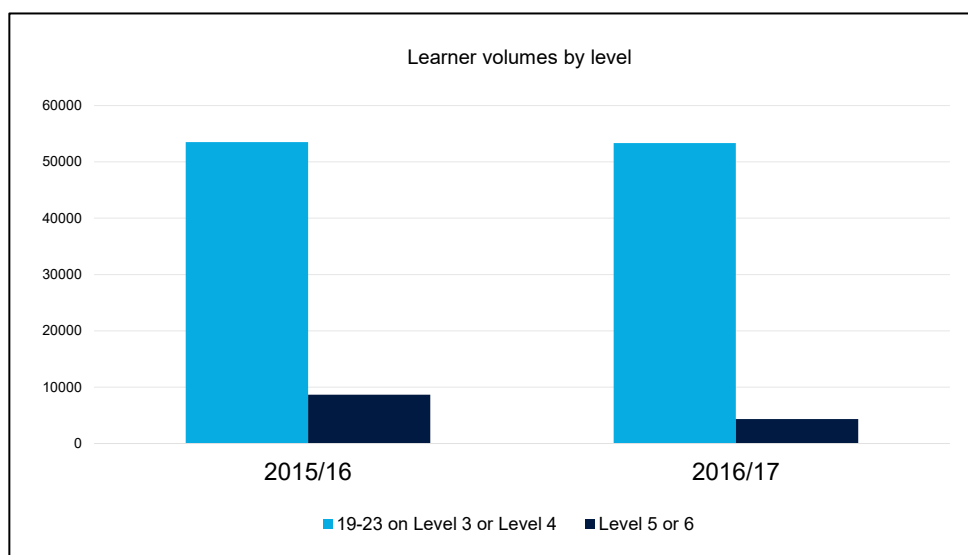


Figure 2.2 shows extension group learner volumes in 2015/16 and 2017/18 by level of study. The number of 19-23 year old learners on Level 3 courses has remained similar in 2015/16 (51,880) and 2016/17 (51,450). However, the number of 19-23 year old learners on Level 4 courses has increased by 14% – albeit from a low base (1,650 in 2015/16 and 1,890 in 2016/17).

Meanwhile, there was a **41% reduction in learners on Level 5 courses** between 2015/16 (7,090) and 2016/17 (4,160), and **an 87% reduction in learners on Level 6 courses** over the same period (from 1,560 learners in 2015/16 to only 200 learners in 2016/17).

Figure 2.2 Learner volumes in 2015/16 and 2016/17 by level of course

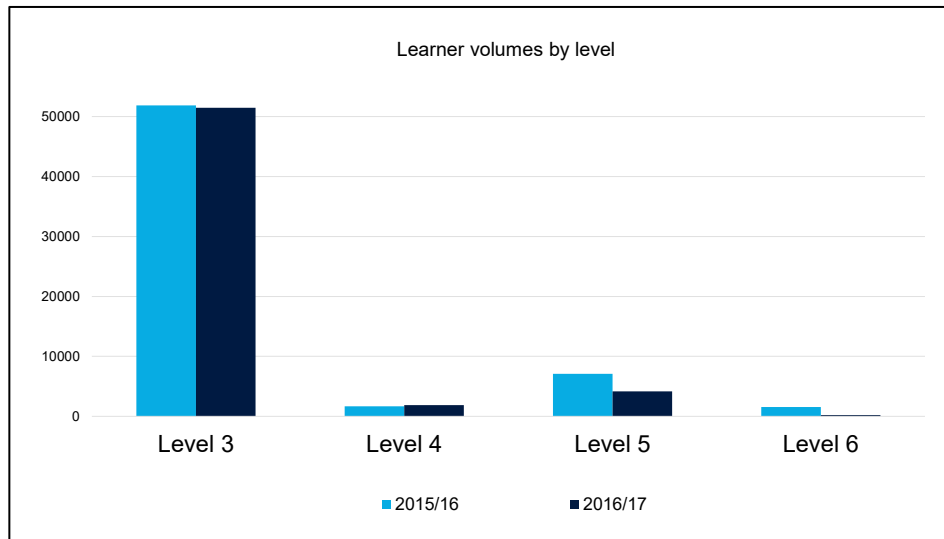
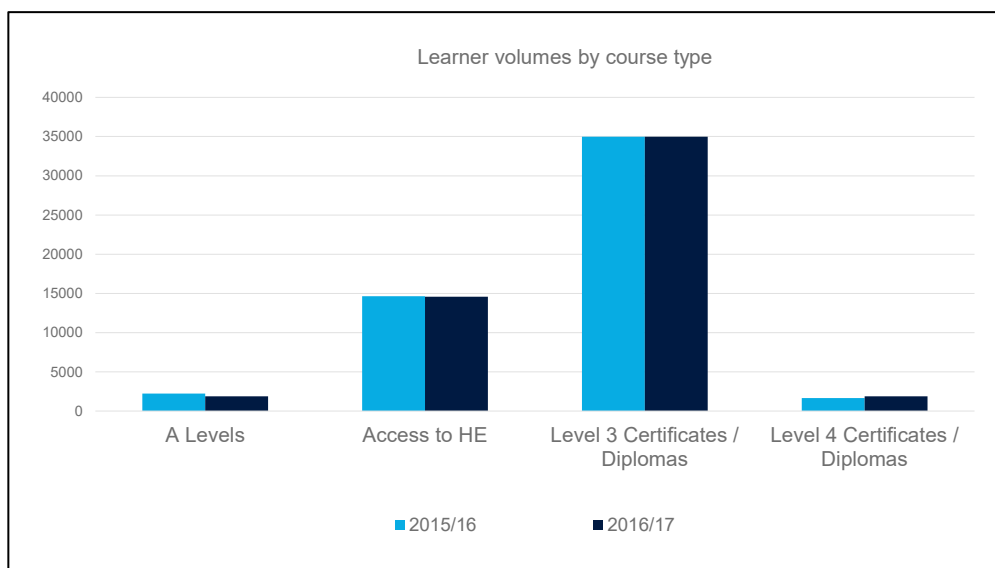


Figure 2.3 breaks this down further to explore the types of courses that learners aged 19-23 on Level 3 or Level 4 courses were doing in 2015/16 and 2016/17. **The most popular course type in this bracket is Level 3 and 4 Certificates and Diplomas.** The number of learners doing Level 3 Certificates/Diplomas has remained unchanged between 2015/16 and 2016/17 (at just under 35,000) – whereas the number doing Level 4 Certificates/Diplomas slightly increased from 1,650 to 1,880.

The largest change in learner volumes among 19-23 learners on Level 3 and 4 qualifications has been in A-Levels – which has seen a 16% reduction from 2,240 (2015/16) to 1,880 (2016/17). Meanwhile, the number of 19-23 learners doing Access to HE qualifications has remained largely unchanged at 14,660 in 2015/16 and 14,570 in 2016/17.

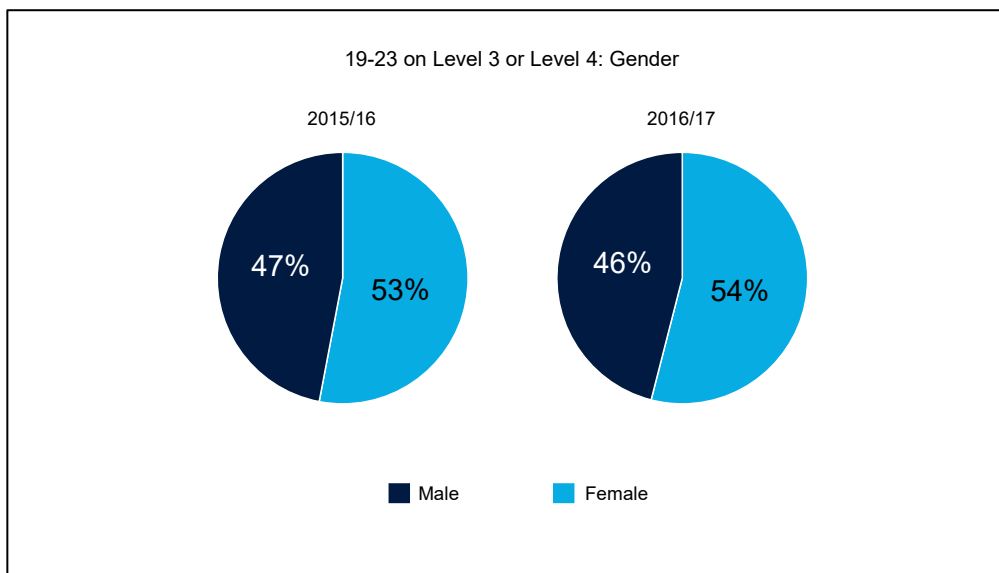
Figure 2.3 Learner volumes by course type (among learners aged 19-23 on Level 3 and Level 4 qualifications)



Learner profile

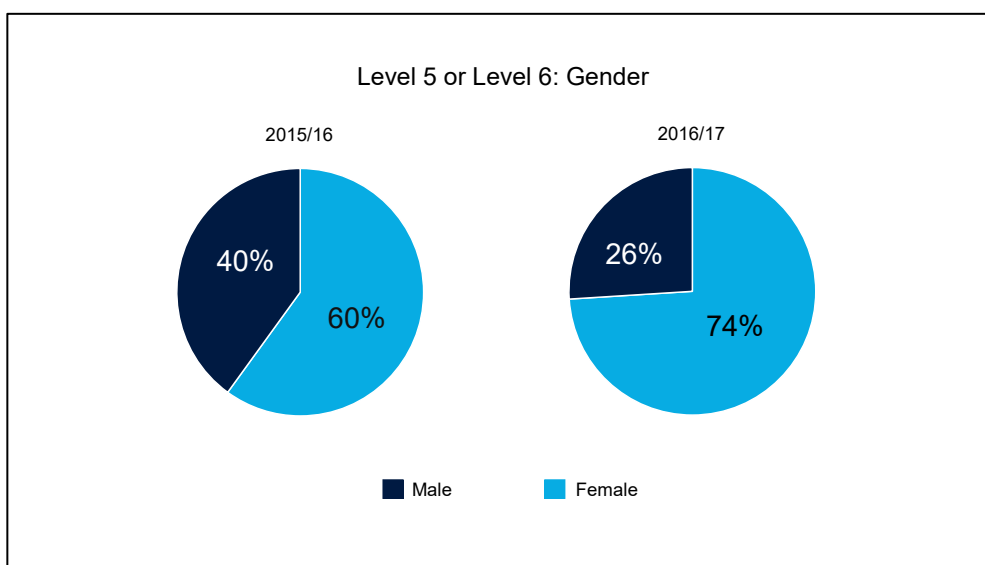
The gender profile of learners aged 19-23 on Level 3 or Level 4 courses remained **static** between 2015/16 (when 47% of these learners were male and 53% female) and 2016/17 (when 46% of these learners were male and 54% female).

Figure 2.4 Gender profile of 19-23 year old learners on Level 3 or Level 4 courses



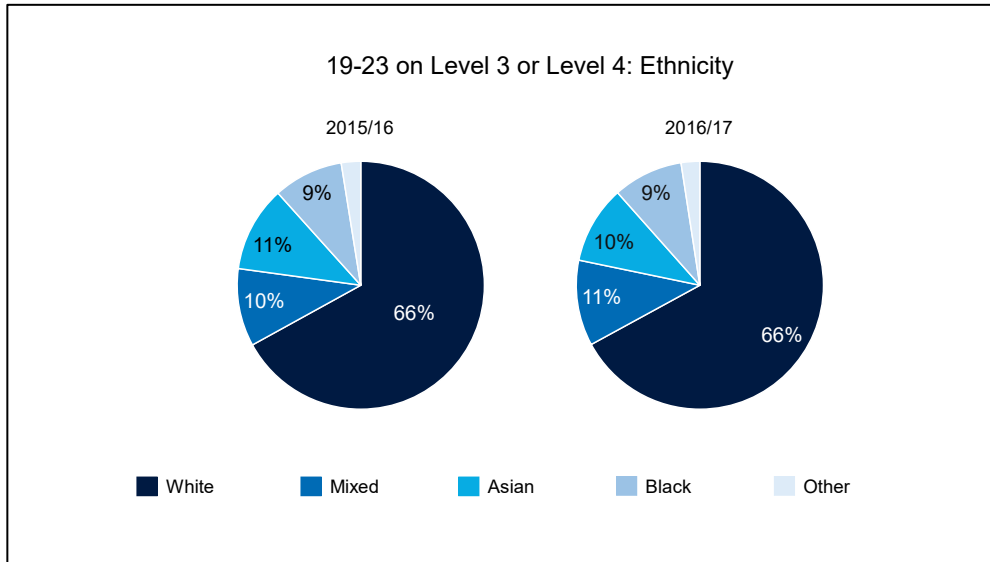
On the other hand, **the gender profile of learners doing Level 5 and 6 courses shifted further towards females**. The proportion of female learners doing Level 5 or Level 6 courses increased from 60% (vs. 40% male) in 2015/16 to 74% (vs. 26% male) in 2016/17.

Figure 2.5 Gender profile of learners on Level 5 or Level 6 courses



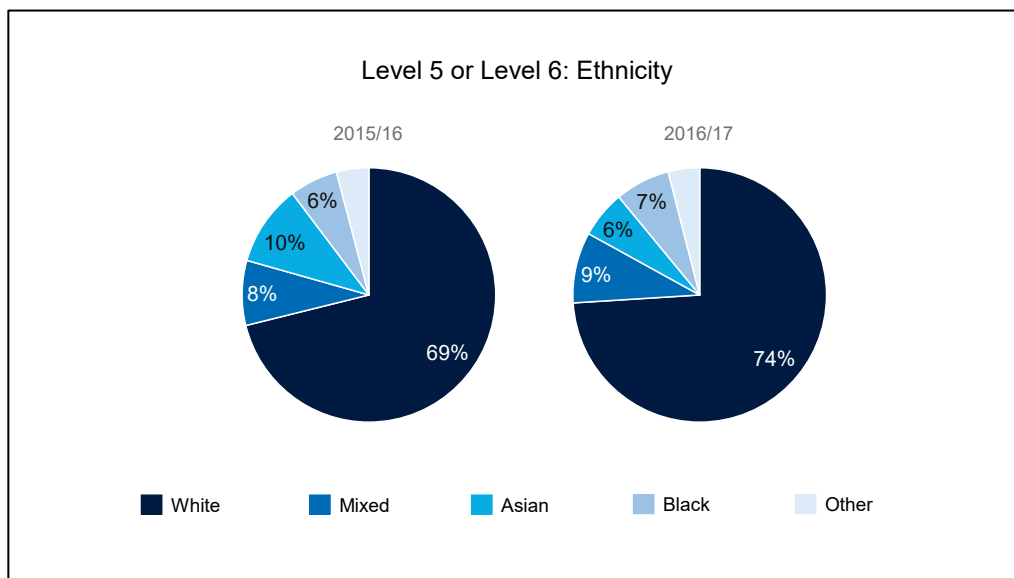
The ethnicity profile of learners aged 19-23 on Level 3 or Level 4 courses remained static between 2015/16 and 2016/17. In 2015/16, 66% of learners were white, 10% had mixed ethnicity, 11% were Asian and 9% were black. In 2016/17, 66% of learners were white, 11% had mixed ethnicity, 10% were Asian and 9% were black.

