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Evaluation of 24+ Advanced
Learning Loans: An assessment
of the First Year

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RESEARCH

The views expressed in this report are the authors' and do not necessarily reflect those of the Department for Business, Innovation and Skills.

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For the methodological annex and chapter appendices, please refer to a separate published document '*Evaluation of 24+ Advanced Learning Loans: Methodology and Appendices*'.

Glossary

ASL	Adult Safeguarded Learning
BIS	Department for Business, Innovation & Skills
BTEC	Business and Technology Education Council
CSR	Comprehensive Spending Review
ESF	European Social Fund
FAQ	Frequently Asked Questions
FE	Further Education
HE	Higher Education
HEFCE	Higher Education Funding Council for England
ILR	Individualised Learner Record
JCP	Jobcentre Plus
MAS	Money Advice Service
NCS	National Careers Service
NQF	National Qualifications Framework
NVQ	National Vocational Qualifications
OCR	Oxford, Cambridge and RSA
OLASS	Offenders' Learning and Skills Service
QAA	Quality Assurance Agency
QCF	Qualifications and Credit Framework
RPI	Retail Price Index
SFA	Skills Funding Agency
SFE	Student Finance England
SLC	Student Loans Company
ULN	Unique Learner Number

Definitions of eligible qualifications

To be eligible for a 24+ Advanced Learning Loan, applicants must be taking a Level 3 or Level 4 qualification or an Advanced or Higher Apprenticeship which is approved for public funding, details of which are below¹.

	NQF Qualifications	QCF Qualifications
Level 3	<ul style="list-style-type: none"> • AS and A Level • Advanced Extension Awards • International Baccalaureate • Key Skills level 3 • NVQs at level 3 • Cambridge International Awards • Advanced and Progression Diploma 	<ul style="list-style-type: none"> • BTEC awards, certificates and diplomas at level 3 • BTEC Nationals • OCR Nationals
Level 4	<ul style="list-style-type: none"> • Key Skills level 4 • Certificates of higher education • NVQs at level 4 	<ul style="list-style-type: none"> • BTEC Professional Diplomas, Certificates and Awards
Advanced and Higher Apprenticeships²		

¹ http://www.practitioners.slc.co.uk/media/474817/24_faq_v2.pdf; <https://www.gov.uk/what-different-qualification-levels-mean/compare-different-qualification-levels> (Date of Access: December 2014).

² For details regarding the inclusion of Advanced and Higher Apprenticeships under 24+ Advanced Learning Loans, please see section 2.6 in this report.

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The responsibility for the report rests with the authors at IFF.

BIS Expert Peer Review for Evaluation

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1. Executive Summary

1.1 Background

Following the 2010 Comprehensive Spending Review (CSR) which required Departments to make savings, the BIS budget for FE grant funding was reduced from £2.8 billion to £2.3 billion, between 2010-11 and 2014-15. As part of this, the Government decided to focus grant funding on the individuals that evidence suggests face the greatest barriers to learning: young adults (aged 19-23) and adults without basic literacy and numeracy skills. In line with this, from 2013-14, grant funding for individuals aged 24 and above studying Level 3 and Level 4 courses was withdrawn, with learners being liable for the full cost of their learning.

However, to continue to encourage and facilitate participation of those aged 24 and over, the decision was made to offer income-contingent repayment loans for those aged 24 and over undertaking provision at Level 3 and Level 4 (24+ Advanced Learning Loans).

The aim was for 24+ Advanced Learning Loans to ensure that those who needed support for course fees could continue to engage in learning, as well as incentivising learners to become more informed customers. This in turn would stimulate providers to respond, and to choose courses likely to bring the highest benefits.

1.2 Research Objectives

IFF Research was commissioned by BIS to explore both the processes surrounding the move from a grant-based system to a loans-based system for learning at Level 3 and 4 and also to look at options for providing estimates of the overall impact of the introduction of loans.

This process evaluation reports information on how the implementation of 24+ Advanced Learning Loans has worked in practice, and the ways in which it has impacted upon learners and providers by assessing attitudes towards loans and the ways in which they have affected learner behaviour and provider offerings.

1.3 Method

In order to inform the process evaluation, research was undertaken with three key audiences; stakeholders, learners aged 24 and older studying Level 3 and 4 qualifications and learning and training providers in receipt of a loan facility.

