

## SCHEDULE 1: SPECIFICATION & MONITORING

### ADVANCED LEARNER LOANS SPECIFICATION

#### Definitions

<p><b>“Advanced Learner Loans Funding and performance management Rules”</b></p>	<p>means the rules that apply to providers of education and training who hold a loans facility and loans bursary Agreement as detailed at</p> <p><a href="http://www.gov.uk">Advanced learner loans funding rules: 2022 to 2023 - GOV.UK (www.gov.uk)</a></p> <p>The «ProviderTerm» shall note that each amended and updated version of the Advanced Learner Loans funding and performance management rules will form part of this Agreement as if it was the version referred to at the Agreement Date.</p>
<p><b>“Advanced Learner Loans Provision”</b></p>	<p>means technical qualifications at levels 3, 4, 5 and 6 in the learning aims section of the <a href="#">Find a Learning Aim Service</a> and the <a href="#">ESFA list of qualifications approved for public funding</a> and the Loans Bursary.</p>
<p><b>“Funding Claims &amp; Reconciliation Guidance”</b></p>	<p>means</p> <p><a href="http://www.gov.uk">ESFA funding claims and reconciliation - GOV.UK (www.gov.uk)</a></p>
<p><b>“Loans Bursary”</b></p>	<p>means funding to help vulnerable and disadvantaged Learners who are being funded through a Loan; up to the value confirmed in Schedule 2, Payments.</p>
<p><b>“Loans Facility”</b></p>	<p>gives the «ProviderTerm» the authority to access Loans funding from the SLC, up to the value confirmed in Schedule 2, Payments, and offer Loans funded learning to Learners.</p>
<p><b>“Loans Prospectus”</b></p>	<p>means</p> <p>How Awarding Organisations will update the qualifications eligible for loans support.</p> <p><a href="http://www.gov.uk">Advanced learner loans: an overview - GOV.UK (www.gov.uk)</a></p>
<p><b>“Loans Regulations”</b></p>	<p>means the Further Education Loans Regulations 2012 as detailed at</p> <p><a href="http://legislation.gov.uk">The Further Education Loans Regulations 2012 (legislation.gov.uk)</a></p>

<p><b>“Maximum Loan Amount Guidance”</b></p>	<p>means the maximum loan amounts for designated qualifications as detailed at</p> <p><a href="https://www.gov.uk/government/publications/maximum-loan-amounts-for-advanced-learner-loans-designated-qualifications-2022-to-2023">Maximum loan amounts for advanced learner loans designated qualifications 2022 to 2023 - GOV.UK (www.gov.uk)</a></p>
<p><b>“Monitoring the Funding Rules”</b></p>	<p>the document that lists how the Department will monitor the data reported to us by the «ProviderTerm» to provide financial assurance as detailed at</p> <p><a href="https://www.gov.uk/government/publications/esfa-financial-assurance-monitoring-the-funding-rules">ESFA financial assurance: monitoring the funding rules – GOV.UK (www.gov.uk)</a></p>
<p><b>“Monitoring Report User Guide”</b></p>	<p>means the document detailing the reports published by the Department and the guidance and process that «ProviderTerm» must follow to comply with the Advanced Learner Loans Funding and performance management Rules</p> <p><a href="https://www.gov.uk/government/publications/esfa-financial-assurance-monitoring-the-funding-rules">ESFA financial assurance: monitoring the funding rules - GOV.UK (www.gov.uk)</a></p>
<p><b>“SLC”</b></p>	<p>means “Student Loans Company”, the organisation that administers Further Education Loans in England.</p>
<p><b>“SLC Service Agreement”</b></p>	<p>means</p> <p>The service agreement between the Student Loans Company and the «ProviderTerm».</p> <p><a href="https://www.slc.co.uk/service-definition-and-service-agreement-our-services">Service definition and service agreement, Our services   LP Services (slc.co.uk)</a></p>
<p><b>“User Guide for the Learning Provider Portal”</b></p>	<p>means</p> <p>Guidance on the administration of SLC Learning Provider Portal.</p> <p><a href="https://www.slc.co.uk/user-guides">User guides - Learning Provider Services (slc.co.uk)</a></p>

## Summary of Service

1. Advanced Learner Loans provide a source of fees and support to help people aged 19 and over undertake general and technical qualifications at levels 3, 4, 5 and 6 that will be provided by the «ProviderTerm».
2. Funding is for the 2022 to 2023 Funding Year, 1<sup>st</sup> August 2022 to 31<sup>st</sup> July 2023.
3. The legal basis for this Service is the Teaching & Higher Education Act 1998 and the Further Education Loans Regulations 2012.