Figure 2.6 Ethnicity profile of 19-23 year old learners on Level 3 or Level 4 courses



The ethnic profile of Level 5 and Level 6 learners has slightly shifted towards those who are white between 2015/16 and 2016/17; in 2015/16, 69% of learners were white, 8% had mixed ethnicity, 10% were Asian and 6% were black. In 2016/17, 74% of learners were white, 9% had mixed ethnicity, 6% were Asian and 7% were black.

Figure 2.7 Ethnicity profile of learners on Level 5 or Level 6 courses



It is not possible to assess whether these changes are a result of the extension of ALLs.

3. Awarding organisations

This chapter explores awarding organisations' views on the extension of ALLs. It explores the extent to which awarding organisations have changed their qualifications in response to the extension of ALLs (and whether there have been any barriers that have prevented them from making changes); before discussing their overall views on ALLs and how they expect to change their qualifications in response to them in the future.

Chapter Summary

Awarding organisations reported that the extension of ALLs has had a limited impact on their offer.

They felt no need to make any changes due to ALLs becoming available to those aged 19-23, as none offered qualifications aimed specifically at those aged 24+ prior to the extension.

None made any significant changes to their Level 5 and Level 6 qualifications due to a perceived lack of demand for loans-eligible qualifications at these levels.

Awarding organisations felt the lack of demand for loans-eligible courses was driven by a general lack of awareness (and understanding) of the extension of ALLs. They felt that allowing providers to autonomously promote ALLs is not effective enough to stimulate demand and that a national marketing campaign (like the Apprenticeships campaign) could help increase the take-up of Loans by making more individuals aware of the offer

Awarding organisations reported that ALLs have been a lower priority than other policy developments on which they have focused their internal resource, such as Apprenticeships and T-Level reform. They reported that this has acted as a barrier to them responding to the extension of ALLs. Awarding organisations suggested that they would welcome more clarity in terms of how ALLs fit together with these other types of qualifications.

Awarding organisations also suggested that that they may be persuaded to invest more heavily in promoting Loans if they had a clearer understanding of the long-term vision for ALLs.

The extension of ALLs has had a limited on Awarding Organisations' offer or marketing

Awarding organisations generally welcomed the extension and have ensured that existing qualifications are eligible for ALLs. However, **most reported that the extension has had a limited impact on the qualifications they offer.**

Most felt that making ALLs available to individuals aged 19-23 on Level 3 and 4 qualifications has had a minor impact because **their existing qualifications were designed for adult learners (aged 19+) anyway.** No awarding organisations reported that they offered qualifications aimed specifically at learners aged 24+ prior to the extension.

“It hasn't had much of an impact because most of our qualifications are 19+ anyway. There's nothing that we offered prior to the extension that was based on 24+ specifically, so there has been no need to re-design any of the qualifications to take into account the lowering to 19+.”

Awarding Organisation

Awarding organisations also reported that the extension of ALLs has not led to any significant changes to their Level 5 and Level 6 qualifications.³ Most stated this was due to **a perceived lack of demand for loans-eligible qualifications at these levels** (this will be discussed in further detail in the next section of this chapter).

Whilst a few awarding organisations are currently reviewing their offering at these levels, they stated this was not driven by the extension of ALLs but other changes impacting on the FE sector such as changes around Apprenticeships and potential changes in technology allowing for more remote learning opportunities.

The extension of ALLs has not caused awarding organisations to change the way in which they market their qualifications⁴.

Further, awarding organisations appear to have not explicitly marketed *qualifications* to providers in the context of the extension of ALLs specifically. Instead, they have mainly conducted general campaigns aimed at raising providers' overall awareness of the

³ Awarding bodies that took part in the research generally reported that their Level 5 and Level 6 qualifications accounted for a small proportion of their overall offer. Two awarding organisations did not offer any qualifications at these levels.

⁴ Awarding organisations do not market their qualifications to learners directly, but instead promote them to providers and this has not changed since the extension of ALLs.

extension (mostly via their business development teams, their website, webinars and YouTube videos).

This is because awarding organisations' marketing activity tends to be focused around the qualification itself and the routes it provides into employment. Their marketing doesn't tend to be focused on methods of funding and the extension of ALLs has not changed this approach.

“Our sales team is very well-rehearsed in terms of ALLs and making providers aware that it is an option that is available to them in terms of recruitment, but that's as far as we get involved in that process...we don't ignore funding but it doesn't really drive things.”

Awarding Organisation

In addition, some awarding organisations suggested that concerns about them being seen to be giving financial advice has resulted in them adopting a cautious approach when discussing the extension of ALLs with providers. These awarding organisations appear to have done little more than to 'signpost' providers to relevant sources of information about ALLs and the extension.

Those that reported 'signposting' providers towards information about ALLs said that they tended to only do this for smaller private providers that were new to ALLs, and who tended to have a more limited interaction with and/or knowledge of ESFA funding (and of ALLs as a result) compared with larger general FE colleges.

“We tend to have more conversations about funding with the private providers... we purely steer them towards options that may be available.”

Awarding Organisation

Most awarding organisations reported that the extension of ALLs has had a limited impact on their working relationship with providers. This is closely linked to the limited impact on the way in which awarding organisations market their qualifications to providers.

Several barriers have prevented awarding organisations from changing their qualifications in response to the extension of ALLs

There have been several barriers that have prevented a greater impact of the extension on awarding organisations and the qualifications they offer. The two key barriers mentioned were:

A lack of demand for changes directly responding to the extension of ALLs. For example: there was a lack of demand for new Loans-eligible qualifications; and qualifications targeted adult learners of all ages already.

ALLs have been a lower priority than other policy changes in the sector, including: changes around Apprenticeships, potential changes due to T-Level reform, and changes to guided learning hour definitions.

1. Lack of demand for changes following the extension of ALLs

Some awarding organisations feel that there has been no need to make changes to their offer following the extension of ALLs. As discussed above, some awarding organisations reported that the qualifications they offered prior to the extension of ALLs targeted adult learners of all ages anyway, so they have not needed to make changes to these qualifications since the extension.

Some awarding organisations reported a general lack of demand for new Loans-eligible qualifications among providers and employers, particularly in terms of Level 5 and Level 6 qualifications.

The two awarding organisations that did not offer Level 5 or Level 6 qualifications stated this was because they felt that they had not yet seen any evidence of demand from employers in the key sectors in which they operate (this was specifically mentioned in relation to sectors such as: sport and fitness, healthcare, retail and childminding). In addition, they did not see ALLs as the vehicle to create employer demand for courses at these levels in the immediate future.

“In terms of Level 5 and 6 - we don't tend to get involved there because there is no real need for qualifications at these levels in our key sectors such as sport and fitness. Employers in the industry that we deal with mostly say that they want people with Level 2 or 3 qualifications and we can currently provide that. The higher- level market is not now, that could change in the future... but I can't see it happening anytime soon. If we were to offer Level 5 then we'd have to see a clear business case for doing so.”

Awarding Organisation

A few awarding organisations suggested that they were currently in discussion with their stakeholders regarding developing their higher-level offering, but none felt that this was especially *driven* by the extension of ALLs. One awarding organisation stated that they would consider ALLs when developing their higher-level offer but that, so far, it has not been a driver of increased employer demand for courses. Another awarding organisation reported that they were reviewing their Level 5 and 6 offer, but that this was influenced by recent changes to Apprenticeships rather than the extension of ALLs.

One awarding organisation had 'stepped away' from the ALL market due to provider feedback they had received about the low take-up of Loans.

"Because the take-up of Loans has been quite slow, and due to the feedback about the popularity of ALLs among potential learners that we've had from some providers, we have kind of stepped away from Loans .."

Awarding Organisation

The lack of demand may be due to a lack of awareness (and understanding) of ALLs and the extension among some providers. Whilst awarding organisations generally felt that providers' awareness of the extension was better than the initial introduction of 24+ Advanced Learning Loans, several expressed concerns that some providers had a lack of awareness of the extension of ALLs. They claimed that those lacking awareness tended to be smaller private providers that were historically less-concerned with the ALL market.

Even among providers aware of ALLs, awarding organisations felt that providers' depth of understanding of ALLs varied considerably. Several awarding organisations felt that general FE colleges tended to have a better awareness and understanding of ALLs than private training providers. One felt that awareness of ALLs varied by region and by the overall attitude / approach of the senior management team in charge at the provider.

As such, awarding organisations felt that a national marketing campaign (like the Apprenticeships campaign) could help increase the take-up of Loans by making more individuals aware of the offer as it would not be left to individual providers to promote it.

"I think a lot more can be done in terms of marketing to individual learners because at the minute it's left to the individual centres to market the Loans and let learners know about what options are available to them. Somebody might be thinking of a career change but they might be thinking they can't because how would I be able to fund it?"

2. The need to focus on other policy developments

Another barrier is the need to focus on other policy developments and changes to regulatory requirements. Awarding organisations generally reported that ALLs have been a lower priority than other priority policy changes in the sector, including: changes around Apprenticeships, potential changes due to T-Level reform, and changes to guided learning hour definitions.

One awarding organisation had witnessed increased provider demand for their existing Loans courses following the extension of Loans, but the fact that they had been focusing their internal resource on other policy changes had meant that they had been unable to make the most of this by developing new qualifications.

“We have done our own research highlighting that ... customers want qualifications that can be offered via ALLs but other priorities (like us becoming an end-point assessment organisation, TQT and GLH) have pretty much wiped out our qualification development team for a year so we couldn't really do anything else.”

Awarding Organisation

Apprenticeships

Most awarding organisations have made significant changes to their courses following recent changes to Apprenticeships, choosing to enter the end-point assessment market, which they feel is more attractive to the ALL market. A number reported that the move to become an end-point assessment organisation required a significant amount of internal resource and that it resulted in significant changes in their organisation, including: internal re-structuring, IT system development and the creation of new processes. As a result, the bulk of their internal resource has been tied up in dealing with these changes and there has been a lack of resource available to devote to developing qualifications in response to the extension of Loans.

In addition to this, several awarding organisations stated that the Apprenticeship Levy has made Apprenticeships a priority area as it has increased employer and provider demand for Apprenticeships: ALLs has taken a “backseat” as a result.

“When we talk to providers now it is all about Apprenticeships and they are trying to expand their Apprenticeship provision to make sure that they can survive financially by accessing the Levy and accessing non-Levy provision. When your entire

organisation is heads-down trying to make that work the other stuff takes a bit of a backseat.”

Awarding Organisation

T-Level reform

Several awarding organisations stated that they anticipate T-Levels to be the next priority area and that it will require a lot of resource going forward (in a similar vein to which changes to Apprenticeships have taken up resource in the last few years).

Changes to Guided Learning Hours (GLH)

A few awarding organisations indicated that the regulatory changes brought about by the introduction of the regulated qualifications framework and the move to Total Qualification Time (TQT) from Guided Learner Hours (GLH) had major implications for their offer. The changes had taken up a large amount of internal resource and reduced their ability to make changes in response to the extension of ALLs.

Awarding organisations are concerned about getting a return on the investment required to develop new qualifications. A few awarding organisations reported that they have taken a more cautious approach to developing their qualifications since there has been so much change in the sector in a relatively short period of time and they are not confident that there will be increased stability in the future. A few awarding organisations mentioned this specifically in relation to ALLs – at the time of interview, they were not confident that there was enough demand for Loans-eligible courses to ensure that they would get a return on investment needed to develop new courses specifically for that offer.

Awarding Organisations had positive views on ALLs, but felt that the future depends on other policy changes

Overall, most awarding organisations were positive about ALLs as they saw them as a means for learners to undertaking learning that they may otherwise not be able to due to reduced funding. However, they felt that their ability to make the most of Loans had so far been hampered due to the demand that other policy changes in more priority areas (particularly around Apprenticeships) have placed on their resource.

“We really value the extension, both in terms of age and size and level. I think the timing is really bad, taking into account everything else, we would be putting more research and time into the ALL if it wasn't for other government policies and priorities in terms of vocational and technical education..”

Awarding Organisation

In addition to this, awarding organisations expressed mixed opinions about the future of ALLs and how they would fit into the FE sector. Some felt that FE would be dominated by Apprenticeships and T-Levels going forward, as they perceive these qualifications to be more attractive to those aged 19-23.

"As a 19-23-year-old, why would you go for a Loan when there is still the potential for you to be funded by the state? If you can get onto an Apprenticeship when you are 19, it's not going to cost you anything and you are able to pull down a minimum wage, why wouldn't you do that?"

Awarding Organisation

4. Providers

This chapter explores providers' perspectives on the extension of ALLs. It explores the extent to which providers have raised learner awareness of the extension of ALLs, whether they have changed their provision in response to it, and their experiences of administering ALLs since the extension.

Chapter Summary

Providers have not changed how they market their courses following the extension of ALLs and most reported that they did not conduct any marketing specifically aimed at learners in the extension groups.

Providers reported that the extension has had a limited impact on the courses they offer and it did not result in them offering courses they would have not done otherwise. Those that did introduce new courses in response to the extension of ALLs reported mixed success in terms of take-up.

Providers have had mixed experiences in terms of their wider intake of learners in the extension groups since the extension of ALLs.

No providers reported raising awareness of the bursary fund specifically to help boost participation of learners.

Providers felt that ALLs have become easier to administer over time, but some reported that managing the end-to-end process of ALLs could be further refined.

Some mentioned that introducing the concept of ALLs to younger learners was a challenge and there was a general consensus that a national marketing campaign (similar to that launched to raise awareness of Apprenticeships) would be useful in terms of raising awareness of ALLs among (potential) learners and that this could help increase take-up.

Providers did not report making notable changes to the information and marketing of ALLs following the extension

Providers most commonly raised awareness of the extension of ALLs by updating existing information on their websites, in their prospectuses and in other literature (such as information leaflets and promotional emails). As was the case prior to the extension, most providers' communications about ALLs tended to focus on basic information about eligibility and how repayments work. Providers' literature tended to

give information about the whole ALL offer, without drawing distinction between the differences between the ALL offer before and prior to the extension.

Providers tend to market courses by promoting the course itself and the routes into employment that completing the course would present to (potential) learners - rather than marketing courses by promoting the funding options available.

Most providers had not changed their marketing of loans-eligible courses following the extension and few conducted marketing campaigns to specifically target learners in the extension groups.

“We didn’t do anything proactive to target those learners, it’s a means to facilitate a sale of a programme, which we are proud of and is high quality to an individual who wants it, ALLs are a smoothing mechanism to make that happen – we don’t really promote ALLs outside of the course advertisements.”

Private provider

Providers introduce ALLs to (potential) learners once they have registered interest in a loans-eligible course and they discuss ALLs with potential learners at all stages of the application process. Providers reported having mixed approaches to ‘promoting’ ALLs to (potential) learners.

