



Department for Business, Innovation & Skills

Response form: Further Education Maintenance Loans

The Department may, in accordance with the Code of Practice on Access to Government Information, make available, on public request, individual responses.

The closing date for this consultation is 16/06/2016

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Please tick a box from the list of options below that best describes your role or organisation.

	Further Education College
	National College
	Training Organisation
	Further Education sector representative body
	Higher Education Institution
	Alternative Provider of Higher Education
	Central government
	Charity or social enterprise
	Individual*
	Large business (over 250 staff)
	Legal representative
	Local Government
	Medium business (50 to 250 staff)
	Micro business (up to 9 staff)
	Small business (10 to 49 staff)
	Trade union or staff association
X	<p>Other (please describe)</p> <p>The Federation of Awarding Bodies (FAB) is the membership organisation for vocational awarding bodies and we currently have over 120 awarding bodies in membership. Our members range from larger generic awarding bodies to small specialist organisations. We also have more than thirty professional bodies in membership.</p> <p>Our members award a range of professional and technical qualifications at a range of levels, including</p>

levels 4-6, to support learners in their progression into professions and throughout their careers. Our members are committed to the quality and rigour of these qualifications and to ensuring they equip learners with the skills, knowledge and attributes that are required to work to a competent standard in their chosen jobs roles or to progress into further learning and education.

The Federation wishes to make the following submission for your consideration. This response is submitted on behalf of the FAB membership following consultation with them and with the Federation's Board of Directors. A draft response was provided by the Federation and circulated to all members for comment. Comments received were incorporated into the final response. However, Awarding Bodies are a diverse community and our members may wish to make their own individual submissions containing their own particular perspectives and emphases, in addition to any comments forwarded to FAB for inclusion in this overall response.

The Federation's response has been produced to address only the questions within the consultation that we feel are of particular relevance to our members.

Please indicate if your institution would be interested in potentially becoming an Institute of Technology.

Yes

No

* "Individual" is intended to cover learner/parent/tutors responding to this consultation in a personal capacity rather than on behalf of their employer.

Question 1 (see pages 9-11)

Q1. Do you support the idea of introducing maintenance loans into the FE system for technical and professional learning?

X **Yes** **No**

The Federation believes that making maintenance loans available for technical and professional learning could remove a financial barrier that some learners face in the current system. In tandem with the forthcoming expansion in the eligibility for Advanced Learner Loans it would be beneficial to also remove the wider financial barrier that learners may face in terms of financing living costs during their period of study.

We welcome the proposal to take steps to level the playing field for FE learners and bring the loans they can access more into line with those that are currently available to learners who choose to pursue HE courses. We feel it is an important step forward for learners who wish to pursue a technical/professional route. It is also an important signal that technical/professional learning is valued by the government to the extent that it is prepared to invest in the provision of a maintenance loans facility to support access to this type of learning as well to more traditional academic learning routes.

We would suggest that consideration is giving to making loans available to support apprentices with access to funds to help with transport and living costs whilst on programme. We understand that apprentices are 'employed' but salary levels can be relatively low.

Access to maintenance loans may also support apprentices who need to move away from home to take up an apprenticeship vacancy and could therefore contribute towards meeting the Government's 3 million target by 2020. Allowing apprentices to access maintenance loans will also help to promote apprentice programmes as comparable to a Higher Education pathway.

The Federation also believes that maintenance loans should be available to support 18- year-old learners. If the intention is to create a truly level playing field between Technical Professional Education and the academic route for learners at the age of 18 then it is not clear why learners who wish to pursue the TPE route would be required to wait an extra year to be eligible for a maintenance Loan.

Question 2 (see pages 9-11)

Q2. Overall do you think that the introduction of maintenance loans will help boost the number of technical and professional learners?

