



Education & Skills
Funding Agency

**This document has
been withdrawn as it is
out of date**

Advanced Learner Loans Funding and Performance Management Rules 2017 to 2018

Advanced Learner Loans

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

Purpose of Webinar

- Overview of the Advanced Learner Loans Funding and Performance Management Rules 2017 to 2018 .
- Focus on key changes for 2017 to 2018 and how the funding rules support the learner journey.
- In particular we will:
 - Section 1: Summarise the changes to the rules
 - Section 2: Take you step by step through the 5 stage learner journey
 - Section 3: Confirm new performance management rules and changes to the growth process

Useful Documents

- [Advanced Learner Loans Funding rules 17/18V2](#)
- [Maximum Loan amounts for designated qualifications](#)
- [Advanced Learner Loans qualifications catalogue](#)
- [Advanced Learner Loans Prospectus for Awarding Organisations](#)
- [Learning and Funding Information Letter and Guidance](#)

Section 1 – Summary of changes

Funding Rules – key changes

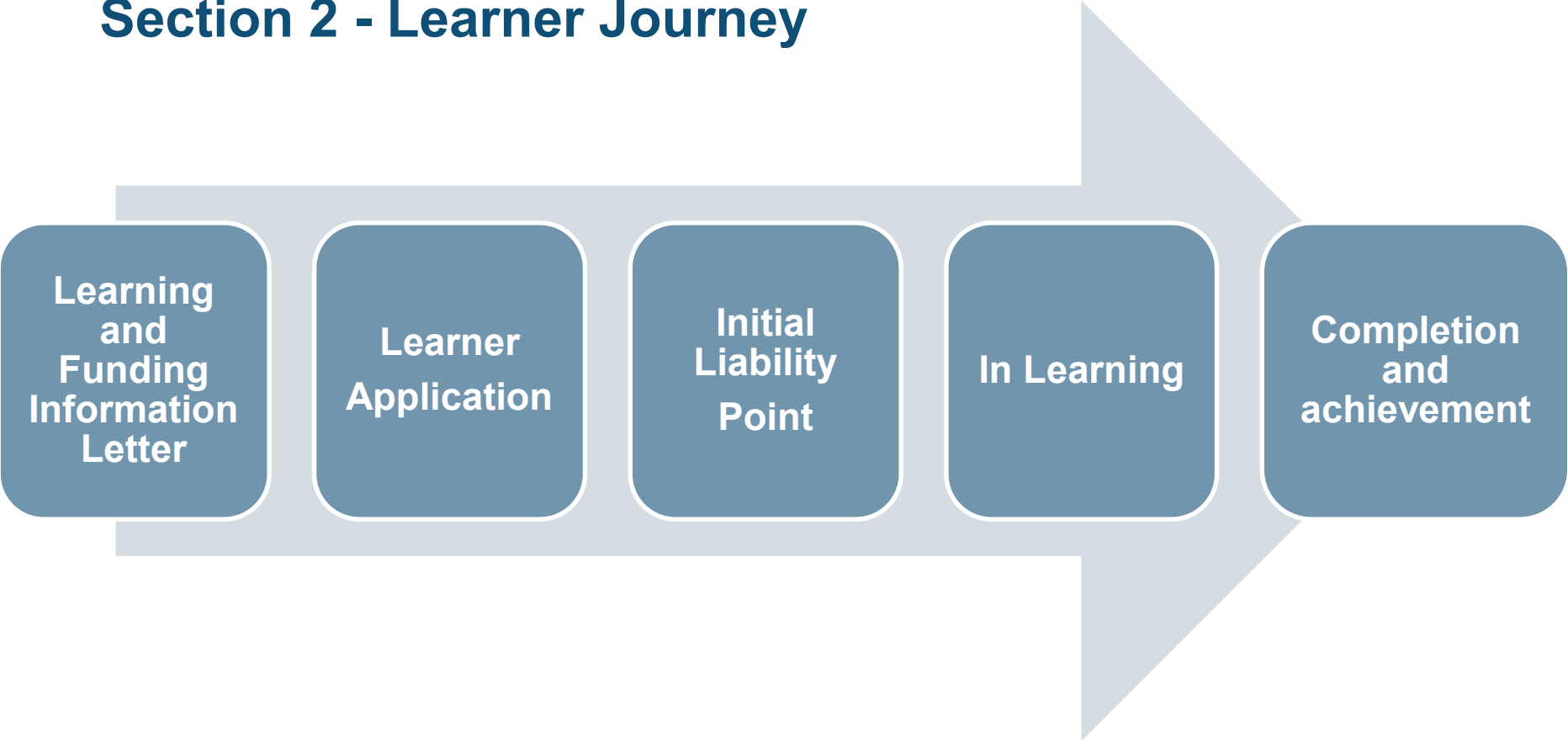
- Reduction in the number of guided learning hours for designated qualifications at Levels 4, 5 and 6.
- Providers must recruit loans learners directly and not engage a broker or third party to recruit loans learners on their behalf.
- Delivery of loans-funded provision must be done directly – subcontracting is **not** permitted. To support this direct centre approval or direct qualification approval from an Awarding Organisation must be held.
- Learner eligibility extended to members of the UK armed forces serving overseas, and family members living with them, who are aged 19+.