As was the case with 24+ ALLs, some providers have not proactively promoted ALLs to (potential) learners following the extension, because they have been anxious not to be seen to be ‘selling’ ALLs or giving financial advice.

On the other hand, most providers reported being more comfortable with promoting ALLs. The key messages being used by these providers to promote ALLs to (potential) learners following the extension were similar to those used to promote 24+ ALLs, including:

- Learners who take out an ALL will not have to repay it until they have completed their course and are earning at least £25,000 per year.

This was a key message for learners using ALLs to fund qualifications in traditionally low-paid sectors, whom providers expected may never start repayments. However, this message was considered less of a “selling point” for loans-eligible learners aged 19-23, who providers felt had a greater chance of earning over the repayment threshold because they have more of their careers ahead of them.

- Learners who take out an ALL to fund an Access to HE course and then go on to complete an eligible HE course will have their ALL outstanding balance written off.

A number of providers felt this remained a key “selling-point” after the extension and that it is particularly salient for those learners aged 19-23.

There is no strong evidence to suggest that providers are tailoring the way in which they promote ALLs to different types of learners. None had developed literature aimed specifically at those aged 19-23, or aimed specifically at those aged 24+ or those interested in doing Level 5 or Level 6 qualifications.

With regard to how providers decide who to target for FE courses and whether this has changed following the extension of ALLs, providers generally do a mix of retaining current learners and reaching out to new and previous students.

- For some providers, a focus on retaining current learners (a ‘captive audience’) by encouraging them to progress through qualification levels was a priority as it was seen as an easier “sell”. However, providers were doing this prior to the extension too, and none mentioned doing this among extension-group learners specifically.
- One local authority provider held information sessions with Level 2 learners to encourage progression to Level 3 loans-eligible courses. However, this involved discussing ALLs with all Level 2 learners (not just those aged 19-23). Also, they stated that they used these sessions to also discuss other types of courses such as Apprenticeships.

“We do have sessions with Level 2 learners, when their courses are drawing to a close, where someone goes into their classroom to promote Level 3 courses and ALLs. That’s very helpful because the whole class is participating and it means they can ask questions.”

Local authority

- Another General FE College tried to boost participation by writing to existing/past learners who they felt were about to (or had already) achieve a qualification that would offer progression through levels. Again, they said this was not confined to learners in the loans extension groups.
- Several providers do not specifically target certain types of learners for their courses (aside from advertising courses via social media, their website and their prospectus) – preferring to take a reactive stance towards recruitment.

Despite these different approaches, there was a general consensus among providers that a national marketing campaign (similar to that launched to raise awareness of Apprenticeships) would be useful in terms of raising awareness of ALLs among (potential) learners and that this could help increase take-up.

The extension of ALLs has had a minor impact on the offering of most providers

For most providers, the extension of ALLs had not caused them to introduce new courses that they would have not done otherwise. As was the case among a number of awarding organisations, most providers felt that there was no need to change their provision in response to ALLs becoming available to younger learners as they already offered courses catering for that age group.

On the other hand, **a small number of providers introduced new courses in direct response to the extension of ALLs to try to specifically target learners in the extension groups. The types of courses introduced by providers in response to the extension of ALLs varied considerably according to their own individual situation and the courses introduced had mixed results in terms of learner take-up.**

One large General FE College introduced additional construction courses that were solely funded by ALLs in anticipation of increased take-up of ALLs among those aged 19-23. This provider stated that they introduced these courses because, historically, there had been an interest in these types of courses from that learner group. However, the courses they introduced “didn’t work” because there was an unwillingness among learners in these groups to take out an ALL to do these courses. This provider perceived that ALLs were not attractive to younger learners given that other Level 3 courses had previously been covered by government funding.

Another General FE College reported that it had looked to extend their provision available to 16-18 year olds in light of the extension of ALLs, but they also reported that there was limited take-up due to the fact that (potential) learners were reluctant to take out an ALL.

A few private providers reported that they were offering new courses aimed at loans-eligible learners since the extension of ALLs due to the perceived unpopularity of Apprenticeships among their cohorts. One private provider extended an existing business management course to specifically target learners aged 19-23 and noted that they had a good level of take-up. Another private provider was planning to introduce a new loans-eligible course in Childcare at Level 5. Both reported that the functional skills elements of Apprenticeships were unpopular with learners and that loans-eligible courses were more popular as they were seen to offer a greater degree of flexibility.

“ALLs have been popular with those aged 19-23 doing sports programme, because many young people do not want to go into an Apprenticeship programme. They see ALLs as being more flexible and easier as they do not force them to be employed for a long period of time. ALLs make sense due to

this, especially for fitness qualifications because the money they will make justifies taking out an ALL.”

Private provider

Another private provider reported that they had started offering a Level 5 Health and Social Care with Management programme in direct response to the extension of ALL and that they had witnessed a good amount of take-up. They were positive about the extension of ALLs as it provided them the opportunity to provide courses that provided learners with skills that local employers were asking for.

“We added an extra course at Level 5 due to the extension of ALLs. It allowed us to offer what an employer wanted ... we are very much market led. Colleges chase funding and we chase employers.”

Private provider

In addition, a few providers reported that they would have liked to have been able to make changes to their offer and deliver new courses in response to the extension of ALLs – but that they were unable to as they had an insufficient ALL facility and were unable to secure an extension in an appropriate timeframe. Case Study A, presented later in this chapter, illustrates an example of a private provider that would have liked to increase their provision in response to the extension of ALLs but felt unable to due to these issues.

A few providers changed their fee structures in light of the extension of ALLs.

Most reported setting the cost of loans-eligible courses in line with the maximum loans amount set by the ESFA. A number of providers had increased course fees to be in line with the maximum funding rates in order to mitigate against potential drop-out rates. However, one provider *reduced* the cost of their courses to be in line with the maximum loans amount, because they felt that this made it easier to administer ALLs and that it reduced the potential drop-out rate.

“We made no changes to fee structures, but took out the maximum loan possible per level of qualification. In the first year we charged learners slightly higher than this and they were required to pay the difference, but we no longer do this because we lost a handful of learners that could not afford to pay the difference of the extra cost.”

Private provider

A few providers also mentioned that the extension of ALLs had resulted in them changing their fee structures to ensure that the amount paid by learners was the same, regardless of whether they took out an ALL, self-funded or their course was funded by their employer.

Some providers reported that the extension of ALLs had not impacted on their fee structures but that it did have an impact on the methods of payment that they offered learners. A few of these providers started allowing learners to set up direct debits and pay instalments as a kind of deposit for their place whilst their ALL application was pending; again, this was introduced to mitigate against impacts of ALL applications taking a long time to be processed or taking on ALL learners who may have their application declined at a later date.

“We have introduced the availability for students to set up an instalment plan at the point of enrolment to secure their place, should they be held up in the process of applying, which can happen. They would set up a direct debit or learner instalment plan with the first payment going out at a time so that the loan could be processed. We did this because we’ve encountered issues with the loans being processed - it can take anything from a couple of weeks, if they have filled in their online application correctly and provided the correct evidence, up to 3 months, some have been longer.”

General FE College

Providers have had mixed experiences in terms of their intake of learners since the extension of ALLs.

Some reported that their number of learners in the extension groups increased (this was more common among private providers); some that they had stayed fairly static; and others that they had experienced a notable decline (this was more common among general FE colleges and local authorities).

Providers that reported experiencing a decline in loans-eligible learners had mainly noticed this among those aged 19-23 doing Level 3 and Level 4 qualifications. One provider gave anecdotal feedback that their number of learners in this cohort declined by 50% since the extension of ALLs. These providers suggested that, since the extension of ALLs, they have had fewer learners aged 19-23 take-up Level 3 and Level 4

qualifications due to the fact that they would have to self-fund or withdraw or now take up an ALL to fund their learning.⁵

Some of these providers (particularly larger general FE colleges) reported that, historically, a high proportion of their learners aged 19-23 were 'second chancers' and that had usually studied their first Level 3 prior to enrolling with them. They felt that these learners were less likely to take-up additional qualifications after the extension of ALLs.

A number said that they had anticipated that the extension would have a negative impact on take-up but that their experience had been worse than expected.

Providers also had mixed experiences in terms of the proportion of their eligible learners that went on to take-up an ALL. Among those that could provide figures, take-up of loans among those eligible aged 19-23 ranged from 0% to 87%. However, it should be noted that some providers struggled to talk about loans-eligible learners aged 19-23 separately as they thought of loans-learners as one group (they could not always easily draw distinction between those aged 19-23 and those aged 24+).

Local authority providers were most likely to report low-take up of ALLs among those aged 19-23 – they felt that this age group were more likely to be attracted to studying at General FE colleges or other private providers.

Providers had mixed views about how (potential) learners in the extension groups reacted to the prospect of taking out an ALL.

On one hand, a few providers felt that learners aged 19-23 were more likely to be willing to take-up ALLs because paying for education has become more 'normalised'.

“Because younger people have been brought through a system where they expect to pay for education (university fees, etc.) there is more of an acceptance of ALLs.”

Local authority provider

On the other hand, providers were *more commonly* of the opinion that 19-23 year olds were more reluctant to take out ALLs when compared to learners aged 24+ because:

- a) Level 3 qualifications had been funded previously;

⁵ It should be noted, however, that this is a perception and does not necessarily prove causation.

- b) learners aged 19-23 are less likely to be set on a career path and are less likely to take on the investment of ALLs as a result; and
- c) that many (potential) learners aged 19-23 who might have been interested in doing a course had a lack of awareness of ALLs.

A number of **providers suggested introducing the concept of 'loans' to younger learners had been one of the most significant challenges they faced following the extension of ALLs** (see Case Study B for an illustration of this). These providers indicated that learners aged 19-23 were often shocked when told they needed to pay for their provision if exhausted their entitlement and suggested (like awarding organisations) that a national campaign would be useful in terms of raising awareness of ALLs among (potential) learners.

Some providers gave a few anecdotal reasons as to why they thought ALLs were perhaps less appealing to learners aged 19-23 than they were to older learners (those aged 24+) and those undertaking studies at a higher level. These are discussed in turn below.

ALLs are more appealing to learners with a clear learning and / or career pathway. A number of providers suggested that learners aged 19-23 are less-likely to be clear about what future learning / career they are looking to do and are therefore less likely to be sure about taking on the debt of an ALL. These providers (like a number of awarding organisations) felt that ALLs are more suited to older learners that are looking to upskill in an existing career or change careers.

Learners aged 19-23 doing Level 3 and Level 4 qualifications are more likely to be daunted by the prospect of taking on a significant debt. A number of providers felt that younger learners (those aged 19-23) were more likely to be put-off taking out an ALL to fund a course due to a fear of debt.

“Some of the courses, particularly in Motor trades, are expensive. We are talking £5,000+ - it's a big commitment to take on that much of a loan for a young person.”

General FE College

Learners aged 19-23 are more likely to find other types of courses (such as Apprenticeships) attractive. A number of providers gave anecdotal feedback that learners aged 19-23 were more likely to want to do an Apprenticeship than learners aged 24+.

“Very few learners aged 19-23 on level 3 and 4 courses have taken up ALLs. Most do Apprenticeships – for some, whole

idea of not going to university was not having any debt, so they don't want to have to take-out ALLs.”

Private provider

During the discussions most providers' views on the extension of ALLs focused on the potential impacts on their lower-level provision, given that younger learners and those doing Level 3 or 4 courses tended to account for a much higher proportion of their provision.

A few providers were positive about the extension of ALLs to those doing Level 5 or Level 6 qualifications. The most common reason was that it provided an alternative to higher-level Apprenticeship programmes, which were unpopular with their cohort. However, one provider suggested that it offered their learners an alternative to university, which they felt was not appealing to their cohort because they wanted to fit their learning around their existing job.

On the other hand, a number of providers that offered higher-level qualifications reported that take-up of ALLs had been very poor among Level 5 and Level 6 learners due to a lack of demand for courses at these levels and potential competition with university courses. For example, they thought that learners were probably more likely to do a HE-level qualification at university than college.

One provider offering both FE and HE qualifications at Level 5 and Level 6 reported that they had witnessed an increase in the number of learners at these levels on HE courses. They felt that learners doing higher-level courses were more likely to want to take out an undergraduate loan than an ALL.

A few providers felt that learners studying at Level 5 and Level 6 were more likely to self-fund because paying for higher levels is what is expected. Some felt that learners studying at these levels, who tended to be older, are more likely to have the money to pay for the course upfront, or are more likely to have their employer fund their course.

“There's an accepted culture of paying for Levels 5 and 6, people expect to pay for what they see as professional qualifications.”

General FE College

As well as being driven by age and/or level, a few providers in areas of high deprivation felt that the extension of ALLs had impacted on them more acutely given that they have a higher proportion of deprived learners that may have been adverse the concept of a loan.

For example, one larger general FE college was largely negative about the extension of ALLs to those aged 19-23 as they felt that it had impacted negatively on take-up of provision among learners aged 19-23 (or, more accurately, they felt that the removal of funding among some of these learners had a negative impact on participation). This provider is based in inner city London; the majority of their learners are BAME and from areas of high deprivation. They felt that the whole concept of ALLs was unpopular with most of their students who they felt were generally averse to taking-up ALLs due to the fear of taking on debt. They reported facing difficulties in terms of promoting the concept of Loans, which they felt were alien to most of their learners (particularly given that these courses used to be funded some years previous).

“Our uptake of Loans has not been strong and we have experienced an overall contraction in our provision – quite considerably around Access provision where students have previously been used to that being fully-funded. If you are an individual living pretty close to the poverty line, the Loan and the whole idea of debt is not somewhere where you want to go”

General FE College

A number of providers gave anecdotal feedback that take-up of Loans tended to be better on courses that offered a clearer / more direct route to employment, such as adult nursing or childcare.

Most providers were unable to comment on whether certain types of learners were more likely to take-up a Loan in terms of demographics. Some mentioned anecdotally that take-up seemed to be higher among women (but some felt that this reflected the make-up of the FE sector more generally and was driven by course subject in some cases).

Case Study A

This case study provides an example of a private provider that was very positive about the extension of ALLs. They reported that ALLs were very popular with their cohort and that 80% of their learners aged 19-23 on Level 3 or Level 4 had actually taken out an ALL to fund their course. They saw ALLs as a real opportunity to grow their provision and offer new courses but felt they had encountered some problems that had held them back...



SECURING AN INCREASED ALL FACILITY IN TIME

This provider stated that the main challenge they faced after the extension of ALLs was being able to cope with the growth in demand. They submitted a request for a growth in their ALL facility but this was denied.

We have had tremendous difficulties since the extension of ALLs, but it's all been in terms of growing our provision fast enough as opposed to not getting enough learners interested. For us it's all about the size of our facility, with 24+ Loans we had a very small facility but we had to increase it hugely after the extension. We recruited very successfully and it soon became clear we wouldn't have enough facility for our next round of in-takes.