1.3.1. Stakeholders

The first stage of research involved eleven qualitative depth interviews with stakeholders involved in both the design and delivery of the policy.

1.3.2 Learners

Three stages of the research involved learners aged 24 and above and included:

- Qualitative Learner Journeys: Interviews with 20 prospective learners at three different stages of their decision-making pathway towards learning;
- Quantitative telephone survey: Survey with 2,500 loans and non-Loans current learners studying towards Level 3 and 4 qualifications and;
- ILR analysis: An analysis of the Individualised Learning Records comparing year on year volumes of learners and their demographics to ascertain the impact of the loan on numbers and types of learner.

1.3.3 Providers

Two stages of research were undertaken with providers. The qualitative phase involved conducting two stages of site visits with 20 providers at different stages of the academic year. A quantitative stage was also undertaken with 250 learning providers with loan facilities involving a telephone survey.

The study has provided insight into the early impact of 24+ Advanced Learning Loans through analysis of the Individualised Learner Record (ILR) and exploring both learner and provider experiences. However, this research was conducted very soon after the introduction of 24+ Advanced Learning Loans, before the first year was complete and as such any conclusions should be considered in this context.

1.4 Key Policy Findings

1.4.1 Take-up of 24+ Advanced Learning Loans

Analysis of the Individualised Learner Record (ILR) of 2013-14 indicates that, compared to the 2012/2013 academic year, there has been a **drop by 31 per cent in the volume of learners aged 24+** on courses eligible for 24+ Advanced Learning Loans funding³. This drop is broadly in line with the Impact Assessment expectations although the evaluation cannot at this stage empirically isolate the effect of loans from other factors. However, over half (55 per cent) of providers also reported a drop in learner numbers and **the majority of providers attributed this decrease to the introduction of 24+ Advanced Learning Loans.**

There has been a drop in numbers across all qualification types eligible for Advanced Learning Loans funding with the exception of **Access to HE courses for which take-up has increased slightly.**

However, despite the drop in the volume of learners, **there is evidence to suggest that the loans are viewed positively by learners:** over 90 per cent of Loans learners stated that they would still have taken a loan knowing what they know now and; 40 per cent of non-Loans learners would have taken out a Loan if they had known then what they know now about the Loan.

Contrary to anecdotal feedback from providers, **ILR analysis suggests that the introduction of 24+ Advanced Learning Loans has not changed the gender or ethnic profile of learners.** Furthermore, whereas there were initial concerns that the introduction of a loan may deter Muslim learners, findings from the learner survey suggest this has not necessarily occurred: 67 per cent of Muslim learners stated that they had subsidised their learning with a Loan (compared to 56 per cent of non-Muslim learners). However, there are signs that **older learners have been discouraged from studying.**

There were some demographic differences between those that took out a 24+ Advanced Learning Loan and those that didn't which should be considered in the context of this report. **Non-Loans learners were more likely to be employed than Loans learners and also had higher prior qualifications.** In terms of future aspirations, **Loans learners were more likely to consider progressing in education and their future career,** whereas non-Loans learners were more motivated by improving their skills and prospects in a job or career that they are currently in. Crucially the cost of learning was more important to Loans learners than non-Loans learners (64 per cent compared to 57 per cent) however, in comparison to other factors, the cost of learning was considered least important by both learner types.

Just over half (53 per cent) of non-Loans learners self-funded their learning. Where this was the case, these learners were more likely to be undertaking AS/A2/A levels and Level 3 qualifications compared to Access to HE courses or Level 4 qualifications.

³ As outlined in section 2.2, this is broadly in line with the expectations in the published impact assessment. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32315/12-873-further-education-advanced-learning-loans-regulatory-impact.pdf (Date of Access: August 2014).

Private and voluntary providers have seen a comparatively low level of take-up and this is linked to their qualification offering i.e. few Access to HE courses.

1.4.2 Learner awareness and understanding on 24+ Advanced Learning Loans

The majority of learners (64 per cent) were not aware of 24+ Advanced Learning Loans when they first started thinking about studying.

Providers have a key role in raising the profile of 24+ Advanced Learning Loans and are typically the channel through which learners first hear about the concept and consult for further information. The majority of learners are satisfied with the quality (84 per cent) of information they received when seeking information about loans and the speed at which it was delivered (85 per cent).