4. Failure to comply with this Specification will be a breach of this Agreement. If the Service is terminated, the Department will remove the «ProviderTerm»'s eligibility to offer Loans-funded places to Learners.

### **Service Commencement and Duration**

5. Advanced Learner Loans Service Start Date: 23rd May 2022.
6. Advanced Learner Loans Expiry Date: 31<sup>st</sup> October 2023.

### **Service Requirements**

#### Recruitment

7. The «ProviderTerm» shall recruit eligible Learners onto this service from the Service Start Date until 31<sup>st</sup> July 2023.
8. The recruitment will comply with the Advanced Learner Loans Funding and performance management Rules, SLC Service Agreement and User Guide for the Learning Provider Portal.
9. The «ProviderTerm» shall aim to maximise the use of the Loans Facility and Loans Bursary fund as set out in Schedule 2, Advanced Learner Loans Payments through its recruitment.
10. The «ProviderTerm» shall not recruit Learners from another contractor that has ceased trading or has had their contract terminated by the Department, without the permission of the Department.
11. Funding for Learners to complete their qualification after the 31<sup>st</sup> July 2023 will be made available in a subsequent agreement, subject to budget availability.

#### Outputs

12. The «ProviderTerm» will deliver the Advanced Learner Loans Provision set out in the Advanced Learner Loans Funding and performance management Rules to the requirements set by the Department between 1<sup>st</sup> August 2022 and 31<sup>st</sup> July 2023. The Department may update the technical qualifications at levels 3, 4, 5 and 6 in the learning aims section of the [Find a Learning Aim Service](#) and the [ESFA list of qualifications approved for public funding](#) from time to time as set out in the Loans Prospectus.
13. The «ProviderTerm» will maximise the number of Learners that achieve a qualification. The Department will monitor the achievement rate.
14. The «ProviderTerm» will maintain evidence of the delivery of the Service as set out in the Advanced Learner Loans Funding and performance management Rules.

15. The «ProviderTerm» will support eligible Learners by using the Loans Bursary to fund hardship, childcare, residential support, and learning support as set out in the Advanced Learner Loans Funding and performance management Rules.
16. The «ProviderTerm» will support eligible Learners using Exceptional Learning Support where applicable as set out in the Advanced Learner Loans Funding and performance management Rules.
17. The «ProviderTerm» is responsible to the Learner for the direct delivery of the Provision and will be liable to make any repayment of fees incurred by the Learner to the SLC in the event that;
  - a. the «ProviderTerm» fails to deliver the Provision as agreed with the Learner; or
  - b. there is evidence that Learners have not been registered for the qualification or registered within Awarding Organisation guidelines; or
  - c. there is evidence that the «ProviderTerm» has not followed an Awarding Organisation's policies and procedures.
18. In delivering the Advanced Learner Loans Provision, the «ProviderTerm» will comply with the Advanced Learner Loans Funding and performance management Rules.
19. In accordance with paragraph 31 of the Advanced Learner Loans Funding and performance management Rules the «ProviderTerm» must not sub-contract Advanced Learner Loans Provision delivery or administration. For the avoidance of doubt Clause 30 Assignment and Sub-Contracting of the Agreement does not apply for the purposes of Advanced Learner Loans Provision.
20. The «ProviderTerm» must deliver the Advanced Learner Loans Provision in England only.
21. The «ProviderTerm» will deliver the Service in a way that ensures
  - a. value for money;
  - b. the protection of public funds;
  - c. the effective delivery of a high-quality service for Learners appropriate to their needs; and
  - d. meets the public benefit test.

#### Advanced Learner Loans Provision Administration

22. Where the Service is continued from the 2021 to 2022 Funding Year, the «ProviderTerm» must migrate data for continuing Learners from the 2021 to 2022 ILR to the 2022 to 2023 ILR. The «ProviderTerm» must submit this

data in the first ILR data return for 2022 to 2023, as set out in Appendix B – Migration Specification of the ILR specification for 2022 to 2023.