Performance Management Rules

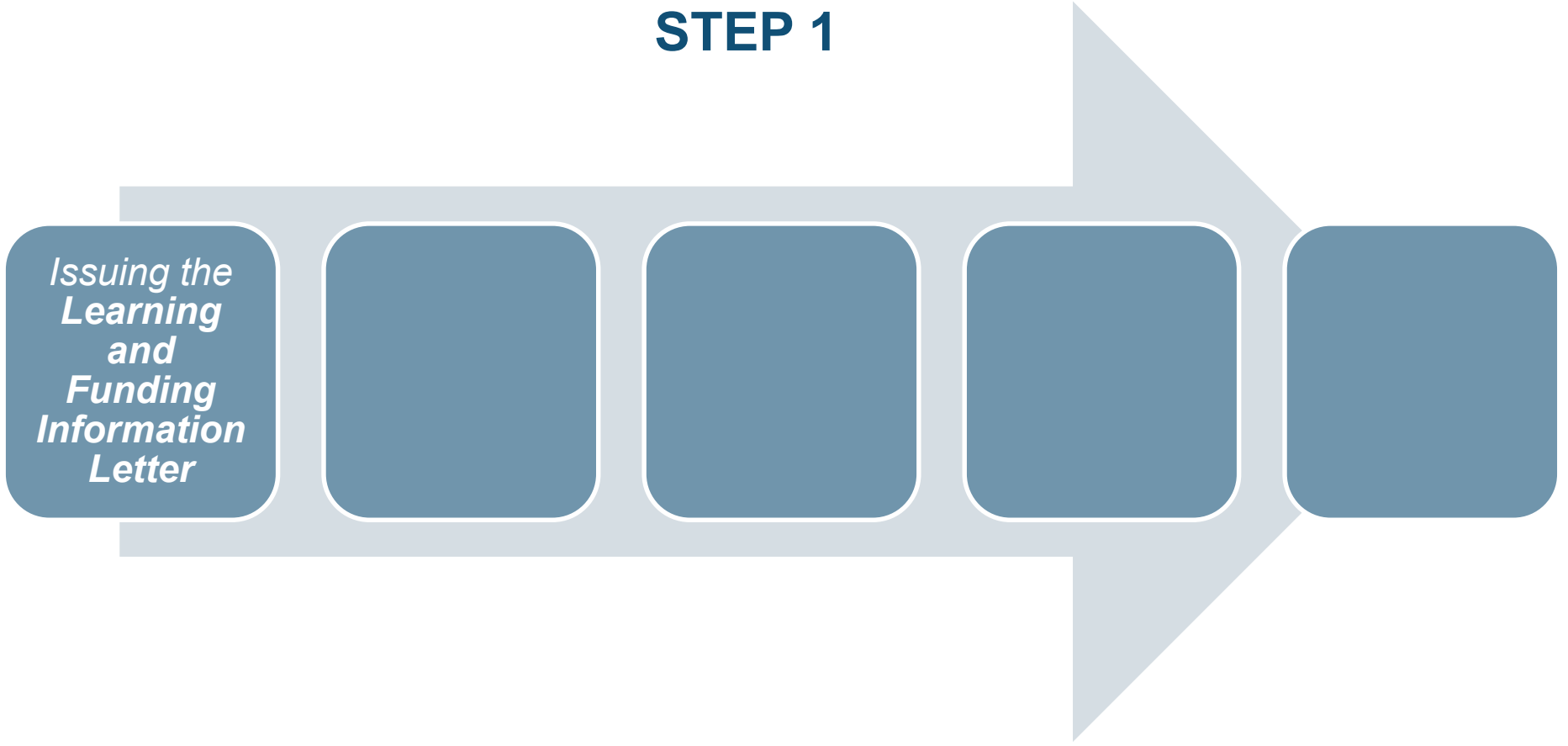
- Key changes:
 - new Performance management process
 - criteria and process for requesting growth of loans facility and/or loans bursary allocation
 - criteria and process for requesting a loans facility, and loans bursary, for the first time