Furthermore Loans learners are generally better informed about funding options and by the time of submitting their Loan application were more knowledgeable about all aspects of Loans than non-Loans learners who had applied.

Learners not taking up 24+ Advanced Learning Loans are more likely to face difficulties sourcing information about funding in general and this could be helped in the first instance by raising the profile of information, advice and guidance for skills.

There is some evidence that the **Student Loans Company portal is possibly preventing providers from helping learners as much as they could** with actually progressing loan applications for individual learners. Some providers reported being unable to resolve issues relating to the portal on behalf of learners as the SLC would only talk to the learner directly. Many providers reported that some learners had difficulties with the portal because they found it difficult to navigate and time-consuming to use (see chapter 12). The provider survey found **sizeable proportions experienced issues with the administration process although in most cases, problems were reported to be minor**, rather than major. For example, whereas 33 per cent of institutions with any loans take up had encountered issues when it came to receiving payments from SLC, only one in ten of these providers felt issues to be major. A similar proportion (31 per cent) said uploading data on attendance records was problematic but again only a small proportion (6 per cent) saw these issues as being major.

Four per cent of learners have accessed additional financial support from the Loans Bursary and in the majority of cases this has been used towards course-related costs such as materials and other equipment. The provider strands indicates that there has been an **identifiable need among some students**. Around one third (34 per cent) of providers participating in the quantitative survey had accessed their bursary funds and, of these, around one third (32 per cent) had used their entire bursary fund by the time of interview (between three and five months after the introduction of the Loan and Bursary Fund). In addition, during the qualitative site visits, several providers indicated that they expected to experience some issues during the academic year due to their bursary allocation not being large enough. Please see section 11.3 for further details.

1.4.3 24+ Advanced Learning Loans and the provider response

There is evidence to show that **providers have changed their course offering in response to the introduction of Loans** in terms of introducing or withdrawing courses; however this is variable within and across providers meaning the net effect is currently unclear.

In addition, loan take-up differed across provider type. FE colleges/ Sixth Forms who were more likely to offer all types of eligible qualifications were also more likely to have committed their entire loan (25 per cent), whereas private and voluntary providers were more likely to have not committed any of their initial loan facility (41 per cent).

Similarly **some providers have increased whilst others have maintained course fees.** Over half (55 per cent) charge the maximum course fee allowed. Course fee changes also differed across provider type. Private providers were more likely to have reduced their course fees in light of the loans.

In the majority of cases (96 per cent), 24+ Advanced Learning Loans cover the full course fee and where there is a shortfall this is made up by the learner self-funding their studies.

1.4.4 24+ Advanced Learning Loans and learner outcomes

There is evidence of qualitative additionality – 76 per cent of learners stated they would not have been able to undertake their studies in the absence of a loan. In addition, the majority of loans learners report doing the course sooner, at higher level or a longer course than would have been possible without the loan.

24+ Advanced Learning Loans are providing a source of finance for learners who might otherwise not be able to afford FE learning and are having greatest impact on those who are less advanced along the learning pathway. Loans are enabling such learners to have opportunities to progress to Higher Education or realise longer-term career goals.

There are minimal differences in terms of overall course satisfaction between non-Loans and (better informed) Loans learners. However, Loans learners were more satisfied that they had made the right course / provider choices than their non-Loans counterparts.

2. Introduction

2.1 Background

The Further Education (FE) sector provides training programmes and academic courses, helping people get the skills required for productive employment. FE colleges and training providers set their own fees, but the Government subsidises learners by providing grant funding. As a result, some learners pay nothing for FE, some pay part of the fee, and others pay the whole fee.

Government funding for FE is allocated in line with evidence showing:

- The returns to different levels (and size and types) of qualifications which individuals realise in employment – which shows that those with higher qualifications realise higher returns;
- The barriers faced by different types of individuals in participating in learning – which are greatest for younger learners and those with lowest (or no) qualifications.

Following the 2010 CSR which required Departments to make savings, the BIS budget for FE grant funding was reduced from £2.8 billion to £2.3 billion, between 2010-11 and 2014-15. To ensure this lower level of funding would realise the maximum benefit for individuals and the economy, the Government focused grant funding on the individuals which evidence suggests face the greatest barriers to learning: young adults (aged 19-23) and adults without basic literacy and numeracy skills. In line with this, from 2013-14, grant funding for individuals aged 24 and above studying at Level 3 and Level 4 was withdrawn, with learners paying the full cost of their learning.