23. The «ProviderTerm» will submit Learner Data to the Department to comply with Clause 21, Submission of Learner Data of the Agreement. The data will be accurate and based on evidence or base documentation and align with the data submitted to the SLC by the «ProviderTerm». Failure to submit records for less than 95% of Learners and their learning supported by Advanced Learner Loans at any time during the delivery of this Service will be a Minor Breach of the Agreement.
24. The «ProviderTerm» shall complete the Learner's qualification on or before the planned end date in the data submitted in the ILR. Where the «ProviderTerm» misses this date, the Department may consider this a Minor Breach of the Agreement.
25. Where required, the «ProviderTerm» shall submit funding claims in line with Schedule 1B, Advanced Learner Loans Monitoring.
26. The «ProviderTerm» will support the five stages of loans administration as set out in the Advanced Learner Loans Funding and performance management Rules.
  - a. Stage 1 – Issuing the Learning and Funding Information Letter
  - b. Stage 2 – The Learner Application
  - c. Stage 3 – The Initial Liability Point
  - d. Stage 4 – In Learning
  - e. Stage 5 – Completion and Achievement
27. The «ProviderTerm» must deliver the Advanced Learner Loans Provision set out in the SLC Service Agreement and the User Guide for the Learning Provider Portal. Failure to meet SLC's service requirements will be a Minor Breach of this Agreement.
28. The «ProviderTerm» must repay any funds paid in error by the SLC including where the «ProviderTerm» has not informed the SLC that a Learner has withdrawn from or changed their qualification. The «ProviderTerm» will repay within 30 days of being requested to do so by the SLC. The Department may recover any payments by offsetting against other Services funded by the Department. Failure to repay the funds will be a Serious Breach of this Agreement.
29. The «ProviderTerm» cannot exceed for any reason the Loans Facility and Loans Bursary contract allocations except by an agreed variation to this Agreement.
30. The «ProviderTerm» must inform the Department of any changes to their bank details. The «ProviderTerm» must not use the new account until the account has been verified by the Department. ([Provide information about your banking and payments to DfE - GOV.UK \(www.gov.uk\)](#) )

## **The Department**

31. The Department will set out the maximum amount that can be claimed from the SLC for the delivery of a qualification supported by a loan in the Maximum Loan Amount Guidance.
32. The Department will pay for the Advanced Learner Loans Provision as set out in Schedule 2, Advanced Learner Loan Payments.
33. The Department will pay for Exceptional Learning Support as set out in Schedule 2, Exceptional Learning Support Payments.
34. The Department will supply the «ProviderTerm»'s verified bank details to the SLC to enable the SLC to pay for the delivery of the loans supported qualifications.
35. The Department will monitor the Advanced Learner Loans Provision as set out in Schedule 1B, Advanced Learner Loans Monitoring.

## **SCHEDULE 1B: MONITORING**

### **ADVANCED LEARNER LOANS MONITORING (PAY ON PROFILE)**

#### **Monitoring of ILR Submission**

1. The Department will monitor and review the data submitted under Clause 21, Submission of Learner Data of this Agreement to ensure that payments are made in accordance with the requirements set out in “Financial Assurance: Monitoring post-16 funding for 2022 to 2023” at [ESFA financial assurance: monitoring the funding rules - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/esfa-financial-assurance-monitoring-the-funding-rules).
2. The Department will publish monitoring reports on [View your education data](#). The «ProviderTerm» must access the monitoring reports every month and amend any errors for the next submission by taking the actions specified in the report user guide. Failure to amend the data as required will constitute a Minor Breach of Agreement in accordance with Clause 34 of the Agreement.
3. If served with notice of a breach, the «ProviderTerm» must correct data or supply the Department with evidence within the period specified in the notice. This evidence can include digital copies of documents such as Learner files, commitment statements or employer declarations. Annotated spreadsheets or notes are not acceptable as evidence.
4. Where data is incorrect in the final data submission of the academic year the Department will recover the payments associated with the incorrect data.

#### **Monitoring of SLC Data Submission**

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

#### **Loans Facility and Loans Bursary Performance Management**

6. The Department will review the performance of the Services as set out in the Advanced Learner Loans Funding and performance management Rules. Where the performance of the Service is below the published tolerances and thresholds, the Department will reduce the contract allocation in line with the Advanced Learner Loans Funding and performance management Rules.
7. At the performance management points set out in the Advanced Learner Loans Funding and performance management Rules, the Department may invite «ProviderTerm»s to submit requests for increases to its Funding. The Department will award growth in-line with the criteria set out in the Advanced Learner Loans Funding and performance management Rules.