IMPACT ON RECRUITMENT AND PLANNING

They reported that this had a negative impact on their recruitment and course-planning. They decided to take the risk that they would eventually get an increased ALL facility and started taking-on learners in the hope that they would be able to fund their course with an ALL.



We didn't have the amount of facility we needed when recruiting in March, had to recruit people in saying that we are giving you this course, you need a loan to pay for it but we don't know if we are going to get enough loan because this is up to the government, so by the way, a couple of weeks into your course we might say that you can't get a loan and then it'll be on you to find another source of funding.

LOSS OF INCOME / INABILITY TO GROW

The provider said that they eventually managed to secure an increased ALL facility, but it was less than they had originally requested. As a result, they had to stop their third round of learner intake for the 16/17 academic year.



It had a serious impact on our provision in 16/17. We got less than we needed in the end which meant we had to kill-off our July intake of learners, which worked for the learners, for us and for employers too. We had to cancel that purely because of the mechanics of the ALL facility and we haven't brought it back for this year yet either as we are concerned that we might not get the facility we need to deliver it. We asked for growth fund, they couldn't provide it – then the growth caps came in so we are just waiting to grow. I can understand why there is a concern about growth, but what is most frustrating is that our credentials are squeaky-clean.

Case Study B

This case study provides an example of a General FE College that reported that the extension of ALLs has impacted negatively on the number of learners aged 19-23 at their institution. At the time of the research they had used 44% of their ALL facility (with most being used by those aged 24+). They cited facing the following issues / barriers since the extension...



MARKETING LOANS TO YOUNGER LEARNERS

This provider reported that 'promoting' the concept of ALLs to younger learners in the extension group had been a challenge since the extension. They stated that ALLs were unpopular with many of their younger learners because they were generally adverse to taking on debt.

We've got a big allocation but we haven't done well in terms of finding a market for it. At that age you don't necessarily understand the terms of the Loans, it goes from being free to being something you need a Loan for, and that is difficult for some 19 year olds to get their head around. A number of them have said they didn't want to do that and they have dropped out. We've lost learners as a result, just because of the concept of the Loan and having to pay it back

LEARNER DROP-OUT BETWEEN YEARS OF STUDY

This provider also reported that they had faced a higher amount of learner drop-out since the extension. They said this has particularly been an issue in terms of learners progressing through their qualifications and that it has resulted in higher drop-out rates.



The challenges we have faced have been in relation to 19-year olds falling into the scope that would have been previously eligible for funding. We run all of our programmes on a one-year return basis. If you come to us aged 17 and do the first part of a full Level 3, so 90 credits of an 180 credit diploma, because you are funded for one year if your age catches you wrong – in effect what happens if you turn 19 before you can do the second year funded under your entitlement.

IMPACT ON RECRUITMENT AND PLANNING

This provider mentioned gave a specific example of this. They stated that they offer an environmental conservation course and they historically filled this with 50% adults and 50% learners aged 16-18. They stated that the removal of adult funding and the introduction of ALLs "pretty much knocked that full-time study mode for that programme". The provider reported that they had to completely change the course into a one-year course offered as a full cost recovery programme. The provider reported that they had to make these changes as they know learners won't take out a ALL to fund the course.



What's happening is, they are saving up and paying for a one-year course rather than taking out a ALL for a two-year course. The net affect for us is around £10,000 less per learner in terms of income. So, the extension is having an impact on recruitment and on our planning. People that want to come back into education for a second bite of the cherry don't necessarily want to leave with a large loan outstanding.

STAYING COMPETITIVE IN TERMS OF FEES

This provider also reported that ALLs do not really work for high-cost programmes such as arboriculture. They reported that there is reluctance among younger learners to take on higher loan amounts needed to do these courses, but that they are unable to reduce the cost of the courses due to the amount of overheads required to deliver them.



The reason they are expensive is that they are very resource-heavy, as soon as we drop the price to attract more learners we'd have to recruit more because the margins get too tight, but for health and safety reasons we can only operate things like arboriculture on a one to four basis. Dropping the fee to attract learners doesn't work. More learners require more resource – so it's a bit of a vicious cycle.

Providers have not actively raised awareness of the ALL bursary fund to boost learner participation

Instead, providers tended to discuss the bursary fund as part of the process of introducing (potential) learners to ALLs, and none reported raising awareness of the bursary fund specifically to help boost participation. Findings from this research suggest that learner awareness of the bursary fund was mixed as a result (see chapter 5 for learners' views on the bursary fund).

Providers' use of their bursary fund varied considerably: some had not made any use of their allocation (this was especially common among those that reported a low take-up of ALLs), whilst others reported that they had used their whole allocation and had secured further funds.

Those that had used at least some of their bursary fund had not experienced any issues with the administration of it. However, a few providers mentioned that they would like clearer guidance on the fund and its use:

"I think we would benefit from support from the ESFA about bursaries. More guidance and better advertisement of it would be good."

Private provider

Providers that had made use of their bursary fund had primarily used it for:

- childcare;
- transport; and
- other costs related to the course (text books, for example).

Providers expressed mixed views about whether the availability of an ALL bursary fund had had an impact on learner participation and retention. Several providers that had used a high proportion of their fund (which tended to be those in deprived areas) felt that the bursary fund was crucial to encouraging participation and retention among their cohort.

"The Bursary Fund is really important - if it was removed, then it would have a very huge impact on the lives and opportunities of individuals in this region."

General FE College

Providers that had used less of their bursary fund allocation were less likely to consider it important in terms of encouraging learner participation. However, some felt that it could

encourage more learners to take-up courses in the future – if awareness of it was better. As with ALLs in general, a number of providers felt that a national marketing campaign would raise (potential) learners’ awareness of the Bursary Fund.

Providers felt that ALLs have become easier to administer over time as processes and systems have had the chance to embed and be refined

Despite this, **some providers reported managing the end-to-end process of ALLs could be further improved** by improving the time it takes to get a decision on ALL applications, and the way in which SLR/ILR reports are collected and interact with one another. These two issues are explained in more detail below:

- **The time it takes to get a decision on ALL applications / to resolve issues with applications.** Several providers had encountered major issues with the length of time it can take for some learners to get a decision on their ALL application. The process was particularly long for learners with a non-UK passport and those that had already withdrawn an ALL and/or student loan.

Providers reported that in some cases, it took several months for a learner to receive an outcome for their application and that this can create issues for providers in terms of their course planning. A number of providers have accepted learners onto courses without knowing the outcome of their ALL application, only to find out at a later date that their application had been unsuccessful:

“We set them up on our system but it could be 2-3 months later that we find out that someone is not eligible. It means we take the risk of having them on the course before the loan has been approved. There needs to be more transparency through a portal which allows us access to know if a student has already had a loan, etc. To give ourselves some protection against that, and which is why our participation has probably gone down, we ask for a deposit of £250. They get that back when our loan payment comes through to the college.”

General FE College

Several providers suggested a single ‘portal’ or ‘hub’ that would allow them to keep track of their current learners’ ALL applications would be very useful as it would help prevent them from having to keep calling the ESFA for updates.

- **The way in which SLC and ILR reports are collected and interact with one another.** A number of providers reported that SLC and ILR data are incompatible and that this creates an administrative burden. They stated that current systems ‘do not talk to each other’ and making them more compatible would make it easier for them to administer ALLs by reducing the administrative burden involved.

“There is an element of having to reconcile SLC data with own systems and reports, which can be difficult and takes a long time. It would be much easier if there would be just one hub where all the data is collected and any changes in status should be automatically communicated to the ESFA.”

Private provider

Although some providers believed that improvements could be made to SLC systems, providers were generally positive about the interaction they had with the SLC and the manner in which they had assisted with any issues or queries raised by providers

One provider felt that the SLC could improve their communications to learners by making it clearer why their application has stalled or been denied, they felt that this would help reduce administrative burden for providers, who often have to get in touch with SLC to understand what the issue is.

Providers expressed mixed views about ALLs as a whole.

During the discussions, providers were asked about their overall views on ALLs and the extent to which these views had changed following the extension. Opinions were mixed and were largely dictated by the extent to which learner numbers had changed since the extension.

Whilst some were positive about the extension because they saw it as a potential vehicle for growth, others that reported a decline in learner participation were less positive – although some did acknowledge that it was a better alternative to there being no funding available at all. Many did not express a strong opinion either way because they felt that the initial introduction of ALLs had had a much bigger impact and that the extension was “pretty much business as usual”.

“Our perception of ALLs has not changed since extension. In an ideal world there would be more things available without having to pay for the courses. But, in terms of the concept of ALLs, it is good that there is something that enables adults to access education.”

General FE College

Most providers felt that the future take-up of ALLs will be fairly consistent with their current levels, providing that there are no further extensions.

A number of providers (particularly General FE Colleges) spontaneously mentioned extending ALLs to Level 2 learners would have an adverse impact on learner participation at these levels going forward. These providers expressed concerns about

the burden of debt that this could place on learners interested in progressing through levels of learning. They also suggested it could dissuade a lot of learners from undertaking courses at these levels due to fear of debt. This is in line with responses to questions asked during the consultation on an extension of Loans.

5. Learners

This chapter explores the expansion of the Advanced Learner Loans from the learner perspective (all of whom were likely to be eligible for a loan, but were split in terms of whether they ultimately took out an ALL). The chapter considers their motivations for undertaking learning, how important a consideration funding was when deciding to study, awareness of the ALL and Bursary Fund and, among non-Loan learners, reasons for not taking out the loan.

Chapter Summary

Learners aged 19-23 doing Level 3 and 4 qualifications primarily undertook their studies to get into higher education or as a pathway into a specific career. Meanwhile, learners doing Level 5 and 6 qualifications mainly undertook learning to develop skills needed for, or to progress within, an existing career.

The cost of the course fee was a major consideration for most learners but was rarely the only factor considered and was not always the most important consideration. Other factors that were commonly considered were: affordability; location; relationship with or reputation of the provider; course content or relevance; course flexibility; and course quality.

Learners had mixed awareness of ALLs. Those self-funding generally had lower awareness as most had always intended to self-fund their course and were less likely to look into funding options available as a result.

Most learners who funded their course with an ALL did so out of financial necessity. Although most reported they would have still undertaken learning had an ALL not been available, they acknowledged that this would not have been without personal sacrifice and they would have had to wait longer before starting their course.

Learners who were aware of ALLs and elected to self-fund did so because they could afford to pay for the course and wanted to avoid interest repayments.

Learners with an ALL had a mixed knowledge of the loans criteria – with some learners being particularly unclear about repayments and interest charged.

Learners' motivations for learning can be grouped into four broad areas.

1. A pathway to HE

For many learners aged 19 to 23 and those studying at Levels 3 and 4, the decision to do a course was as a prerequisite into further study, most commonly Access to HE courses in specific subjects to enable university entrance.

"My best friend had done this course a couple of years ago and is now in final year of degree. I didn't think I could do a Nursing degree without any science A Levels and I wanted to go to university to study Children's' Nursing."

Level 3, Age 19-23, ALL

2. A pathway to a career

The course was not to enable further study, but instead to provide the necessary qualifications to begin a specific career or begin further training for that career, for example in teaching or nursing. This was again most common amongst those studying at Levels 3 and 4 (though with a few instances of this motivation at Levels 5 and 6).

"I had always wanted to be a teacher, the regulations had changed, and I needed English and Maths and experience, so I was advised to do an Access course before taking up the teaching degree."

Level 3, Age 30+, ALL

3. To develop professional skills

Those studying at Levels 5 and 6 often mentioned wanting to develop their professional skills and continue learning for the purpose of professional development. This could be general learning related to their career, or a specific qualification that would support their progression, for example one learner (Level 6, Age 30+, Self-Funded) who needed CIPD qualifications to progress in her HR career, or another (Level 6, Age 30+, ALL) who had foreign qualifications as a translator but needed UK qualifications to be able to continue her work here. This was isolated to Levels 5 and 6 but seen across all ages.

4. To gain higher qualifications needed for career progression

The other common motivation for Level 5 and 6 learners was the desire for further qualifications to enable career progression (for example, a promotion or move into management), as well as to help them increase their salary. This was mostly seen in learners at Levels 5 and 6 who are over age 30.

Cost was a major factor for most learners but it was not the only consideration.

Overall, learners considered the following factors:

Cost or Affordability

Most often looking at just the base cost of the course alone, but some did look at it in terms of total cost, taking into account costs associated with learning. This was one of the strongest and most commonly-cited factors across all learners but more common amongst those who were self-funded or who had not known about ALLs or other funding options.

“Everything was financial. It was everything in one [cost of course and learning alongside working]. I had to work it out all of the outcomes how much I needed, the travel, everything....”

Level 6, Age 30+, Self-Funded

Even for learners where price was not a major factor it could become the deciding factor when a learner had multiple, otherwise equal, options, for example: one learner was choosing between two nearly identical courses, but one was in a university while another was in a college. She chose the college as it was half the price but still had a good reputation and would still help her achieve her goals.

Those expecting to self-fund when starting the process, where money was not a dominant issue, were significantly less likely to cite this as a major factor (looking more at course content and flexibility). The same was true for those who knew they could or would get a loan (for example, those with prior knowledge of the ALL), where the cost was not a necessary consideration.

Location

The second-most cited factor was location and it was, alongside cost, a key consideration for learners. Indeed, location was considered vital for many based on proximity to work or home, thinking in terms of time needed to travel (and how this might detract from their work or personal life) and/or the cost of travel to/from the provider.

Relationship and Reputation of Provider

The third most commonly cited was the learners' relationships with a provider. Learners chose colleges they knew personally; were recommended to them by friends who studied there; and/or with a strong local reputation. A few talked about being 'comfortable' at their college based on, for example, visits or meeting tutors. Meanwhile, others referenced the importance of personal recommendations for their specific course in making their choice.

Course Content and Relevance

The degree to which students felt that the course would be relevant to their goals and interests was mentioned by less than a quarter of learners, who often did more extensive comparisons in their decision-making process and therefore made direct comparisons between courses.

However, it can be assumed from the learner interviews that the relevance of the course and its content was considered a key factor for the majority: even if it was not mentioned, it was understood that they only considered courses relevant to their needs. Those overtly mentioning this differed in that they used this factor to choose between multiple courses.

Course Flexibility

A few also mentioned the need for courses that fit around their existing life or work commitments – for example, with options to study part-time or that had evening and weekend classes. Those who mentioned this were typically working alongside their studies.

“It was part-time so that could study alongside [working]. The workload wasn't too much as it was spread out over two years... I wanted to work alongside it and I could progress a make-up career at the same time.”

Level 4, Age 19-23, ALL

Quality of Course/Teaching

A very few talked about the known quality of the course and its teaching, particularly class sizes, resources and their impression of tutors met before enrolment.

Awareness of funding was dependent on the learner's needs, with self-funders less likely to be aware than those who took out an ALL

Self-funders who had already expected to self-fund when looking for or enrolling on a course did no research into funding sources, as it was unnecessary, and thus had largely never heard of ALLs. They were either not told about their funding options by their educational provider, or did not have any recollection of this if they were. These learners tended to be age 24 or older studying at Levels 5 and 6.