However, to continue to encourage and facilitate participation of those aged 24 and over, the decision was made to offer income contingent-repayment loans for provision at Level 3 and Level 4 (called 24+ Advanced Learning Loans).

It was also hoped that 24+ Advanced Learning Loans would help learners continue to engage in learning, but that it would also incentivise learners to become more informed customers and to choose courses likely to bring the highest benefits, whilst being able to realise the reduced funding as outlined above.

Specifically, the objectives of loans were to:

- Provide a source of finance for learners to pay for the course fees if they need to;
- Increase the level of private investment in learning to replace funding previously provided by the government;
- Empower learners to become more informed customers, with the purchasing power to choose the course of the highest benefit to them;

- Encourage providers to become more responsive to learner needs and ensure high quality provision;
- Improve learners' motivation to study and maintain or improve the proportion achieving their qualification.

24+ Advanced Learning Loans were based on the pre-existing HE Student Loan system. Both are administered by the Student Loans Company.

2.2 24+ Advanced Learning Loans Impact Assessment

A number of impact assessments were undertaken in the lead-up to the implementation of the policy. In order to assess the impact the introduction of the loans would have on learner volumes, the anticipated learner take-up was compared to that if grant funding had been maintained. The Impact Assessment⁴ estimated that under the loan option around 125,000 learner starts would go ahead. This represented 55 per cent of learners who would have been supported had grants been maintained.

In 2013-14, £129m was made available for loans and the Impact Assessment outlined this was intended to support around 80,000 starts.

It is important to note the Impact Assessment's conclusions in order to provide context for subsequent findings within this report, particularly in relation to the ILR analysis as outlined in Chapter 2 and the decrease in learner numbers. Although the findings are not directly comparable with those from the ILR analysis, the Impact Assessment, which drew on the best research available at the time of publication, estimated that learner numbers may fall by around half. .

2.3 24+ Advanced Learning Loans: Terms and Conditions

Prospective learners (aged 24 and over) who were interested in undertaking a Level 3 or Level 4 course in 2013/14 were able to apply for a 24+ Advanced Learning Loan from April 2013.

2.3.1 Eligibility

In order to qualify for a 24+ Advanced Learning Loan a learner must be:

- Aged 24 or over on the first day of their course (there is no upper age limit)
- Living in the UK on the first day of their course and have lived in the UK, the Channel Islands or the Isle of Man for three years immediately before this.

⁴ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32315/12-873-further-education-advanced-learning-loans-regulatory-impact.pdf (Date of Access: August 2014). The impact assessment reference year is 2014/15 as opposed to the analysis period of 2013/14.

- Studying with a college or training organisation in England approved for public funding
- Enrolling on an eligible Level 3 or Level 4 course
- 24+ Advanced Learning Loans are not means tested, nor are they subject to credit checks.

Loans cannot be accessed to fund Degrees or other forms of designated Higher Education.

2.4 Loan amounts and what they cover

The amount of money available to the learner depends on their course and qualification, the fees charged by the training provider and the maximum loan amounts set by the government. If the course fees set by the provider exceed the cap set by the government then the learner has to fund the difference through another method. The minimum amount of money that can be withdrawn is £300⁵.

Learners can elect to take out the maximum loan amount to cover the course fee or they can pay all or part of the fee themselves.

Loans are available for fees. Loans funded learners can apply for funding from a Loans Bursary Fund to help with costs related to learning (e.g. transport and childcare) but not general living costs.

Learners can only take out one loan at a time for non A Level courses but can get up to four loans for non A Level courses. If they are working towards A Levels learners can apply for up to four loans at the same time to cover the costs of their A Level Programme (including A Levels, AS and A2 qualifications).

If a learner is funding an Access to HE Diploma with a 24+ Advanced Learning Loan and they go on to complete an HE qualification, the outstanding balance of their 24+ Advanced Learning Loan will be written off. To qualify for this offer the learner must complete both courses. They do not need to take out a loan for the HE course; however, it must be eligible for funding by Student Finance England. The HE course does not have to relate to the Access to HE course that the learner originally completed.