X **Yes** **No**

Finance to support a learner thorough their technical/professional learning will be a barrier to learning that some learners face, especially if they decide to take up a

learning opportunity away from their usual home area. It seems logical to assume that some learners who cannot currently afford to support themselves through this learning will, in the future, find that a barrier has been removed and that they are able to realistically pursue the technical/professional education that was previously beyond their financial means. This should result in an increase in the numbers of technical/professional learners. However, for this change to impact on numbers in any significant way there also needs to be consideration of:

- How learners will be informed of the availability of these loans and who will be responsible for providing information their availability. At present we are in the position where 24+ Advanced Learning Loans are available but there is no government co-ordinated publicity of this loans facility. If the same position is taken by government in relation to maintenance loans for technical/professional education, then the potential for this development to impact on learner numbers may be limited.
- The information that potential learners are provided with will need to give them clarity and confidence in the repayment arrangements for these loans. It will be crucial that learners feel they are fully and accurately informed of the terms upon which they are entering into a loan agreement and how repayment requirements will impact on their future financial position.
- The clarity around what learning this loans facility can be used to support and whether this is tied to provision via National Colleges and Institutes of technology only. Limiting the provider base in this way will limit the potential for increasing the number of learners. HE loan are not limited to the provision of specific HEIs or to specific HE courses (some of which may deliver limited benefit to the economy or the progression prospects of the learner). In this respect, the FE loans will not truly be equal to those available for HE.
- The range of qualifications that maintenance loans are made available for to ensure loans can support a wide range of high value Technical and Professional options for learners.
- By restricting loans to provision through National Colleges or Institutes of Technology, the Government will exclude large volumes of learners who would benefit from this support in their learning. This also introduces a level of restriction that does not exist in the Higher Education Sector and undermines any claim that the introduction of loans to support TPE fully recognises the equal value of TPE and academic learning. The Federation believes that learners who wish to take a maintenance loan should be allowed to choose from all regulated provision. By placing restrictions on learners, Government risks limiting vocational options and the careers learners will be supported to pursue.

Question 3 (see pages 9-11)

Q3. How might Government target maintenance loans to help key industry sectors to meet their skills needs?

There are many options open to government if they wish to target particular industry sectors. For example, government could:

- Choose to only make loans available for those learners who take educational courses in specific subject areas/sectors.
- Focus any promotion of the loans facility on specific sectors to encourage a higher number of applications in these sectors.
- Provide preferential loans rates or repayment conditions to learners in specific sectors.

This will be a matter for government to decide, taking into account the funding that is available in total and how far this could go to support learning in all of the economic priority sectors. However, the Federation favours an approach whereby learners have freedom to choose provision that best meets their career aspirations.

Are you a training provider or sector professional? If not, then please go to question 17.

Question 4 (see pages 12-15)

Q.4. Should any future maintenance loans be means-tested or flat-rate? Please give your reasons.

means-tested flat rate

Please give reasons for your answer

With a limited budget and the use of public money it is important that steps are taken to ensure the loans are allocated to those learners who are in most need of them. Means testing would seem to be a fair way to ensure the funds are used to support those learners who would otherwise be barred from accessing technical/professional education because of financial resources. We understand that means testing is not perfect and there will be learners who are 'on the cusp' of certain financial cut-off points but it is unlikely that any system would operate perfectly for all learners. On balance we believe that means testing offers the most effective route to providing learners with the appropriate level of financial assistance they need to access technical/professional education.

Question 5 (see pages 12-15)

Q.5. What effect do you estimate that means-testing would have on the take-up of higher level courses? It would be helpful if you could provide evidence to explain this.

The Federation has no evidence on the impact that means testing would have on take up.

Question 6 (see pages 12-15)

Q.6. Do you think that residential learners and those travelling to take up training will have greater demand for maintenance loan support compared to employed learners?

Yes No, not in all cases

Please give reasons for your answer

An employed person who wishes to take up a technical/professional education opportunity may well be in the position where access to financial support is required. Salary levels may well be low, they may not be supported in their TPE by their employer and they may well face travel and subsistence costs to access the learning that they need. They may also face salary reductions for any working time that they need to take off to attend their course and complete any assessments.

A prospective learner may well be employed at a lower level in the sector that they want to progress within. This involvement in the sector may well make them an ideal candidate for development in more specialist technical/professional areas and it does not seem to be in keeping with the stated policy intentions of increasing learner numbers and supporting the best learners to exclude a learner from accessing crucial funding because they are already in employment. It would surely be better for the economy if such learners could be supported to progress within their chosen sector.