One learner who self-funded their qualification became aware of ALLs after they started their course and that it was too late for them to apply for an ALL by the time they became aware that it was available. Their feedback suggested that their provider did not discuss any potential reimbursement with them.

“My college told me that an ALL was available to me, but only after I had started to pay for the course myself. I was told about it too late, which meant I had to self-fund my course. Having an ALL would have helped with my childcare responsibilities as I could have had someone look after them, It would have made it easier for me to dedicate myself to my course more.”

Level 5, Age 30+, Self-Funded

Amongst those in need of financial support, some researched their funding options (mainly looking into personal loans from traditional banks), but the majority did not seem to have done much research other than speaking to their prospective provider about their options. In many cases, the provider proactively told students about the ALL at the point of enrolment, if not during interactions before this. This was most often the case for those studying at Levels 3 and 4 (typically aged 19 to 23), who seem to have received information more often and more consistently than those studying at levels 5 and 6.

“I was told in a letter in the information pack and at Open day about costs and funding. They were quite open about it and told us that if we went on to complete a degree, the debt for the Access to HE course will be wiped out. The college was quite helpful about sourcing the loan - they gave us a step by step guide to filling in the forms and applying for an Advanced Learner Loan.”

Level 3, Age 19-23, ALL

Those who took out the loan were extremely grateful for the provision and positive about the role it has played in their education. **The majority took on an ALL out of financial necessity: they could not otherwise afford the course at all**, at that time, and/or without substantial personal and financial sacrifice (see Case Study C).

Unlike self-funders, most of the learners included in this research did not have the pre-existing means to pay out-of-pocket, nor a job that would enable them to pay for the course as they went. For these learners the loan was seen to have only positives, no negatives, where even the concept of debt (more of a worry for those aged 19 to 23) was not a major detractor, as the debt was deemed a necessary investment for their future.

As will be covered in a later section, there is a small group of self-funders who were never told about ALLs or who had intended to use the programme but were not eligible.

Awareness of the bursary was also fairly limited across ALL recipients and self-funders. Although a few had received the bursary (most often referencing support with travel expenses or childcare) and others had been informed they were not eligible, most learners had never been made aware of the bursary.

Case Study C

Kerry's Journey

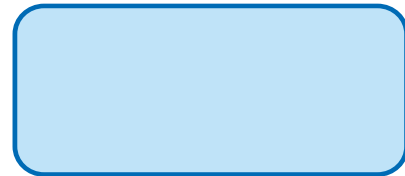
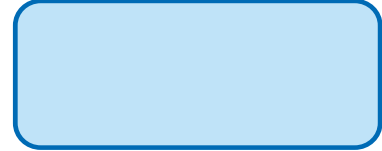
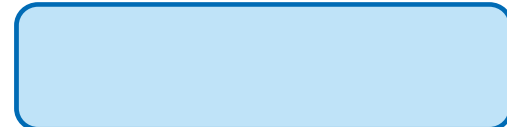
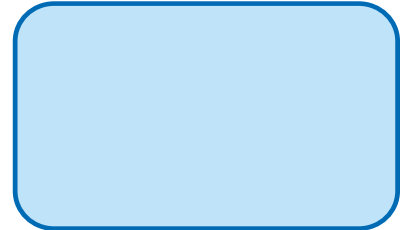
Kerry (21) is studying an Access to HE course at her local college. She had already done a Level 3 course before starting the Access to HE course. She is working part-time whilst studying and is living with her parents. Kerry had two conditional offers from universities at the time of the research.

Kerry wanted to improve her long-term career prospects by going to university, after looking online she thought an Access to HE course would be best for her.

She approached two General FE Colleges in her local area. The courses were similar and were roughly the same cost, so she decided on the one that was closest to her.

Kerry didn't know anything about how she could fund her course when she was first thinking about studying. Her college sign-posted her to the funding section on their website where she found information about ALLs. The cost of the course was her main consideration when thinking about studying so she was relieved when she found out she could get an ALL.

It gave me motivation 'I've taken out'



Learners' awareness and depth of understanding of ALLs was mixed.

The ALL was most often framed as a basic loan to cover course fees that would be paid back automatically once the learner starts earning above a certain salary level. While most of those aware of the loan and who were loan holders understood this basic concept, the information received beyond this was very inconsistent and meant that people's experience of the ALL application and understanding of the loan (for example, interest and repayment) is very mixed.

For approximately half of the loan recipients in the study, the overall process was easy and had few, if any, issues. They often referenced receiving clear information or instructions from their educational provider, coming from providers' prospectus, a leaflet from the provider, or a website they were directed to, and with easy, step-by-step instructions they received to apply, which made for a smooth process. They seemed to be more aware of the repayment salary threshold, as well as the process for this and the interest rate being charged, while also being very positive about the ALL programme and its benefits overall.

"They provided all the info needed. The college gave us websites to go on and telephone numbers to find out more. We looked online to clarify info on terms & conditions and to check against what the college had told us, just to be sure."

Level 3, Age 19-23, ALL

For the others, they did not seem to receive the same clear information or any instructions from their provider, which made for a more difficult application experience. This appears to have been the case for some learners across all provider types.

Few of these learners seemed to be given clear guidance and information from their provider, particularly for the application. In particular, many learners mentioned that the information they received from the provider for the application was confusing or slowed them down. Meanwhile, others were not initially clear on what documentation was needed to complete the application, only finding this out during the application process. Their comments often referenced providers that told them that they were eligible but failed to provide further information or help; in which case, they often turned to other resources (including more experienced friends or family) to get what they needed. This was most common amongst those studying at level 3.

"The process was long, hard and stressful. The stuff they need from you is rigorous. They need to know who is living in your house and how much people are earning in your house, a lot of it is intimate. I remember I had to fill out the form 3-4 times before I got it right. It was tough."

Level 4, Age 19-23, ALL

Whilst learners generally understood that repayment would be income-based and automatically deducted, there was substantial confusion about the actual salary benchmark that would trigger repayment. Some learners referenced values ranging between £20,000-25,000; others fundamentally did not know; and most were unsure where to find the information. Many also did not know the interest rate they would be paying, often assuming it would be acceptable if it was a 'student loan' and assumed it would be better than a traditional bank loan.

Those aged 19 to 23 struggled with the process more, facing more points of confusion in the application process, confusion about repayment, and concerns with the concept of debt. While they talked about ALL as predominantly positive, they often referenced **concerns with debt and repayment as negatives, though not detractors from taking out the loan generally**. A major issue amongst a small minority of those aged 19 to 23 (less financially experienced) was a complete misunderstanding or lack of education on how loans (and specifically this loan) work, which impacted their understanding of the process in many areas. Those in this situation often struggled more with the process as a result. One area of concern in this regard was a fundamental lack of understanding of the concept of interest and how it worked, with one even misunderstanding that he would be paying back the amount borrowed only.

One further point of confusion affecting a small minority of those aged 19 to 23 was not needing to repay the outstanding loan balance if they went on to complete a qualification at a university. While this was a further incentive to some, it served to confuse some others, who became uncertain about whether or not the ALL was actually a loan, if it is not being paid back.

Those aged 30 and above had very few struggles with the process. They were unconcerned with the concept of debt and found the end-to-end process very straightforward to understand and undertake.

Not having an ALL would not have stopped learners with loans from doing the course, but it would have changed when they studied

Most said that they would have waited a year or two in order to save up to pay course fees themselves. For others, they would have done it the same year, but worked their way through it and paid it as they went or paid for it from existing savings. In most of these cases, their sentiment was that they 'would have made it work' but it would have meant making substantial sacrifices and taking on excessive financial and other stress to do so. A handful would have received financial support from a family member, typically in the form of a personal loan.

"I think it was really necessary but if I hadn't got the loan, it may have meant I had to wait for another year. The Learner Loan made everything so much easier. It would have been a really big thing without the loan. I think I'd have definitely gone to college but when might have been an issue..."

Level 3, Age 19-23, ALL

However, for about a quarter of ALL learners, the loan was the only reason that they were able to complete the course at all, as they simply did not have the means to pay for the course themselves without help, either from saving or monthly payment options. They are extremely grateful for the ALL, as it enabled them to achieve a meaningful goal that would otherwise not be possible for them.

In nearly all cases, learners did not believe that the loan changed their approach to the course in terms of attendance, attitudes and motivation; however, they do feel the loan enabled them to put more effort and engagement into the course. Many did not need to work (or did not need work as much) thanks to their ALL, allowing them more time for classes, coursework and interactions with classmates and tutors to get the most out of their course. Further, many emphasised the positive impact the loan had in terms of reducing financial burden and stress, making the course overall a much more positive and less stressful undertaking. Overall, having the ALL meant an ability to concentrate and focus on the course without additional worries or constraints.

A few others did mention the loan's impact on motivation, confidence and desire to ensure they get everything they can from the course.

"If a teacher isn't explaining something properly I am more cautious as this fee is coming out my pocket, now as I'm paying for it I scrutinise them more."

Level 3, Age 19-23, ALL

Many non-loans learners did not take-out an ALL because they had enough savings to pay for the course and few would have approached their learning differently had they taken a loan.

Many non-loans learners simply did not need an ALL due to the fact that they had sufficient savings and they felt the addition of interest made it a worse option to self-funding where they could pay it monthly from earnings or from existing savings (see Case Study D for an example of this). For this group, it was felt that an ALL would not have changed any aspect of how they handled their course, across attendance, attitudes, engagement and motivation. In fact, one even said he felt he put in more effort because he paid for the course himself. A few did say, however, that they might have taken out a

loan if it had been interest-free, as this would have eliminated some of the financial burden they faced.

As discussed earlier in this section, there were a few learners who did not know about ALL early enough or at all, or who were told they were ineligible, that would have benefitted from the loan. In these cases, learners were understandably frustrated at the missed opportunity and were positive about the concept of the ALL and the opportunity it provides. Similar to those who had an ALL, this group felt having the loan would have enabled them to be more engaged with their course, reducing or eliminating the need to work, the financial burden of studying and the overall stress the situation created for them. Most also specifically mentioned their attendance would have also been better, had they had the loan.

“Attendance levels would indeed have been affected because as I said I needed to change my work days, I needed to work those hours at the weekend rather than have a free weekend for studying, all of those years I have done night studying... obviously that affected me massively.”

Level 6, Age 30+, Self-Funded

Case Study D

Maria's Journey 30+, Level 6, Self-funded

Maria (33) recently completed a Level 6 qualification at her local General FE College. She is married and has three children and currently works on a self-employed basis as a sign-language interpreter in secondary schools.



I didn't know about my options before I went to college, I had just Googled about a few courses.



The cost of the course itself was critical in terms of me deciding whether to do it or not.

The college I chose was the cheapest and most convenient. It was also the quickest way to get a qualification and the course structure was comfortable.

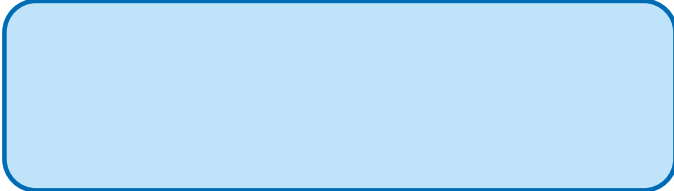
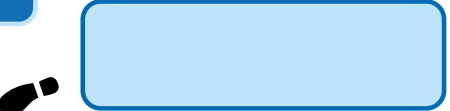
Maria went online to look for courses in her local area and approached one General FE College. She did not know about her funding options prior to that. When she went to the college she was told about ALLs.

The cost of the course, location of the provider and structure of the course were the key factors for Maria. She wanted to do evening classes to fit learning around her existing commitments.

Like most other learners doing Level 5 and Level 6 courses, Maria was interested in doing her Level 6 qualification in order to progress in her existing career.

Because I could pay for the course myself, it was an easy decision for me to do it.

Financing the course to help me and registered sign language interpreters would allow me to progress in my career as an interpreter, and they also.



6. Conclusions and recommendations

This section of the report presents some conclusions and recommendations, based on the key findings from this research, that could support the future development of ALLs.

Administering loans

The process of administering loans now runs smoothly for providers. Providers are now used to the process of administering Advanced Learner Loans and the processes around the extension to new learners have been relatively easy to accommodate. Relationships between providers and the Student Loans Company are generally good.

The only perceived issue is the length of time that it takes for some loans to be processed. Some providers suggest that delays in the processing of some loans causes them some problems. When applications for loans are rejected after the course has started, this can lead to drop-out, which has financial implications for providers.

Recommendation

DfE, ESFA and SLC could explore how the end-to-end process for ALLs could be further refined, especially for those complex applications that may take longer to process. Giving providers greater visibility on the progress of loans applications (and information about any loans taken out previously) would be beneficial as it would help providers manage the risks associated with learners' applications taking a long time to be processed and/or being rejected once a course has started.

DfE, ESFA and SLC could also explore how to make their systems more compatible to make it easier for providers to reconcile data needed for reporting.

Communications and promoting ALL's

Without intervention, it is unlikely that either Awarding Organisations or Providers will be motivated to try to stimulate greater demand for loans-eligible qualifications. Awarding bodies do not see the groups that Loans have been extended to as large potential markets and hence they do not currently see a great business imperative to try to stimulate demand. Providers would ideally see greater learner numbers but do not engage in large scale proactive marketing activity. Some are still uncomfortable about the idea of any form of promotion of Loans for fear of being seen to give financial advice. Both parties therefore would be keen to have a national marketing campaign (similar to that launched to raise awareness of Apprenticeships) to raise awareness of ALLs among (potential) learners.

The promotional activity that is taking place is promoting Loans to those who are least likely to pay them back. The messages that providers are most comfortable with are that the Loans for Access to HE courses are written off if the learner progresses to HE, and that the loan would be written off if the learner does not reach the earnings threshold. Hence a lot of the promotion that is taking place is around Access to HE or courses in sectors with a lot of part-time working and/or low average wages.

Awarding organisations and providers may possibly be persuaded to invest more heavily in promoting loans if they had a clearer understanding of the long-term vision for ALLs. Some providers and awarding bodies were unclear as to what types of learners ALLs were intended for. Findings from the research suggest that awarding organisations and providers would welcome more clarity in terms of how ALLs dovetail with other types of qualifications that are available or are soon to be introduced to the FE landscape – particularly in terms of changes to Apprenticeships and the introduction of T-Levels. Awarding organisations suggested that they have been focusing on policy changes in these areas to the detriment of ALLs and more clarity in these areas could give them the confidence to allocate more resource to developing loans-eligible qualifications.

Recommendation

DfE should explore what could be done to provide more clarity for awarding organisations and providers on how current policy developments will shape the wider education sector and qualification development in the future. Having more information about the long term visions for Apprenticeships, T-Levels, ALLs and HE (and how these offers fit together) could result in more investment in and promotion of ALLs.

Learners who have received Loans are extremely grateful for the opportunity that Loans have given them to undertake their learning. Several felt that they would not have taken up their course without the loan while others say that they would have delayed their investment by some years.