Section 2 - Learner Journey

Section 2 - Learner Journey



STEP 1



*Issuing the
Learning
and
Funding
Information
Letter*

Step 1 - Issuing a 'Learning and Funding Information Letter'

Requirements:

- if learner is aged 19 to 23 check if they have a legal entitlement to a fully funded first full Level 3 qualification
- assess learner's needs and aptitude to undertake a designated loans qualification [Retain evidence in learner file]
- check (before issuing the letter) there is sufficient loans facility to cover loans payments in the funding year if the loan is approved
- you must issue a learning and funding information letter in line with the ESFA template [Retain copy of letter in learner file] and remember
- you must not influence a learner's decision on whether to apply for a loan

Step 1 – Issuing the ‘Learning and Funding Information Letter’

Good practice

- Make use of provider and learner resources on the [practitioner site](#) and ensure colleagues across the organisation are aware of the range of material available, for example:
 - guidance on talking to learners about loans
 - services offered by the Money Advice Service
 - learner/provider case studies and videos
- Use the learning and funding information letters to aid planning of loans-funded provision.

STEP 2

*Issuing the
Learning
and
Funding
Information
Letter*

**Learner
Application**



Step 2 – learner application

Requirements:

- monitor progress of the loan application through the learning provider portal
- identify any learning or learner support needs fundable through the loans bursary
- you must not complete a loan application form on behalf of a learner

STEP 3

Issuing the
Learning
and
Funding
Information
Letter

Learner
Application

Initial
Liability
Point



Step 3 – Initial liability point (after 2 weeks)

Requirements:

- record learner's ULN in the SLC learning provider portal
- confirm attendance to SLC after two weeks' attendance
- set up and maintain learner file
- register learner for qualification
- set up ILR record for learner
- ensure SLC portal and ILR data match

Good practice:

- retain evidence of learner registration with awarding organisation in learner file

STEP 4

Issuing the
Learning
and
Funding
Information
Letter

Learner
Application

Initial
Liability
Point

In
Learning



Step 4 – in learning - Overview

Requirements:

- understand and operate within the funding rules and the loans facility agreement
- deliver learning to the highest quality **directly**, in line with agreement with the learner. Loans-funded provision is in scope for, Inspection and Minimum Standards
- regular monitoring of the loans facility based on accurate and timely data to SLC and ESFA
- have a comprehensive complaints process in place and respond to learner complaints as necessary
- manage learner 'change in circumstances'

Managing changes in learners' circumstances

- Changes must be administered in line with SLC's guidance on the learning provider services website
- SLC must be told as soon as possible if a learner's circumstances change as this will reduce the risk of a learner becoming liable for a loan for a qualification they are no longer studying
- If there is a change to the qualification a learner is studying, or a change to the fee charge, a new learning and funding information letter must be issued to the learner
- Where relevant, changes must also be reflected in the ILR