⁵ For each qualification listed on the SFA's Learning Aim Reference System (LARS), the Agency sets a Maximum Funding Rate, based broadly on the 'size' (e.g. guided learning hours) and subject area of the qualification. Learners can only apply for loans to the Maximum Funding Rate or to the fee set by the provider (whichever is less). Therefore, if a provider charges a fee above the Maximum Funding Rate, the loan can only be for this rate and not the higher fee.

2.5 Payments and repayments

Student Finance England pays the loan to the learners' training provider in the form of monthly payments once they have confirmed the learners attendance on the course – no money is transferred to the learner⁶.

If a learner drops out of a course without completing it then payments to the provider stop and the learner is responsible for the fees incurred up to that point only.

The learner makes monthly repayments on the loan; these are based on their income as opposed to the amount of money that was borrowed. Moreover, learners only begin the repayments once they are earning £21,000 a year. Learners only pay 9 per cent of any income above this repayment threshold

Repayments are due to start in the April after the learner leaves or finishes their course. If the learner leaves or finishes their course before April 2016, they won't start making repayments through the tax system until after this date. Learners can make voluntary repayments at any time.

Any loan remaining 30 years after the learner is due to start making repayments will be written off.

Some of the interest on the loan is based on inflation (Retail Price Index (RPI))⁷

⁶ For more details see http://www.sfengland.slc.co.uk/media/568945/sfe_24_loans_factsheet.pdf (Date of access: August 2014).

⁷ Ibid.

2.6 Apprenticeships

The funding of Advanced-level and Higher Apprenticeships Frameworks were originally included in the 24+ Advanced Learning Loans policy when they were introduced in April 2013. However, 24+ Advanced Learning Loans were not the preferred funding route for employers or prospective Apprentices, as outlined in the Skills Funding Agency's Statement dated February 2014⁸. In the first few months of the roll-out of loans the take up of loans to fund Apprenticeships was markedly lower than other types of qualifications and applications to Apprenticeships amongst those aged 24+ had dropped considerably in the 2013/14 academic year, in comparison to previous years. As a result, the Government announced that from March 2014 Apprenticeships for those aged 24 and over would return to being grant funded, and any loan dues from apprentices would be disregarded.

This piece of research began whilst Apprenticeships were still included within the 24+ Advanced Learning Loan framework. Consequently, findings relating to the impact that loans had on Apprenticeships will be discussed throughout the Provider Chapters (9-12) within this report.

2.7 The role of learning providers

The role of providers, i.e. those practitioners responsible for the delivery of learning and training, in the facilitation and delivery of 24+ Advanced Learning Loans is key. As mentioned in the Payments and Repayments sub-section (1.5), they receive payments directly from the SLC. Due to this, providers have to send the SLC regular updates of learner attendance.

BIS expects providers to explain 24+ Advanced Learning Loans to (prospective) learners who make enquiries about eligible courses. It is the responsibility of providers to ensure that clear information on 24+ Advanced Learning Loans is available. However, providers must not give financial advice to learners.

In 2013/14 734 providers were given a "loan facility" by the Skills Funding Agency which enables them to offer provision funded with a loan, and receive loan income payments from the SLC on behalf of learners. The loan facility also specifies the maximum amount of loan funding a provider can receive from the SLC in an academic year and in 2013/14 this was calculated with reference to providers' historic levels of delivery of loans-type provision. Providers have the ability to apply to the Agency for an increase in their loan facility as and when they approach the maximum amount within their facility. The role of providers in the introduction of 24+ Advanced Learning Loans and how they have been impacted by the loans will be discussed in the Provider Chapters (9-12) of this report.

⁸ For more details see Skills Funding Statement, Skills Funding Agency (February 2014) https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/278529/bis-14-p172a-skills-funding-statement-2013-2016.pdf (Date of access: August 2014).

2.8 Research Objectives

IFF Research was commissioned by BIS to explore both the processes surrounding the move from a grant-based system to a loans-based system for learning at Level 3 and 4 and also to look at options for providing estimates of the overall impact of the introduction of loans.