It is possible that there is a greater level of interest in Loans among (potential) learners than providers or awarding bodies appreciate. This research shows that there is a clear demand for ALLs where learners are aware that they are available. Most learners that took part in this research and who took out an ALL did so out of financial necessity and they felt that they could not have done their course without their ALL. In addition, a number of self-funding learners that took part in the research indicated that they would have been interested in withdrawing an ALL had they been aware of it (earlier). This also suggests that more promotional activity to raise awareness of ALLs

could increase demand as there may be (potential) learners that are interested in learning but have not gone as far as following this up with a provider through lack of knowledge about the funding options available.

There may be value in bundling up the ALL and bursary offer to a greater extent.

Learners were often unaware of the existence of the bursary fund. However, it is clear that when making the decision about whether or not to undertake learning, learners are often considering the full range of costs that they would incur (including those that they might be able to obtain assistance with through the use of the bursary fund).

Recommendation

DfE should consider what more could be done to publicise ALLs. They should explore the possibility of launching a national marketing campaign to raise awareness of ALLs among potential learners to stimulate increased demand for ALLs.

Any future marketing messages about ALLs could draw on the positive messages of what ALLs have meant for some learners who would have not been able to undertake learning without ALLs.

Appendix A – Detailed methodology

This section provides further detail on the methodology adopted to meet the research objectives and includes the profiles of providers and learners that participated in the research.

ILR Analysis

Data in Chapter 2 of this report was taken from ILR returns from the following academic years: 2015/16, 2016/17 and 2017/18.

Awarding organisations

A total of nine in-depth telephone interviews were conducted with awarding organisations as part of this research. Interviews were conducted between 8th January and 1st March 2018 and each lasted approximately 45 minutes.

IFF, in close collaboration with DfE, decided that interviews should be conducted with those awarding organisations that had an active involvement in the Advanced Learner Loans market.

Interviews were conducted with a range of awarding organisations in terms of size and type of offer (for example, whether they primarily focused on vocational qualifications or classroom-based provision) and level of offer – in order to achieve a broad range of perspectives.

Providers

A total of 25 qualitative interviews were conducted with providers as part of this research. Interviews were conducted between 25th January and 23rd March 2018 and each lasted approximately 60 minutes.

The discussions were conducted with a mixed approach: with 10 site visits being conducted face-to-face and 15 in-depth qualitative interviews being conducted by telephone.

Interviews were conducted with a wide range of providers in terms of type and size of ALL facility value, and location – the tables below shows the achieved profile of provider interviews.

Type of Provider	Advanced Learner Loan facility value				
	<£50,000	£50,000 - £249,999	£250,000 - £999,999	£1m +	Total
General FE College inc. Tertiary / 6th forms/HE providers/ Specialist colleges	-	-	4	8	12
Local Authorities/ other public sector bodies	-	2	3	-	5
Private/ Voluntary sector providers	1	-	5	2	8
	1	2	12	10	25

Location of Provider	No. achieved interviews
North East	-
North West	3
Yorkshire and the Humber	3
East Midlands	1
West Midlands	2
East of England	1
London	11
South East	3
South West	1

During fieldwork a number of respondents had to postpone at short notice so quotas were relaxed slightly to reach the overall target number of interviews within the timeframes. Also, a number of providers with an ALL facility value <£50,000 declined to take part in the research because they felt that they did not have enough to say about the extension of ALLs.

Learners

A total of 40 qualitative discussions were conducted with learners as part of this research. Interviews were conducted by telephone between 1st February and 28th March 2018 and each lasted between 30 and 45 minutes.

All learners that took part in the research were eligible for ALLs. Interviews were split between the two extension groups (those aged 19-23 studying Level 3 or Level 4 qualifications, and those studying Level 5 or Level 6 qualifications). Within each group, interviews were split between those that had funded their qualification with an ALL and those that had self-funded (those whose course was funded by their employer were excluded from the research as these learners would never have considered taking out an ALL) and whether they had recently completed or were still on their course at the time of the research.

The final profile of interviews achieved is shown below.

19-23 year olds (doing Level 3 or Level 4 courses)

19-23 year olds	Learner status	Course Level	No. of interviews
Loans-funded	Recently completed learner	Level 3	2
		Level 4	3
	Current learner	Level 3	5
		Level 4	2
Non-Loans-funded	Recently completed learner	Level 3	-
		Level 4	2
	Current learner	Level 3	1
		Level 4	1

19+ year olds (doing Level 5 or Level 6 courses)

19+ year olds	Learner status	Course Level	No. of interviews
Loans-funded	Recently completed learner	Level 5	2
		Level 6	1
	Current learner	Level 5	5
		Level 6	-
Non-Loans-funded	Recently completed learner	Level 5	4
		Level 6	2
	Current learner	Level 5	5
		Level 6	5

During fieldwork a number of respondents had to postpone at short notice so quotas were relaxed slightly to reach the overall target number of interviews within the timeframes

Interviews were conducted with a range of learners in terms of: gender, ethnicity, deprivation status (which was determined by using identifying learners that lived in areas that were in the bottom quintile of the Index of Multiple Deprivation using their postcode), employment status and location in order to achieve a broad range of perspectives – see below for a profile of this at an overall level.

Gender	No. of interviews
Male	14
Female	26
Ethnicity	No. of interviews
White-British	26
BAME	14
Deprivation status	No. of interviews
In bottom quintile	20
Not in bottom quintile	20
Employment status	No. of interviews
Employed	25
Not employed	15

Appendix B – Research topic guides

Evaluating the Extension of Advanced Learner Loans **AWARDING ORGANISATIONS GUIDE** (45-60 mins)

J5865

Date 7/11/18

Telephone

Background for interviewer

Background

From the 2016-17 academic year, Advanced Learner Loans were made available to two new groups of learners; 19-23 year olds studying Level 3 or 4 qualifications, and those studying at levels 5 and 6 at all ages.

The aim of the research is to qualitatively assess the attitudes and experiences of Advanced Learner Loans among individuals in the two groups to which loans were extended in 2016/17. It will also assess the impact on the provider market and awarding organisations. In this research, we will be speaking to Learners, Providers, and Awarding Organisations.

Specifically, this guide will assess whether and how awarding organisations have responded to the extension of Loans, to explore whether they plan to review their qualifications offer in the context of loans expansion and the reasons they have for doing so or not. This will be explored alongside interviews we are conducting with providers to explore how they have found the process of promoting and administering the loans for these extension groups, and with learners to assess how the availability of loans has impacted on the decisions they make about what to study and how to fund it.

A) Introduction (2 minutes)

- **Interviewer and IFF introduction:** thank you for taking part in this research that we are conducting on behalf of the Department for Education about Advanced Learner Loans.
- **Background to the research:** We are speaking to a range of awarding organisations, providers, and learners to find out about awareness and response to the process of extending the loans, what impact it may have had for these groups, and any potential developments around the loans offer we could consider for the future.
- The interview shouldn't take longer than 30-45 minutes to complete.
- **Reassurances:** IFF Research is an independent market research company, operating under the strict guidelines of the Market Research Society's Code of Conduct. We will not pass any of your details on to any other companies. It will not be possible to identify any individual or individual company in the results that we report to DfE and the answers you give will not be traced back to you.
- **Data use:** All the information we collect will be kept in the strictest confidence and used for research purposes only.
- **Request permission to record:** We like to audio record all interviews of this nature so we don't have to take a lot of notes – the recording will be used for analysis purposes. Is this ok?

Switch digital recorder on if participant agrees to be recorded and confirm verbal consent.

PROCESS NOTES:

The purpose of this section is to thank the participant for agreeing to take part in the research and introduce them to its aims and objectives.

B) Background (3 minutes)

<p>ASK ALL</p> <p>B1 First of all, could you give me a brief overview about your organisation and the type of qualifications that you offer?</p> <ul style="list-style-type: none">● What types of qualifications do you offer at Level 3 and Level 4 specifically?● And what types of qualifications do you offer at Levels 5 and 6? <p>PROBES</p> <ul style="list-style-type: none">- Subject areas- Levels- Type (i.e. A Levels, Access to HE, Applied General, Tech Levels, other technical / vocational qualifications) <p>B2 And could you tell me a bit about your specific role?</p> <ul style="list-style-type: none">● What is your job title?● What does this involve on a day-to-day basis?● How are you involved with Advanced Learner Loans specifically? <p>B3 Overall, how would you describe your organisation's interaction with Advanced Learner Loans?</p> <ul style="list-style-type: none">● What do you know about the Advanced Learner Loans offer?● Does your organisation specifically target Advanced Learner Loans as part of your business strategy? Why / why not?● Are you aware of the process for designating qualification for Advanced Learner Loans?	<p><i>PROCESS NOTES:</i> <i>The purpose of this section is to briefly gather some background information about the awarding body and the participant's role within it.</i></p>
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C) Qualifications on offer prior to the extension of Advanced Learner Loans (15 minutes)

<p>C1 Has your qualifications offer changed in any way since the introduction of Advanced Learner Loans in 2013?</p> <ul style="list-style-type: none"> ● To what extent did you make a conscious decision to get involved in the Advanced Learner Loans market? How far have you actively sought to have qualifications designated for Loans? Why / why not? ● Did you introduce any new qualifications? If so, which ones? Why? ● Did you re-design any existing qualifications? If so, which ones? Why? ● Did you drop any qualifications? If so, which ones? Why? <p>PROBE SPECIFICALLY IN TERMS OF:</p> <ul style="list-style-type: none"> - Name of qualifications - Subject areas - Levels - Type (i.e. A Levels, Access to HE, Applied General, Tech Levels, other technical / vocational qualifications) - In terms of anything else? <p>C2 Has your relationship with providers changed in any way following the introduction of Advanced Learner Loans in 2013?</p> <p>IF YES:</p> <ul style="list-style-type: none"> ● How did the relationship change? ● Why did you think that this happened? ● How did this impact on your offer? <p>C3 How does your organisation ensure that providers are delivering your qualifications to your expected standard? Has the introduction of Advanced Learning Loans impacted on this at all? If so, how?</p> <ul style="list-style-type: none"> ● To what extent, if at all, do you proactively manage the provider relationship? If so, how? Do you tend to do this at particular times (i.e. when introducing changes / new qualifications)? 	<p>PROCESS NOTES: <i>The purpose of this section is to get a broad overview of the qualifications that the awards body offered prior to, and following, the introduction of 24+ Advanced Learner Loans in the 2013/14 academic year. This will provide us with a baseline against which to measure any subsequent changes made in direct response to the extension of the Advanced Learner Loan</i></p>
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C4 How much feedback did you get from providers about Loans and the need to tailor your qualifications to meet learner needs following their introduction?

C5 Has your organisation explicitly marketed certain qualifications in the context of Advanced Learner Loans?

IF YES:

- Which qualifications have you marketed? Why?
- Who have you marketed the qualifications to? Why?
- Have you marketed qualifications to providers directly? Why?
- Have you marketed qualifications to learners directly? Why?

D) Changes to qualifications on offer following the extension of Advanced Learner Loans (15 minutes)

<p>ASK D1a IF OFFER LEVEL 3 AND / OR LEVEL 4 QUALIFICATIONS:</p> <p>D1a Thanks for that, now I'd like to explore whether the qualifications you offer have been impacted by the extension of Advanced Learner Loans introduced in 2016/17.</p> <p>First of all, have you changed your Level 3 and 4 qualifications offer in any way in direct response to the Loans Offer being extended?</p> <p>IF LEVEL 3 AND / OR LEVEL 4 OFFER HAS CHANGED DUE TO EXTENSION:</p> <ul style="list-style-type: none"> ● Did you introduce any new qualifications? If so, which ones? Why? ● Did you re-design any existing qualifications? If so, which ones? Why? ● Did you drop any qualifications? If so, which ones? Why? ● Do the changes that you have made mainly focus on qualification level, subject area, type (i.e. vocational / technical), or size? Why? <p>IF LEVEL 3 AND / OR LEVEL 4 OFFER HAS NOT CHANGED DUE TO EXTENSION:</p> <ul style="list-style-type: none"> ● Why have you not made any changes due to the extension of Loans? ● Have you had any internal discussions about making changes to your qualifications offer due to the extension of Loans? What did you discuss? ● Have you faced any barriers that have meant that you have been unable to make any changes you would have liked to in response to the extension of Loans? <p>ALLOW FOR SPONTANEOUS RESPONSES AND THEN PROBE SPECIFICALLY IN TERMS OF FOLLOWING EXAMPLES:</p> <ul style="list-style-type: none"> - Cost of development - Lack of clarity of demand - Anything else? 	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to get an understanding of how awarding bodies have changed their offer in response to the extension of Loans in 2016/17 and the scale of any change</i></p>
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ASK D1b IF OFFER LEVEL 5 AND / OR LEVEL 6 QUALIFICATIONS:

D1b Have the Level 5 and 6 qualifications that your organisation offers changed in any way in direct response to the Loans Offer being extended?

IF LEVEL 5 AND / OR LEVEL 6 OFFER HAS CHANGED DUE TO EXTENSION:

- Did you introduce any new qualifications? If so, which ones? Why?
- Did you re-design any existing qualifications? If so, which ones? Why?
- Did you drop any qualifications? If so, which ones? Why?
- Do the changes that you have made mainly focus on qualification level, subject area, type (i.e. vocational / technical), or size? Why?

IF LEVEL 5 AND / OR LEVEL 6 OFFER HAS NOT CHANGED DUE TO EXTENSION:

- Why have you not made any changes due to the extension of Loans?
- Have you had any internal discussions about making changes to your qualifications due to the extension of Loans? What did you discuss?
- Have you faced any barriers that have meant that you have been unable to make any changes you would have liked to in response to the extension of Loans?

ALLOW FOR SPONTANEOUS RESPONSES AND THEN PROBE SPECIFICALLY IN TERMS OF FOLLOWING EXAMPLES:

- Cost of development
 - Lack of clarity of demand
- Anything else?

D1c Have you considered making any level 5 and level 6 qualifications that you have previously offered operationally available again and seeking them to be designated for loans?

ASK ALL

D2 Has anything prevented your organisation from making (any other) changes that it would have liked to in response to the extension of Loans or more actively developing and promoting an offer for loans? If so, what barriers have you faced? What are the implications of this for your organisation?