STEP 5

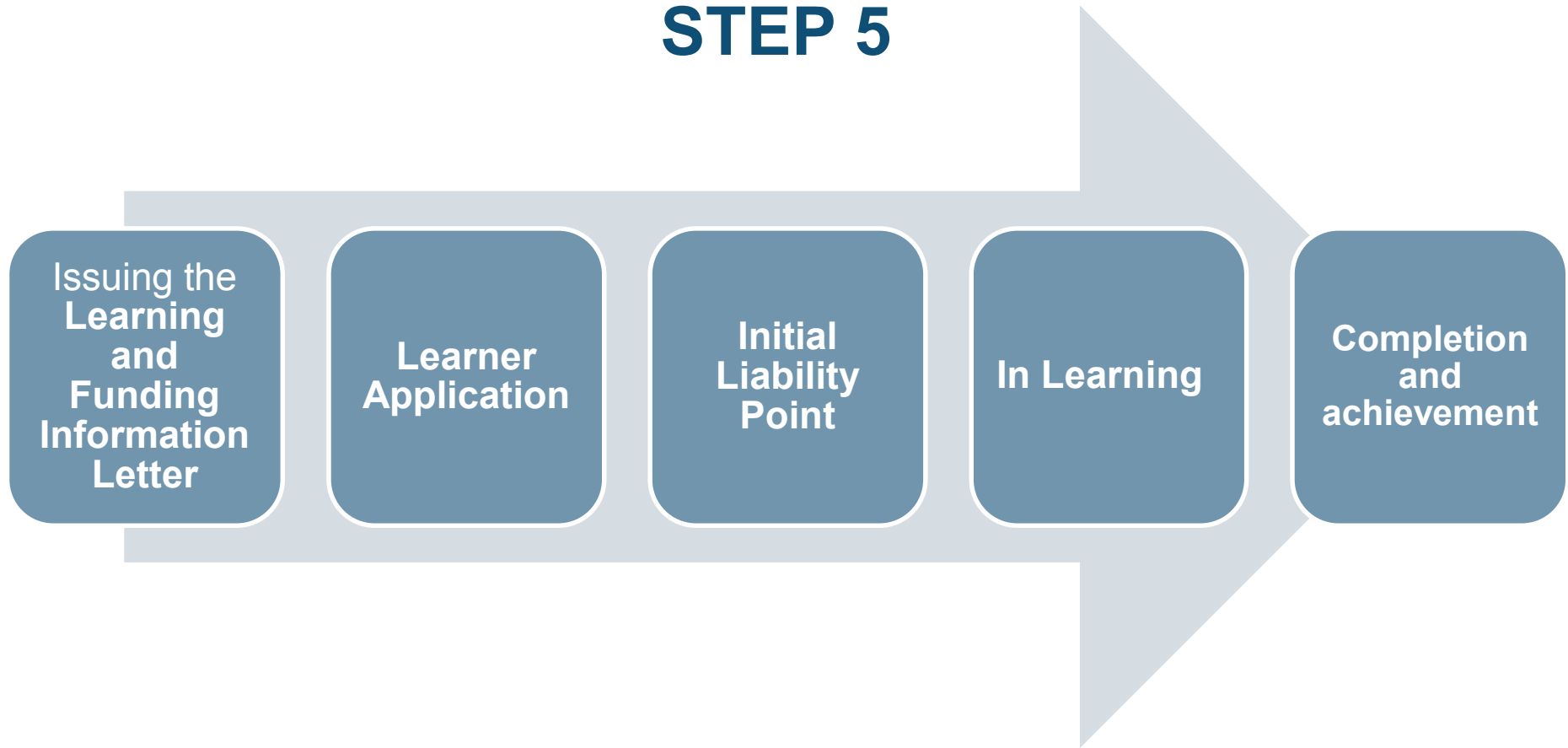
Issuing the
Learning
and
Funding
Information
Letter

Learner
Application

Initial
Liability
Point

In Learning

Completion
and
achievement

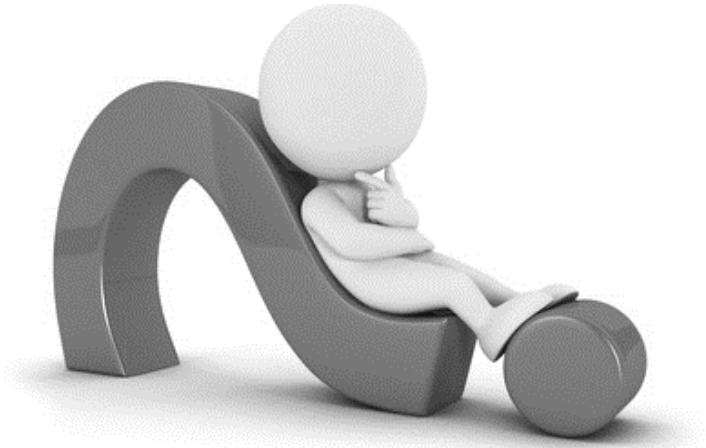


Step 5 Completion and achievement

Requirements:

- follow the awarding organisation's procedures for claiming the relevant certificate
- ensure the certificate is given to, or forwarded to, the learner
- update ILR record

Questions?



Section 3 – Performance Management

- Managing your facility.
- Performance management arrangements.
- Growth process changes.

Managing your loans facility (1)

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

Managing your loans facility (2)

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

Performance Management (1)

- There are 3 performance-management points (PMP) in the funding year:

PMP Point	Month	
PMP1	September 2017	Growth only – no reductions
PMP2	January 2018	Growth and reductions
PMP3	March 2018	Growth and reductions

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

Performance Management (2)

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

PMP Point	%
September 2017	No reductions
January 2018	15%
March 2018	10%

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

How the Reduction Calculation Works

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

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

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

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

Performance Management – Growth Requests

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

PMP Point	Dates
PMP1	8 and 22 Sept 2017
PMP2	12 and 26 Jan 2018
PMP3	23 March and 6 April 2018

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

Requests for growth (1)

- If, at 1 September 2017, the 2017 to 2018 loan facility is of up to £500,000, a maximum growth limit of £250,000 will apply for the funding year.
- If, at 1 September 2017, the 2017 to 2018 loan facility is of more than £500,000 a maximum growth limit of £750,000 or 50% of the 2017 to 2018 loan facility value at September 2017 (whichever is lower), will apply for the funding year.