This process evaluation reports information on how the implementation of 24+ Advanced Learning Loans has worked in practice, and the ways in which it has impacted upon learners and providers by addressing the following questions:

- Do loans enable people to still participate in learning after the withdrawal of subsidy?
- Have loans had an impact on the type of learning undertaken by learners?
- Have loans had an impact on the learner profiles / characteristics of those aged 24+ learning at Level 3 and 4?
- Is the take up of loans at the anticipated level and who are taking loans?
- What support / advice that is available are learners making use of?
- What impact have loans had on course fees?
- Have loans changed the attitudes / behaviours of learners?
- Is there any evidence that providers are making changes to their course offer, the information that they provide and the support available to attract Level 3 and 4 learners?

Information in this report will help to inform the design of a full impact evaluation which will be conducted in the 2014/15 academic year. The impact evaluation will focus on providing a robust and defensible assessment of the impacts of the introduction of 24+ Advanced Learning Loans that will stand up to scrutiny and serve as evidence for informing future FE policy.

2.9 Method

The following section summaries the methodological approach adopted for the evaluation. For a more detailed discussion, including profiles of the participating respondents please see the “Methodology and Appendices” document that accompanies this report. The views of stakeholders, learners and providers were covered in order to comprehensively examine the early effects of the introduction of 24+ Advanced Learning Loans – the sections below outline how the perspectives of each of these key audiences were collected.

2.9.1. Stakeholders

Consultation with stakeholders formed the first strand of the research programme. Eleven face to face depth interviews were conducted with “design” stakeholders (those responsible for agreeing the policy and changed to it) and “delivery” stakeholders (those who ensured the policy operated smoothly).

Findings from this initial stage of the research helped to inform the design of the later stages of the project.

2.9.2 Learners

Learners were involved in three stages of the research:

- Qualitative learner journeys
- Quantitative survey of learners
- Analysis of the ILR data

2.9.3 Learner journeys

In order to explore in depth the process learners undertake from when they first begin to consider learning up to their final decision, 20 learner journeys were taken with prospective learners. Three interviews were undertaken with each learner at various stages on their decision-making pathway towards learning. Firstly, when they had begun to explore the possibility of embarking on a course of Level 3 or 4 learning, then again when they had had time to consider their options and finally when they had reached a decision.

Interviews were undertaken with individuals from a broad range of demographics and involved two telephone interviews and a face-to-face interview.

Learner journey interviews were conducted between November 2013 and May 2014: Stage one interviews took place between November 2013 and February 2014; Stage two interviews between December 2013 and March 2014; and Stage three interviews between February and May 2014.

2.9.4 Learner survey

The second phase of primary research involved a quantitative survey of learners which was conducted between February and March 2014 and related to learners' study period 2013-2014.

A total of 2,500 telephone interviews were conducted. Interviews were conducted with learners aged 24+ who were on eligible courses (A-levels, Access to HE, Level 3 Diplomas and Certificates and Level 4 Diplomas and Certificates) covering both those who had and had not taken out loans. The sample was drawn from the ILR and consisted of those who started an eligible course between August 2013 and January 2014.

2.9.5 ILR Data

The final element of the research relating to learners involved some preliminary analysis of the ILR. This involved making comparisons in terms of overall numbers of learners and their demographics between those who had enrolled in the academic year 2013/14 (after 24+ Advanced Learning Loans were introduced) and learners who enrolled on courses now eligible for loans in the preceding academic year 2012/13 (prior to the introduction of loans).

2.9.6 Providers

A qualitative and a quantitative stage with providers were undertaken as part of the evaluation programme.

2.9.7 Qualitative interviews

The qualitative work involved two stages of site visits to providers with a loan facility. The rationale for conducting two waves of qualitative research with providers was to assess how the loans impacted upon learners at different points of the academic year and to explore whether attitudes towards the loans had changed over time once they had begun to “bed in”.

The first phase took place between October and December 2013 (just after the introduction of 24+ Advanced Learning Loans) and the second between April and May 2014. Each phase consisted of 20 face-to-face site visits lasting approximately 60 minutes each. For each phase, different providers were consulted, in order to achieve a broad range of perspectives. The interviews were conducted with a range of learning providers in terms of type, size and location and the findings helped inform the structure and content of the quantitative survey.

2.9.8. Quantitative survey

The quantitative survey involved a total of 250 providers, all of whom had a loan facility. It took place between November 2013 and January 2014. Addressing themes emerging from the provider and stakeholder qualitative stage, these interviews explored how the loans were communicated to potential learners, challenges faced in administering loans and impacts of take-up in terms of learner volumes and profiles. Again, interviews were conducted with a range of learning providers in terms of type, size and location. All interviews were conducted from IFF’s telephone centre in London.