<p>D3 And to what extent have the changes you have made to your offer been influenced by other policy developments in FE (such as: The movement from apprenticeship frameworks to standards, T-Level reform, changes to the 19-23 level 3 qualifications list etc.)?</p> <ul style="list-style-type: none"> ● Have any other recent changes to policy had an impact on the qualifications you offer? If so, how and why? ● IF YES: Has this affected your Loans qualifications offer specifically? ● What, if anything, are you doing to overcome this? <p>D3 And have any other factors led you to make changes to your offering?</p> <p>D4 How has your relationship with providers changed following the extension of Loans?</p> <p>IF YES</p> <ul style="list-style-type: none"> ● How has the relationship change? ● Why did you think that this has happened? ● How has this impacted on your offer? <p>D5 Have you received feedback from providers about Loans and the need to tailor your qualifications offer for loans following the extension of Loans in 2016/17?</p> <p>D6 Have your perceptions changed towards Advanced Learner Loans since the extension?</p> <ul style="list-style-type: none"> ● How and in what way? ● Explore positive / negative perceptions 	
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E) Potential changes to qualifications in the future (5 minutes)

<p>E1 Moving on now to look at how your offer may change in the future. Do you anticipate making any additional changes to the qualifications you offer as Advanced Learner Loans bed-in further?</p> <ul style="list-style-type: none">• What changes do you think you'll make? Why?• Do you think any potential changes in the future changes will mainly focus on qualification level, subject area, type (i.e. vocational / technical), or size? Why? <p>E2 Do you anticipate making any changes to the qualifications that you offer due to any other factors?</p> <ul style="list-style-type: none">• Why is that the case? <p>IF YES</p> <ul style="list-style-type: none">• What changes do you think you'll make? Why?• Do you think any potential changes in the future changes will mainly focus on qualification level, subject area, type (i.e. vocational / technical), or mode of delivery? Why?• How will these changes impact, if at all, on the Loans-eligible qualifications that you offer?	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to find out how awarding bodies may change their qualifications in the future.</i></p>
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F) Additional thoughts and wrap up (2 minutes)

<p>F1 Is there anything else you would like to add that hasn't been discussed about the extension of Advanced Learner Loans and the impact this has had?</p> <p>F2 And would you be happy for us to pass a transcript of this interview to DfE, on an anonymised basis, so with any personal identifiers removed?</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 30%; text-align: center;">Yes</td> <td style="width: 70%;"></td> </tr> <tr> <td style="text-align: center;">No</td> <td></td> </tr> </table>	Yes		No		<p><i>PROCESS NOTES:</i> The purpose of this section is to gather any additional comments and close the interview.</p>
Yes					
No					

THANK PARTICIPANT AND CLOSE INTERVIEW

I declare that this interview has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:	Date:	
Finish time:	Interview Length	Mins

Evaluating the Extension of Advanced Learner Loans **PROVIDER GUIDE** (45-60 mins)

J5865

Date 7/11/18

Telephone and face to face

Background for interviewer

Background

From the 2016-17 academic year, Advanced Learner Loans were made available to two new groups of learners; 19-23 year olds studying Level 3 or 4 courses, and learners of any age studying at levels 5 and 6.

The aim of the research is to qualitatively assess the attitudes and experiences of Advanced Learner Loans among individuals in the two groups to which loans were extended in 2016/17. It will also assess the impact on the provider market and awarding bodies. In this research, we will be speaking to Learners, Providers, and Awarding Bodies.

Specifically, this guide will assess how providers have found the process of promoting and administering the loans for these extension groups. This will be explored alongside research we are conducting with awarding bodies to explore how the extension of loans has made them think differently about the qualifications they offer, and with learners to assess how the availability of loans has impacted on the decisions they make about what to study and how to fund it

Since the two extension groups are very different, the research will explore their attitudes and experiences separately.

A) Introduction (2 minutes)

- **Interviewer and IFF introduction:** thank you for taking part in this research that we are conducting on behalf of the Department for Education about Advanced Learner Loans.
- **Background to the research:** We are speaking to other providers, awarding bodies, and learners to find out how the process of extending the loans has been, what impact it has had for these groups, and any potential improvements for the future.
- The interview shouldn't take longer than 60 minutes to complete for each individual. On site visits we may speak to more than one person at a time, and thus the interview will be conducted in a paired-depth or triad format, which will likely increase the overall time to around 90 minutes.
- **Reassurances:** IFF Research is an independent market research company, operating under the strict guidelines of the Market Research Society's Code of Conduct. We will not pass any of your details on to any other companies. It will not be possible to identify any individual or individual company in the results that we report to DfE and the answers you give will not be traced back to you.
- **Data use:** All the information we collect will be kept in the strictest confidence and used for research purposes only.
- **Request permission to record:** We like to audio record all interviews of this nature so we don't have to take a lot of notes – the recording will be used for analysis purposes. Is this ok?

Switch digital recorder on if participant agrees to be recorded and confirm verbal consent.

PROCESS NOTES:

The purpose of this section is to thank the participant for agreeing to participate in the research and introduce them to its aims and objectives.

B) Background (5 minutes)

<ul style="list-style-type: none">● What is the status of your organisation? (i.e. not-for-profit, specialist college, public sector etc.) ● What types of learning do you offer?<ul style="list-style-type: none">● Specifically what types of learning do you offer at Level 3 and Level 4?● And at Level 5 and 6?● Approximately what proportion of your learners are studying at each level?● And what proportion fall into each of the extension groups (i.e. those aged 19-23 studying at L3/L4 and all learners studying at L5/L6)? Are they important groups of learners for you? ● Can you tell me what your specific role is? What is your job title?<ul style="list-style-type: none">● What does your day-to-day involve?● What is your role in regard to the Advanced Learner Loan specifically? (i.e. administrative, marketing, analyst/ strategic) ● Today we're going to be looking at the extension of Advanced Learner Loans in 2016/17 specifically, and how this has affected your offer to students, and any issues you have had in terms of administration and marketing. Before we go into that in detail, it would be good to get a bit of understanding of your involvement with Advanced Learner Loans in general<ul style="list-style-type: none">● Have you always offered Advanced Learner Loans, since they were introduced in 2013?● Did you encounter any problems when they were first introduced?● And any other problems before the recent extension?	<p><i>PROCESS NOTES:</i> <i>The purpose of this section is to briefly gather some background information about the provider and the participant's role within it.</i></p>
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C) Changes to the provider's offer since the extension of Advanced Learner Loans (5-10 minutes)

<ul style="list-style-type: none">● Can you start by telling me what was discussed within your organisation about how to respond to the extension of Loans to 19-23 year olds on Level 3 and 4 courses and to courses at Levels 5 and 6?<ul style="list-style-type: none">● What was discussed and who was part of the discussion?● What were perceived as the main challenges?● What were perceived as the potential benefits?● How was the recent change similar/different to when the Loan was first introduced in 2013?● What changes did you make to your offer to students as a result of the extension of Loans?<p><i>Probe separately for Levels 3&4 and 5&6:</i></p><ul style="list-style-type: none">● What courses have you introduced? Why?● What courses have you stopped? Why?● Have you placed any kind of cap on the numbers of learners that you take from these extension groups? Why?● Have you made any changes to your fee structures?<ul style="list-style-type: none">● If so, why? And how?● Are you anticipating that you will need to change the fee structure in the future? Why?● Are these changes as the result of the extension of loans? What other factors have had an impact on what you offer?● Do the maximum funding rates for loans influence how you set your fees?● Since the extension of the Advanced Learner Loans, have overall learner volumes in these extension groups increased, decreased, or stayed the same?<p><i>Probe specifically on Learners aged 19-23 at Levels 3 and 4:</i></p><ul style="list-style-type: none">● Did learner volumes increase, decrease or stay the same in 2016/17?● How did learner volumes in 2016/017 compare with those in 2017/2018?<p>Was this in line with what you were expecting to happen? Why / why not?</p>	<p>PROCESS NOTES: <i>The purpose of this section is to get a broad overview of any significant changes the provider has made to their offer, since the extension of Advanced Learner Loans</i></p>
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Probe specifically on learners of all ages at Levels 5 and 6:

- Did learner volumes increase, decrease or stay the same in 2016/17?
- How did learner volumes in 2016/017 compare with those in 2017/2018?
- Was this in line with what you were expecting to happen? Why / why not?

Probe only in terms of learner volume at this stage – will explore changes to the learner profile in further detail later in the next section

- **What do you think might change about what your organisation offers in the future?**
 - Why? What do you think will cause the change?

D) Take up of Loans (10 minutes)

ASK QUESTIONS AND PROBE SEPARATELY FOR TWO EXTENSION GROUPS

- **What has the take-up of loans been like among the extended learner groups?**
 - Can you give an estimate of what proportion of each extension group have taken out a Loan?
 - Was this in line with your expectations? Why / why not? How was it different?
 - What has surprised you most?
 - What impact has it had on the funding available to you?
 - Roughly what proportion of your learners are using loans?
 - For Level 3?
 - For Level 4?
 - For Levels 5&6?
- **Has the level of take up caused any problems for you?**
- **In what subject areas has the take-up been highest? And lowest?**
 - Why do you think this is?
 - *Probe around areas where they have seen a particularly weak take-up of loans*
- **How does take-up of loans vary across learner groups? i.e. older/younger, male/female etc.**
- **How does the take-up of loans now compare to when they were first introduced?**
 - Why do you think this is?
 - Are you concerned about learner volumes at all?
- **Have you noticed any changes in how the loans learners in the extension group approach their learning (compared to non-loans learners)?**
 - In what ways specifically?
 - Do learners take more care when deciding which course to study?
 - Do learners take more care when deciding which provider to study with?
 - What about in terms of their approach to learning? i.e. are they more conscientious / committed?

PROCESS NOTES:

The purpose of this section is to find out how providers perceive the take-up of loans to have changed since the extension.

INTERVIEWER NOTES:

Learners can take out up to 4 different loans and pay them back at a similar interest rate to student loans.

<ul style="list-style-type: none">● How do you feel about this? What is encouraging / concerning? ● What difficulties have you come across, from learners who would like to take on a loan?<ul style="list-style-type: none">● Are there any cases where you have had to turn down learners who are planning to use a loan? Why? ● Do you think patterns of take-up will change in the future? In what ways?<ul style="list-style-type: none">● Are you planning to do anything to address patterns of take-up?● What are your plans and why?	
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E) Raising awareness of the loan extension (10-15 minutes)

<ul style="list-style-type: none"> ● Can tell me how the extension of Loans has been made aware to students? <i>Probe separately for Levels 3&4 and 5&6:</i> <ul style="list-style-type: none"> ● What is the message you are giving to students? ● Why did you go with this as the focus? Why do you think it's appealing for students? ● If not already mentioned, how appealing is: <ul style="list-style-type: none"> - If they complete 'Access to HE' course and then progress to eligible course their loan will be written off? - The course content (i.e. the learning, not the loan)? ● In your opinion, what are the most effective ways of raising awareness of Advanced Learner Loans among (potential) learners? <ul style="list-style-type: none"> ● What channel of communication is the most effective? Is it putting the information on your website or talking to (potential) learners directly? ● What barriers / restrictions do you face in terms of raising awareness of Advanced Learner Loans among (potential) learners? ● How has the focus of the message around the loan changed since before the extension (pre-2013), if at all? <i>Probe separately for Levels 3&4 and 5&6:</i> <ul style="list-style-type: none"> ● In what ways specifically? ● Why did you take this approach? What were the reasons driving this change of message? ● Who decided what the focus of marketing would be? What sorts of discussions were had? ● How do you go about introducing the availability of Advanced Learner Loans to students? <i>Probe separately for Levels 3&4 and 5&6:</i> <ul style="list-style-type: none"> ● At what point do you mention it to them? ● What materials do you use to talk about it? <ul style="list-style-type: none"> - Are there any gaps/weaknesses in the marketing materials that are available? ● What staff are involved in discussing loans with students? what guidance do you offer these staff? 	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to get an understanding of how providers are choosing who to target, and what their approach is to marketing loans</i></p> <p>INTERVIEWER NOTES:</p> <p><i>Learners that complete a 24+ 'Access to HE' course get their loan automatically written off if they go on to a HE course.</i></p>
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<ul style="list-style-type: none"> ● What wider support would you like that would improve your messaging? ● When does the Bursary Fund come into discussion? ● How do you go about deciding who to target for further education courses? <p><i>Probe separately for Levels 3&4 and 5&6:</i></p> <ul style="list-style-type: none"> ● What is the focus in terms of: <ul style="list-style-type: none"> ● Retaining current learners? ● Reaching out to previous students? ● Reaching out to new students? <ul style="list-style-type: none"> - What are the benefits / drawbacks of either of these approaches? <ul style="list-style-type: none"> ● What aspects of the Loans have invited questions from learners? <ul style="list-style-type: none"> ● Have there been any questions from learners that have been tricky to answer? ● If so, what were they? Why were they tricky? ● How did you resolve them? ● How confident do you feel dealing with queries from students? what further help/support do you feel you need? <ul style="list-style-type: none"> ● Do you ever refer learners to alternative sources of information? <ul style="list-style-type: none"> ● Which and under what circumstances? <ul style="list-style-type: none"> ● Have you been in contact with other providers to share ideas about communication strategies and messages? <ul style="list-style-type: none"> ● What did you discuss? What difference did this make? <ul style="list-style-type: none"> ● Is there anything that would help you to get your messages across to potential learners? <ul style="list-style-type: none"> ● What other organisations could help you? <i>Ask for specific examples</i> 	
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F) Process of administrating loans (10 minutes)

<ul style="list-style-type: none">● How has the process of administrating a broader loans offer been?<ul style="list-style-type: none">● What issues have you encountered? <i>Ask for specific examples</i>● How is it different to issues you faced previously, when the Advanced Learner Loan was first introduced?● How is it better / worse? ● What new processes have you introduced specifically as a result of the extension of the loan? Why?<ul style="list-style-type: none">● How have they helped? What is working well? And why? ● Have you had any difficulties setting or advising on course fees since the extension of the loans?<ul style="list-style-type: none">● How is this different across the two extension groups? ● What has been the impact on your workload following the extension of the loans?<ul style="list-style-type: none">● What factors take up the most time? Explore spontaneous thoughts and then probe:<ul style="list-style-type: none">- Finding out about dormant applications?- Looking into individual student's applications on their behalf?- Identifying learners who attract grant funding (and therefore aren't eligible for an Advanced Learner Loan)? ● Can you talk me through what interactions you have with the Student Loans Company?<ul style="list-style-type: none">● What areas do you require support from the SLC?● How is this the same / different to before the extension?● How helpful has the SLC been? In what ways are they helpful / not so helpful?● What communications have you received from the SLC? How useful has this been? Is it the right amount?● What further support do you feel is required from the SLC?	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to understand how the process of administration loans has been for providers, what are the main difficulties they have encountered personally and with the SLC, and how this might have had an impact on take-up of loans</i></p>
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● **Overall, how confident do you feel about the loans application process, how it works and what you and the learner needs to do?**

● How has this changed since the extension of the loans?

● **What improvements would you suggest to make the administration process easier?**

● For you?

● And for learners?

