

24+ Advanced Learning Loans

Monthly briefing: Edition 7 – November/December 2012

Contents

[Key dates – things to look out for \(p.2\)](#)

[Communications resources now available \(p.2\)](#)

[Learning Provider Services website \(p.3\)](#)

[Loans facilities \(p.3\)](#)

[24+ Advanced Learning Loans Seminar Programme – November & December 2012 \(p.3\)](#)

[SLC events for colleges and training organisations \(p.4\)](#)

[LSIS toolkits \(p.4\)](#)

[VAT position \(p.4\)](#)

[Key contacts \(p.5\)](#)

From the 2013/14 academic year, loans will be available for learners in Further Education and training aged 24 and above studying at Level 3 and above, including Advanced and Higher Apprenticeships.

This is the seventh in a series of briefings from the Department for Business, Innovation and Skills, designed to provide colleges and training organisations and others with information about this policy. The briefings are produced jointly with the Skills Funding Agency (the Agency), the Student Loans Company (SLC) and HM Revenue and Customs (HMRC). Further briefings will follow every month, published alongside the [BIS FE and skills e-newsletter](#). If you want to see earlier editions of these briefings or other key documents such as the market research commissioned by BIS, please contact [Hayley Moore](#).

The Skills Funding Agency and SLC will be working with colleges and training organisations to help them prepare for the introduction of loans. We want all providers to be informed, engaged and actively preparing. The Skills Funding Agency has issued an updated version of its [Guide to 24+ Advanced Learning Loans and FAQs](#).

Key dates – things to look out for

- Communication resources for providers to use with learners are now available on the [Practitioner site](#) and dedicated information for learners has gone live on [GOV.UK](#)
- Indicative loans facilities and bursary allocations for the 2013/14 academic year have been issued by the Agency, alongside the first draft funding rules and FAQs. See page 3 for details
- October 2012 – LSIS toolkit on strategy and planning released. See page 4 for details
- November/December 2012 – further round of Agency events to help providers prepare for the introduction of 24+ Advanced Learning Loans, following the successful provider events held in July. See page 3 for details
- December 2012 – final confirmation of loans facilities to colleges and training organisations for the 2013/14 academic year. See page 3 for details
- January/February 2013 – SLC will hold seminars to prepare providers for the administration processes between providers and SLC. See page 4 for details
- 1 April 2013 – learners can begin to apply for a 24+ Advanced Learning Loan for courses starting in the 2013/14 academic year.

Communications resources now available

Resources are now available online for providers to use in conversations with learners about 24+ Advanced Learning Loans.

The resources can be accessed via the Further Education page on the [Practitioner site](#) hosted by the SLC and are:

- factsheet for learners
- Frequently Asked Questions (FAQs) brief for learners
- learner journey story boards
- text and FAQs for use in conversations with employers.

Links to:

- LSIS Support Package – including the Strategy and Planning Toolkit (see article on p4 for more details)
- Skills Funding Agency draft funding rules
- Skills Funding Agency overview and FAQs
- GOV.UK.

Coming soon:

- posters
- case studies
- factsheet for employers.

As mentioned in previous bulletins, we are continuing to work with the Cabinet Office to get agreement for additional resources to support expanded communications and marketing activity. This activity would build on the work underway to develop materials that can be used by providers.

Feedback from the Loans Seminars Programme (see page 3) asked for more support to be made available to providers to let learners know about 24+ Advanced Learning Loans. That is why we have agreed to make some additional funding available to colleges and training organisations in this financial year to support preparations for the introduction of loans, particularly communications with potential learners who will be able to access loans in 2013/14. The Department and Agency are currently working with AoC and AELP to agree the process for issuing this additional funding. We expect to confirm how much we could make available to each provider alongside confirmation of their final loans facility in December. The additional funding will take into account the size of the loans facility, but on average we expect to make available around £10,000. However, this funding will only be paid to the provider once they have confirmed that they have identified a need for it and confirmed to the Skills Funding Agency how they propose to use it. The Agency will produce a simple and short pro-forma that providers will be able to complete and return.

Learning Provider Services website

On the SLC's [Learning Provider Services website](#) there is information covering the business to business systems and processes between providers and SLC, including learner application information, attendance confirmation, payments and financial reports.