2.10 About this report

The findings in this report have been structured into 11 separate chapters:

- **Chapter 3** which conducts a basic comparison of volume and profile of learners aged 24+ using mid-year data from the ILR from the 2013/14 academic year with the same period from the 2012/13
- **Chapter 4** which looks at the profile and status of learners upon their entry to their course between August 2013 and January 2014 (and is based on findings from the quantitative and qualitative surveys of learners).

- **Chapter 5** which explores any early impact of 24+ Advanced Learning Loans on students' motivations for learning in the first instance and factors considered when choosing what to study and with which provider to study
- **Chapter 6** which explores how learners explored potential funding options and initial awareness of 24+ Advanced Learning Loans
- **Chapter 7** which explores in greater details learners' understanding 24+ Advanced Learning Loans and their experiences of applying for a Loan
- **Chapter 8** which reports on learners' satisfaction with their course to date what they perceive to be the future impact of their learning
- **Chapter 9** which examines learners' attitudes towards 24+ Advanced Learning Loans and their relative importance in enabling learning

Chapters 3 to 8 are based on findings from both the quantitative and qualitative survey of learners and differences between Loans and non-Loans learners drawn out where applicable / appropriate.

- **Chapter 10** which explores how providers receive information about 24+ Advanced Learning Loans and raise awareness among and respond to queries raised by learners.
- **Chapter 11** which reports providers' views on the change in the profile of learners since the introduction of 24+ Advanced Learning Loans
- **Chapter 12** which explores the impact of administering 24+ Advanced Learning Loans on existing providers set-ups
- **Chapter 13** which details providers' overall views of 24+ Advanced Learning Loans, how their introduction has impacted them thus far and any anticipated future impacts

Chapters 10-13 are based on findings from both the quantitative and qualitative survey of providers.

2.11 Report Interpretation

Comparisons between subgroups are only reported in the text if they are statistically significant, unless otherwise stated. Significance is measured at the 95 per cent confidence level.

Base sizes shown in the report have been rounded to the nearest 10.

Throughout the report results have not been shown on tables and charts if the unweighted base size is less than 30. Where this is the case, a double asterisk (**) has been used in place of the data.

For reasons of conciseness, not all significant relationships are highlighted in the report and are generally outlined when they relate to relevant themes and contribute to key findings.

Where an asterisk (*) has been used in the tables, it symbolises a percentage value greater than zero but less than 0.5 per cent. A zero percentage value is denoted by '-' in the tables.

Throughout the report, learners who were in receipt of a loan are referred to as "Loans learners"; those that did not take out a loan as "non-Loans learners".

3. Learners: ILR analysis of learner numbers and profile

Subsequent to the research period, analysis of the ILR was conducted to compare the volume and profile of learners in the 2012/13 academic year with that of 2013/14⁹. The findings are based on analysis of end of year data (R12) for the two academic years.

For the purposes of this report, straightforward comparisons between the two years have been made without any attempt to control for other factors that might possibly influence changes to learner numbers and profile, such as economic and demographic changes. More sophisticated comparisons with historical ILR data will be made as part of the impact analysis that is planned for 2015.

Chapter Summary

ILR analysis indicates that, compared to the 2012/13 academic year, 2013-14 saw a decrease of 31 per cent in the volume of 24+ learners starting on loans eligible courses.

The volume of learners starting Access to HE courses remained at a similar level but the reductions in learners on A-Level, Level 3 Certificates/Diplomas and Level 4 Certificates/Diplomas were relatively large.

In terms of the demographic profile of 24+ learners, the gender and ethnicity profile appears to have remained stable between the two years. The age profile is slightly younger in 2013/14 (indicating a disproportionate deterrent effect on older learners).

Figures from the ILR indicate that 48 per cent of eligible learners starting courses in 2013/14 took out 24+ Advanced Learning Loans.