G) Use of Bursary fund (5 minutes)

<ul style="list-style-type: none">● How much use has been made of your bursary fund so far?<ul style="list-style-type: none">● Specifically among the extension groups? And more generally?● What has the bursary fund primarily been used for (e.g. transport/childcare)? ● Have you had any problems in the administration of your bursary fund? ● Is your Bursary sufficient or do you envisage asking for a further allocation of the bursary fund?<ul style="list-style-type: none">● <i>[IF BURSARY IS NOT SUFFICIENT]</i> Why is your bursary not sufficient? ● How successful do you regard the bursary fund in respect to boosting participation and retention?<ul style="list-style-type: none">● Which groups of learners benefit most from the bursary fund?● Do you think that you would have had the same take-up of courses if the loans bursary had not been available?	<p><i>PROCESS NOTES:</i> <i>Only ask this section to those providers where it is relevant.</i></p>
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H) The future and wrap up (5 minutes)

<ul style="list-style-type: none"> ● Have your perceptions changed towards Advanced Learner Loans, since the extension? <ul style="list-style-type: none"> ● How and in what way? ● <i>Explore positive/negative perceptions</i> ● What do you anticipate the level of take-up to be in the future of Advanced Learner Loans? <ul style="list-style-type: none"> ● Why do you say that? What makes you think that? ● What do you think are the driving factors for this change? ● What, if anything, could help encourage more learners to take-up Advanced Learner Loans? ● Are your expectations the same or different for what you would <i>like</i> the take-up to be? 	<p><i>PROCESS NOTES:</i> The purpose of this section is to sum up the interview and think about the future offer from providers.</p> <p><i>INTERVIEWER NOTES:</i> Explore in this section perceptions on whether the Loan seems like a core opportunity for the provider, or something that will be less appealing for Learners</p>
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THANK PARTICIPANT AND CLOSE INTERVIEW

I declare that this interview has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:	Date:	
Finish time:	Interview Length	Mins

Evaluating the Extension of Advanced Learner Loans

LEARNER GUIDE (45 mins)

J5865

Date 7/11/18

Telephone and face to face

Background for interviewer

Background

From the 2016-17 academic year, Advanced Learner Loans were made available to two new groups of learners; 19-23 year olds studying Level 3 or 4 courses, and those of all ages studying at levels 5 and 6.

The aim of the research is to qualitatively assess the attitudes and experiences of Advanced Learner Loans among individuals in the two groups to which loans were extended in 2016/17. It will also assess the impact on the provider market and awarding bodies. In this research, we will be speaking to Learners, Providers, and Awarding Bodies.

Specifically, this guide will assess how the availability of loans has impacted on the decisions learners make about what to study and how to fund it. This will be explored alongside research we are conducting with providers investigating how they have found the process of promoting and administering the loans for these extension groups, and awarding bodies to explore how the extension of loans has made them think differently about the qualifications they offer.

Since the two extension groups are very different, the research will explore their attitudes and experiences separately.

A) Introduction (2 minutes)

- **Interviewer and IFF introduction:** thank you for taking part in this research that we are conducting on behalf of the Department for Education about Advanced Learner Loans.
- **Background to the research:** We are speaking to learners to understand how the availability of Advanced Learner Loans has impacted on decisions learners have made about their learning and how to fund it.
- The interview will take around 45 minutes to complete. You will be given £25 as a thank-you for completing the interview.
- **Reassurances:** IFF Research is an independent market research company, operating under the strict guidelines of the Market Research Society's Code of Conduct. We will not pass any of your details on to any other companies. It will not be possible to identify any individual in the results that we report to DfE and the answers you give will not be traced back to you.
- **Data use:** All the information we collect will be kept in the strictest confidence and used for research purposes only.
- **Request permission to record:** We like to audio record all interviews of this nature so we don't have to take a lot of notes – the recording will be used for analysis purposes. Is this ok?

Switch digital recorder on if participant agrees to be recorded and confirm verbal consent.

PROCESS NOTES:

The purpose of this section is to thank the participant for agreeing to participate in the research and introduce them to its aims and objectives.

B) Background (5 minutes)

<p>B1 Could you start by telling me a little bit about yourself?</p> <p>PROBES</p> <ul style="list-style-type: none">● Age● Marital status / children / other dependents <p>B2 Are you currently working?</p> <ul style="list-style-type: none">● IF YES: Who do you work for? What type and size of organisation? What is your job role?● IF NO:<ul style="list-style-type: none">● Are you looking for work?● How long have you been looking?● What sort of job are you looking for?● Are you receiving any benefits (Jobseekers Allowance, Employment & Support Allowance etc.)?● Are you looking to gain access to Higher Education? What sort of course / qualifications are you looking to get into? <p>B3 Can you tell me about your educational background?</p> <ul style="list-style-type: none">● What course are you currently studying / have you just completed?● What training provider did you study at?● What other qualifications do you hold?● Do you have any plans to continue studying in the future?● And what are your future in terms of employment / future learning? <p>B4 And what were you doing immediately before you started your course?</p>	<p><i>PROCESS NOTES:</i> <i>The purpose of this section is to briefly gather some background information about the participant.</i></p>
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C) Motivations for studying (5-10 minutes)

<p>Now, we'd like to ask you a few questions about why you decided to take-up your course.</p> <p>C1 Please could you tell me what prompted you to start thinking about doing the course in the first place? Why did you want to do this course in particular?</p> <p>PROBES: Was it...</p> <ul style="list-style-type: none">● A desire to move into a new career?● Seeking to progress in an existing career?● A route (back) into the labour market?● A route into further learning?● A route into future employment?● Factors not related to employment or further study? <p>C2 Tell me about the colleges / training providers that you approached about studying the course.</p> <p>PLEASE PROBE ON THE FOLLOWING IN DETAIL:</p> <ul style="list-style-type: none">● How many different providers did you approach? Why did you approach that many?● How did their course offerings compare?● What sort of information did you receive about course costs and funding options?● How forthcoming were providers about course costs and funding options? <p>IF LEVEL 5/6 LEARNER:</p> <ul style="list-style-type: none">● Did you consider going to university instead of doing your course at college? Why did you decide to do the course at college? <p>C3 How did you decide between the different training providers? What was most important to you when choosing a training provider?</p> <p>PROBES:</p> <ul style="list-style-type: none">● Location● Cost	<p><i>PROCESS NOTES:</i> <i>The purpose of this section is to ask the participant about the motivations they had for studying their course, and considerations they made whilst choosing it.</i></p>
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- Reputation
- Amount / type of information provided
- Course content

C4 What sorts of things were you thinking about when you were deciding to study this course? What things were most important to you? What things might have stopped you from doing the course?

- What sorts of issues did your decision to do this training depend on?
- What sorts of issues might have prevented you from being able to do this course?

PROBES:

- Time constraints e.g. fitting in learning alongside working
- Childcare issues e.g. availability and cost
- Perception of value of FE learning versus on-the-job learning
- Availability of jobs upon completing learning/continuation of job or promotion
- Costs associated with learning:
 - Course costs
 - Learning materials e.g. books, clothing, equipment
 - Travel and transport
 - Money for learning vs money for family
 - Potential loss of earnings while learning

N.B. Considerations associated with cost will be explored in further detail in the next section

D) Funding of course and information on ALL (10 minutes)

<p>Now I'd like to focus on how you considered the cost and funding of your course in more detail</p> <p>D1 How important was the cost of the course when you were thinking about studying? Why was that the case?</p> <ul style="list-style-type: none">● If you had to rank how important it was in relation to the other considerations you mentioned, where would it come? <p>D2 What types of costs did you have to think about?</p> <p>PROBES:</p> <ul style="list-style-type: none">● The course fees● Maintenance costs● Travel costs● Childcare costs● Loss of income due to having to work reduced hours or give up work● Any other costs associated with taking on the course? <p>D3 What funding options were you aware of when you were thinking about doing the course?</p> <p>D4 What sources did you consult for information on funding? How useful were these sources?</p> <ul style="list-style-type: none">● What information would have been useful on funding?● What sources/channels would have been best?<ul style="list-style-type: none">● I.e. on social media, through schools/colleges, etc? <p>IF HAVE NOT MENTIONED ADVANCED LEARNER LOANS SO FAR:</p> <p>D5 What information did you receive from colleges / providers about Advanced Learner Loans? How were they described?</p> <ul style="list-style-type: none">● At what point in the process were Loans introduced to you?● Who told you about them?	<p><i>PROCESS NOTES:</i> <i>The purpose of this section is to delve in further detail into how they considered the cost of their course and the funding options available to them.</i></p>
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**D6 What did they tell you about how Advanced Learner Loans work?
Did you get any information about....?**

- Who is eligible?
- How to apply for one?
- When/how repayments are made?
- Interest paid?
- The Bursary Fund?

Was the information you were given about Loans easy to understand?
If not, what was difficult to understand and what information would
have made this easier?

D7 How did this leave you feeling about Advanced Learner Loans?

E) Views on Advanced Learner Loans

ASK TO LOANS-FUNDED ONLY (20 minutes)

<p>IF COURSE IS ADVANCED LEARNER LOANS-FUNDED:</p> <p>Now, we'd like to ask you a few questions about your decision to fund your learning with an Advanced Learner Loan.</p> <p>E1 Why did you decide to take out an Advanced Learner Loan to fund your current course?</p> <ul style="list-style-type: none"> ● Were there multiple reasons? ● What was the main reason? <p>E2 What aspects were easy about making this decision? And what aspects were more difficult? Why do you say that?</p> <p>E3 What did you think were the pros and cons of funding your studies with an Advanced Learner Loan? What concerns did you have about taking out an Advanced Learner Loan?</p> <p>E4 Have you been able to get all the information you've wanted about Advanced Learner Loans?</p> <ul style="list-style-type: none"> ● What information was easier to get and what was less easy? ● Are there any questions you couldn't get an answer to? <p>E5 How good an understanding would you say you have of Advanced Learner Loans and how they work? Why do you say that?</p> <ul style="list-style-type: none"> ● Are there any aspects of the Loan that you are less clear about? <p>E6 Please could you talk me through what you know about...?</p> <ul style="list-style-type: none"> ● Who is eligible? ● How to apply for one? ● Interest paid? <p>E7 And have you been given any Bursary funding?</p> <ul style="list-style-type: none"> ● If yes, what have you used it for? ● What sort of impact, if any, has this had on your learning? 	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to get an understanding of how those who have taken out an Advanced Learner Loan understand how it works, any gaps in knowledge, and the impact it has had for them.</i></p>
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N.B. if the participant doesn't understand the term 'Bursary' explain that it is money they may have received from their college to help pay for costs associated with doing their course that they don't have to pay back (e.g. help with accommodation, travel and course materials such as books etc.)

Now I'd like to focus on the process of applying for an Advanced Learner Loan

E8 Overall, how did you find the process of applying for a Loan?

- What was easy about it? And what was more difficult?
- When did you start the process?
 - Was it before starting your course or after?

E9 And what was the value of the Loan(s) that you took out?

- Did you consider taking out a different size of loan?

Thanks for that. Now, I'd like to ask you a few questions about the impact of taking-out an Advanced Learner Loan.

E10 Do you think that you would have taken up the course if an Advanced Learner Loan had not been available to you? Why do you say that?

- What would you have done instead if the Loan wasn't available to you?

E11 Do you think that the availability of the Advanced Learner Loan had any impact in terms of...

- The course you ended up doing?
- The training provider you ended up studying at?
- The mode of study (e.g. full-time or part-time)?
- When you started the course?

PROBE AND EXPLORE FULLY REASONS WHY OR WHY IT WOULDN'T HAVE HAD AN IMPACT

E12 And what impact, if any, has taking out an Advanced Learner Loan had on any of the following...

- Your attendance levels? Why?
- The effort that you put into your course? Why?
- Your attitude towards other learners? Why?
- Your attitude towards teaching staff? Why?
- The prospect of you undertaking further studies in the future? Why?
- Your career progression? Why?
- Your promotion prospects in your existing career? Why?
- In any other area? Why?

PROBE AND EXPLORE FULLY REASONS WHY OR WHY IT WOULDN'T HAVE HAD AN IMPACT

F) Views on Advanced Learner Loans – ASK TO NON-LOANS FUNDED ONLY (10 minutes)

<p>IF COURSE IS NOT ADVANCED LEARNER LOANS-FUNDED:</p> <p>Now, we'd like to ask you a few questions about your decision to not fund your learning with an Advanced Learner Loan.</p> <p>When we spoke to you before today you said that the course was funded by [X]. Can I just check that this is correct?</p> <p>F1 Why did you decide not to fund your current course with an Advanced Learner Loan? What made the Loan an unsuitable option for you?</p> <p>F2 What aspects were easy about making this decision? And what were more difficult? Why do you say that?</p> <p>F3 What, if anything, about the Advanced Learner Loan was appealing to you?</p> <p>F4 What would've needed to have been different for you to take out an Advanced Learner Loan?</p> <ul style="list-style-type: none"> ● If you had your time again, would you make the same decision not to take out a Loan? Why / why not? <p>F5 If you had funded your course with an Advanced Learner Loan, do you think it would have made any difference in terms of your attitude towards the course?</p> <ul style="list-style-type: none"> ● Your attendance levels? Why? ● The effort that you put into your course? Why? ● Your attitude towards other learners? Why? ● Your attitude towards teaching staff? Why? <p>F6 And do you think that funding your course with an Advanced Learner Loan would have had any impact on any of the following...</p> <ul style="list-style-type: none"> ● The prospect of you undertaking further studies in the future? Why? ● Your career progression? Why? ● Your promotion prospects in your existing career? Why? ● In any other area? Why? 	<p><i>PROCESS NOTES:</i></p> <p><i>The purpose of this section is to get an understanding of why the participant has not taken out an Advanced Learner Loan, and explore the key barriers driving this decision</i></p> <p><i>INTERVIEWER NOTES:</i></p> <p><i>Try to draw out the key barriers to the Loan, and any potential draws that could be appealing.</i></p>
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G) Future plans & wrap-up (5 minutes)

<p>G1 Finally, we'd like to talk about what you are planning to do in the future. What do you plan to do once you have finished your course / now?</p> <ul style="list-style-type: none"> Do you plan on getting a job? Do you plan on doing any further learning in the future? <p>IF COURSE IS NOT ADVANCED LEARNER LOANS-FUNDED:</p> <ul style="list-style-type: none"> Do you think you would have had different plans if you had of taken out an Advanced Learner Loan to fund your course? Why do you say that? <p>IF COURSE IS ADVANCED LEARNER LOANS-FUNDED:</p> <p>G2 When do you think that you might be earning enough to start making payments on your Advanced Learner Loan?</p> <ul style="list-style-type: none"> Why do you say that? <p>G3 Do you think that having to pay back your Advanced Learner Loan will have any impact on you doing another course in the future?</p> <ul style="list-style-type: none"> Why do you say that? <p>Is there anything that you'd like to add about your experience that we've not already discussed?</p>	<p>PROCESS NOTES:</p> <p><i>The purpose of this section is to find out what learners are planning to do now that they have / once they have finished their course.</i></p> <p><i>Do they plan on getting a job or doing further studies? And what sort of impact, if any, has having an Advanced Learner Loan had on this decision?</i></p> <p><i>Please note: the current repayment threshold for Advanced Learner Loans is £21,000 per annum.</i></p>
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THANK PARTICIPANT AND CLOSE INTERVIEW

I declare that this interview has been carried out under IFF instructions and within the rules of the MRS Code of Conduct.		
Interviewer signature:	Date:	
Finish time:	Interview Length	Mins



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for Education

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