Question 7 (see pages 12-15)

Q.7. Should part-time learners also be eligible for maintenance loans? Please give your reasons.

X Yes No

Please give reasons for your answer

The Federation sees no reason why part-time employment should bar a learner from being able to access a maintenance loan. If the loans are means-tested and the learner still qualifies despite their part-time earnings, then it would seem fair to provide the loan on that basis.

Question 8 (see pages 12-15)

Q.8. How should Government best develop the policy and delivery arrangements for any future maintenance loans offer? Who would be best placed to deliver the system?

Please give reasons for your answer

The Federation believes that the government should provide additional resources to the Student Loans Company so they can process loan applications for technical/professional education. They already have the system and expertise to do this and would probably be the most cost-effective approach to take. It would certainly be preferable to setting up a separate loans company/organisation specifically for technical/professional loans.

Are you a training provider? If not, then please go to question 17. The Federation of Awarding Bodies is not a training provider and we have therefore not addressed questions 9-16.

Question 9 (see pages 16-19)

Q.9. What courses do you currently offer at Level 4-6, that do not currently attract Higher Education (HE) funding? Please list these.

Question 10 (see pages 16-19)

Q10. How many learners did you get on these courses last year, and how were they funded?

- Self-funded Employer-funded Other (please list)

Please explain

Question 11 (see pages 16-19)

Q.11. What percentage of these learners are full-time¹ and part-time?

Question 12 (see pages 16-19)

Q.12. What percentage of your existing learners do you think would have been interested in taking up maintenance loans (had they been available)?

Age	Percentage full time	Percentage part time
19-23		
24-39		
40-59		
60+		

Question 13 (see pages 16-19)

¹ In FE, if the Learners Actual Current Year Guided Learning Hours is greater or equal to 450, then they are regarded as being Full-time. In HE Full-time includes students who are normally required to attend an institution for periods amounting to at least 24 weeks within the year of study.

Q.13. How many additional full-time and part-time learners do you think you would be able to attract if Government offered maintenance loans?

Age	Number full time	Number part time
19-23		
24-39		
40-59		
60+		

Question 14 (see pages 16-19)

Q.14. If maintenance loans were made available, in what subject areas and level of qualification would you mostly expect to see provision growth or development? Please indicate timeframe (i.e. when such courses would become available);

and what do you think would be the additional level of interest in such qualifications both in your own institution and more widely? (please split out).

Question 15 (see pages 16-19)

Q.15. What do you base your assessment of the answers to question 13 and 14 on? We are particularly interested in evidence on the extent to which living costs are a barrier to taking up training.

Optional – only answer this question if you feel able to provide an informed estimate.

Question 16 (see pages 16-19)

Q.16. Thinking about the national picture outside your individual institution, how many additional full-time and part-time learners could be attracted if the Government offered maintenance loans?

As context there were around 20,000 learners doing classroom based L4+ courses in 2013/14.

Age	Number full time	Number part time
19-23		
24-39		
40-59		
60+		

Question 17 (see page 20)

Q. 17. Based on your experience what additional factors or considerations should Government explore over and above those covered in this consultation?

The Federation would like to reiterate the points raised under question 2 (above) in relation to the importance of publicity around the availability of these loans if they are introduced as well as the provision of clear information on repayment arrangements, including interest rates.

Question 18

Q.18. Would you be willing to participate in a planning workshop to help develop Government's thinking?

Yes No

Yes, the Federation would welcome the opportunity to contribute further to the planning and implementation of maintenance loans.

Please add any other comments that might aid the consultation process as a whole.

Thank you for taking the time to let us have your views. We do not intend to acknowledge receipt of individual responses unless you tick the box below.

Please acknowledge this reply

Please let us know if you are happy for your reply to be included in the full Government response and if so, whether you want this to be attributed, or anonymous.

Do you want your reply to be included?

X Yes No

Do you want your reply to be attributed?

X Yes No, anonymous

At BIS we carry out our research on many different topics and consultations. As your views are valuable to us, would it be okay if we were to contact you again from time to time either for research or to send through consultation documents?

X Yes No

BIS/16/179/RF