Requests for growth (2)

- If an Ofsted inspection has not taken place and/or a provider has not yet had their qualification achievement rates assessed against the ESFA's minimum standards, growth will be limited to £250,000 for the funding year.
- We will consider awarding growth above £250,000 if the loan facility value at 1 September 2017 is more than £500,000 and if:
 - the provider is inspected by Ofsted and will achieve an overall grade of good or outstanding; or
 - the qualification achievement rates for 2016 to 2017 are assessed as being above the ESFA's minimum standards

Growth Criteria

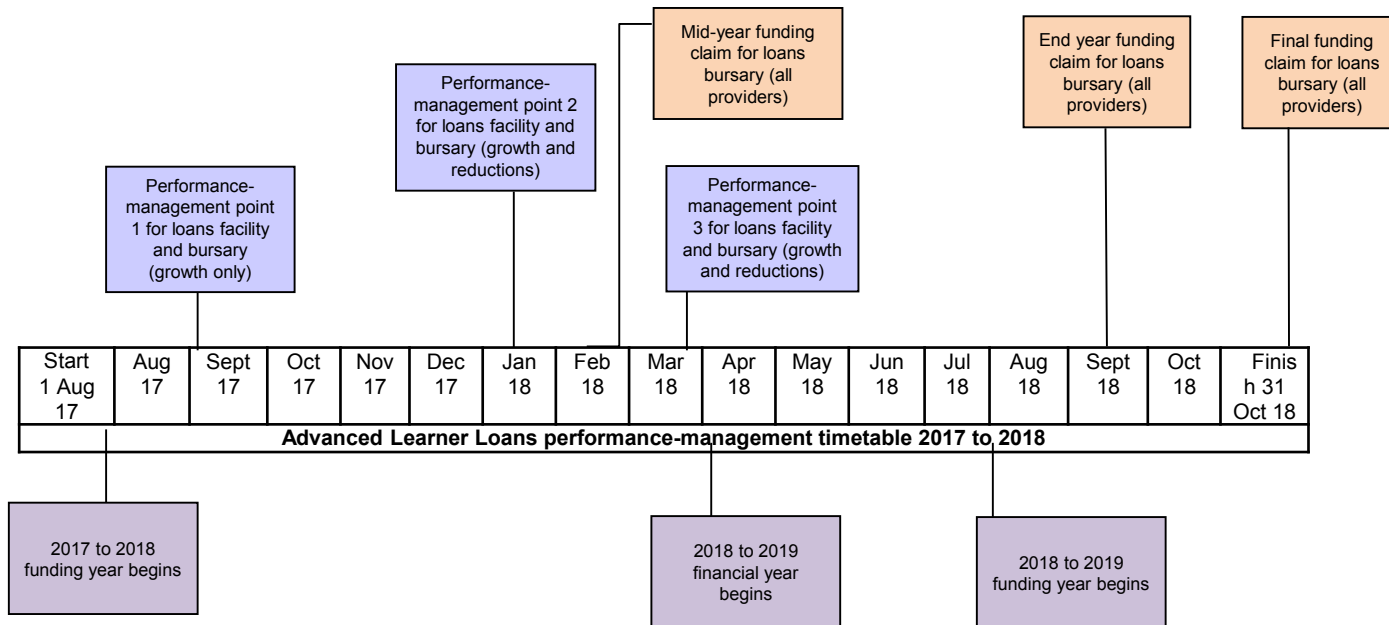
Our criteria for awarding an increase to a loan facility **providers must:**

- be listed on the [Register of Training Organisations](#) and have completed the capacity and capability questions successfully
- can prove there is demand from employers or learners
- not be under notice for failure of inspection, financial health or financial control
- not be under notice for minimum standards for 19+ education and training or apprenticeship provision
- have a good track record

Growth Criteria - cont

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

Performance-management timeline



Recording data on the Individualised Learner Record (ILR)

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

Useful Documents

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- [Maximum Loan amounts for designated qualifications](#)
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Any further questions

**If you have any further questions please email
advancedlearnerloans@sfa.bis.gov.uk**