Loans facilities

The Skills Funding Agency issued indicative Loan Statements to 796 providers on 4 October 2012. These statements provided colleges and training organisations with indicative value of the Loan Facility they can use to offer learning funded by 24+ Advanced Learning Loans in 2013/14. The budget for loans in the first academic year is £232m. The statements also included an indicative allocation from the £50m Loans Bursary to support vulnerable loans-funded learners.

During November the Agency has been discussing these statements with colleges and training organisations and will issue final Loans Statements during December 2012 ahead of the launch of 24 + Advanced Learning Loans in April 2013 for learners starting their courses from August 2013.

24+ Advanced Learning Loans Seminar Programme – November/December 2012

Following the success and positive feedback of the July 2012 seminars, the Skills Funding Agency announced in October 2012 a further series of seminars, running from 19 November

2012 to 11 December 2012 to help providers prepare for the introduction of 24+ Advanced Learning Loans.

This programme of events was aimed at supporting providers with specific operational information and updates on the wider aspects of Loans. The programme included a workshop for providers in the afternoon delivered by LSIS as part of their support offer, discussing barriers and opportunities in implementing loans successfully. Agency-funded providers, sub-contractors and direct grant employers were invited to attend the seminars free of charge.

Feedback from the seminars will be collated into a post conference report which will be released on the [Agency's](#) website by end December 2012.

The Agency is establishing the need for further seminars to assist providers with their readiness for the roll-out from April 2013. If you have any suggested topics or ideas on what the Agency can do to assist you, please email [24+Advanced Learning Loans](#)

SLC events for colleges and training organisations

The SLC has announced a programme of information and training seminars for colleges and training organisations accessing 24+ Advanced Learning Loans. This seminar programme aims to provide delegates with comprehensive information on the administration systems and processes delivered by SLC to providers which will support the delivery of payments of 24+ Advanced Learning Loans. The seminars will provide an opportunity to gain clarity on the business to business interactions with the SLC, alongside the administrative requirements which will include best practice advice. Please click [here](#) for further information.

LSIS toolkits

Over the next few months, LSIS will be releasing four toolkits containing tools, resources and examples of provider practice to support providers as they prepare for the implementation of loans. The first of these - the Strategy and Planning Toolkit - is now available to help providers assess the strategic implications of the loans funding option for their core business operation. It includes:

- an overview of policy document
- a checklist-based organisation impact assessment tool which may help raise previously unconsidered opportunities, drawbacks and/or implementation requirements
- a briefing pack to help providers prepare early awareness-raising briefings for staff and partners
- a strengths, weaknesses, opportunities and threats (SWOT) analysis guide.

You can download all of the Strategy and Planning Toolkit resources in a single file: [24+ Loans LSIS Toolkit \(Strategy and Planning\)](#)

VAT position

We are aware of concerns that have been raised about the impact VAT treatment might have on for-profit training organisations offering loan funded provision from 2013/14. BIS has been

working closely with HM Treasury and HM Revenue and Customs in order to consider these issues.

After careful consideration of the current VAT position we have come to the conclusion that it is not possible to find a solution that would reflect the introduction of loans in isolation. Any changes to the VAT position would need to be considered in the context of the VAT treatment of Further Education as a whole. Given the time this work would take, and the potential impact it could have, neither BIS nor HMRC believe it would be possible, or desirable, to consult and pursue changes to the VAT system for 2013/14.

It is important that training organisations understand how the current VAT rules apply to them and how they will be treated under these rules from 2013/14, following the introduction of loans.

BIS will continue to work with HMRC to consider the outcomes of the ongoing consultation on the VAT treatment of Higher Education, including what potential lessons can be learned for the treatment of Further Education. However unlike HE there is, and will continue to be, a significant amount of grant-funded FE provision at “for-profit” providers. This would be an important part of any further work.

Key contacts

If you have any questions about Government policy on 24+ Advanced Learning Loans, please contact Andrew King (Department for Business, Innovation and Skills) on 0207 215 1585.

If you have any questions about the implementation of 24+ Advanced Learning Loans, please contact your Skills Funding Agency Relationship Manager in the first instance. Or you can email questions to: advancedlearningloans@skillsfundingagency.bis.gov.uk.

If you have any questions about the administration systems and processes being developed by the SLC, please email LPservices@slc.co.uk.

Also look out for the Skills Funding Agency’s Update and further issues of this briefing for details of: regulations; loans funding rules; more detail on loans facilities and its management; future operational implementation events for providers; and updated Frequently Asked Questions.

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