## **Loans Facility Monitoring**

8. It is not permitted to vire the Funding between the Loans Bursary and Loans Facility without an agreed variation in writing to this Agreement (in accordance with Clause 44, Amendments to this Agreement, of the Agreement).
9. The Loans Facility cannot be exceeded for any reason except by an agreed variation in writing to this Agreement.
10. The Department will instruct the SLC to stop approving new Loans Facility applications and/or to stop making Loans Facility payments to the «ProviderTerm», and/or reclaim any Loans Facility payments made, where the «ProviderTerm» exceeds its Loans Facility without agreement, breaches the Agreement or goes into administration or liquidation.

## **Loans Bursary Reconciliation**

11. The Department will reconcile the «ProviderTerm»'s earnings against the payments made. The reconciliation will be to the timetable set out in the Advanced Learner Loans Funding and performance management Rules and will follow the process in the Funding Claims & Reconciliation Guidance. The Department will calculate the earnings using the formula set out in the Advanced Learner Loans Funding and performance management Rules.
12. Failure to submit an in-year forecast or final claim to the published timescales will constitute a Minor Breach of this Agreement and any reconciliation will be at the Department's discretion.
13. Where the «ProviderTerm»'s actual delivery in the final claim, as against the contract allocation, will result or has already resulted in an overpayment by the Department to the «ProviderTerm», the Department will deduct the amount owed over the remainder of the Financial Year as defined in Clause 26.1.5 and may offset the overpayment against other payments being made to the «ProviderTerm». Where the overpayment cannot be recovered from future payments within the Financial Year, the Department will invoice the «ProviderTerm» for the remaining debt and the «ProviderTerm» will pay the invoice within 30 days.
14. Where the «ProviderTerm»'s actual delivery in the final claim, has exceeded the contract allocation, the «ProviderTerm» does so at their own risk. The Department may pay for the over-delivery, subject to budget availability and funding policy at the time.
15. Should there be an under or over payment to the «ProviderTerm», the Department will consider the underlying causes for that, in accordance with the Advanced Learner Loans Funding and performance management Rules and, may at its absolute discretion require a variation to amend the contract allocation in the current or future years.



16. Where either the in-year forecast (based at the mid-year funding claim), amount of Loans Bursary spend, or the final outturn of Loans Bursary Funding used from the prior year, is below 75% of the contract allocation, the Department, will review the Loans Bursary allocation, and will, at its own discretion, reduce the contract allocation in the Agreement down in line with the in-year forecast or prior year outturn.
17. For the purposes of this process, the mid-year claim reconciliation constitutes a debt for the purposes of Clause 26.1.5 of the Agreement.

## **SCHEDULE 2: PAYMENT**

### **ADVANCED LEARNER LOANS PAYMENT (PAY ON PROFILE)**

#### **Advanced Learner Loans Facility**

1. The Loans Facility will be paid by the SLC as set out in the SLC Service Agreement. The Department will not pay for the Loans Facility.
2. The «ProviderTerm»'s Loans Facility is set out in the Funding Agreement of this Schedule.

#### **Advanced Learner Loans Bursary**

3. The Department will pay the «ProviderTerm» the Funding set out in the Funding Agreement of this Schedule on the 14<sup>th</sup> Working Day of each month.
4. Under Item 5A to Group 6 of Schedule 9 of the VAT Act 1994, the supply of education or vocational training funded by the Department and the supply by the person providing that education or vocational training, of any goods or services essential to that provision, is considered to be an exempt supply for VAT purposes. The Department is generally unable to recover any Value Added Tax charged. The maximum sum payable as Funding under this Agreement, as set out in the Funding Agreement of this Schedule is inclusive of all of the costs of the service including, but not limited to, any other VAT or taxes to be charged, where they apply.

#### **Adult Exceptional Learning Support**

5. The «ProviderTerm» must submit a planned claim for Exceptional Learning Support at the start of the Funding Year in line with the process and eligibility set out in the Advanced Learner Loans Funding and performance management Rules. The «ProviderTerm» must not incur costs until the planned claim for support has been approved by the Department.
6. The Department will only fund planned claims agreed before the end of the Funding Year, 31<sup>st</sup> July 2023.
7. The Department will only pay final claims that meet the eligibility requirements in the Advanced Learner Loans Funding and performance management Rules and are received by the Department before the claim deadline of 19<sup>th</sup> October 2023.
8. The Department will pay final claims in December 2023.

## **Funding Agreement**

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