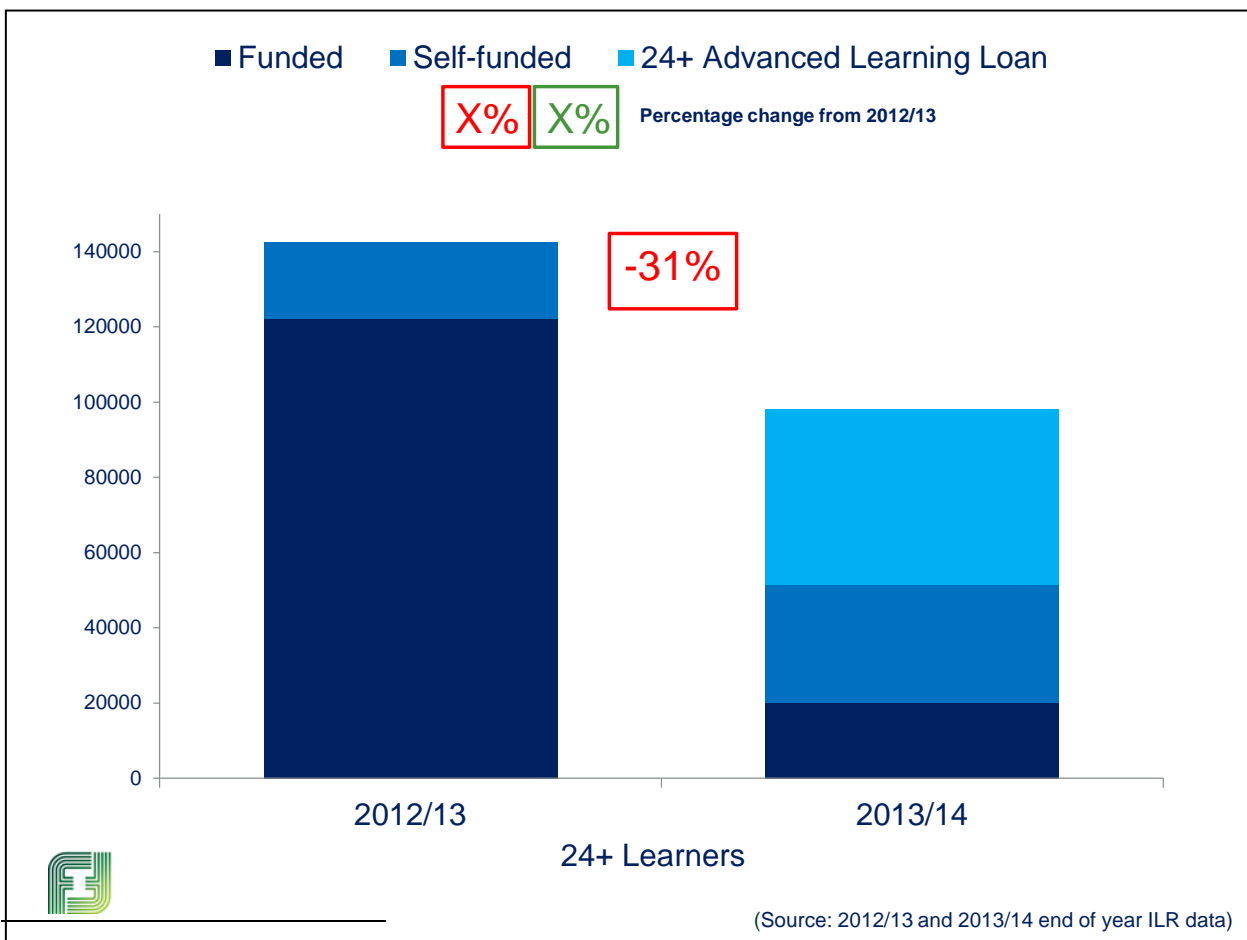
As other factors (such as economic and demographic changes) that might influence learner numbers have not been taken into account in the analysis of ILR data, it should be noted that a correlation between the introduction of 24+ Advanced Learning Loans (or rather the removal of grant funding) and a fall in learner numbers does not necessarily imply causation. Providers' views on the causation of a reduction in learner details will be discussed in more detail in Chapter 11.

⁹ The findings are based on analysis of end of year data (R12) for the two academic years 2012/13 and 2013/14 for loans eligible courses only.

Figure 3.1 compares the overall volume of learners that started Loans *eligible* courses at Level 3 and Level 4 for the 2012/13 and 2013/14 academic years by whether they were funded by the SFA/EFA¹⁰, self-funded or (for 2013/14 only) in receipt of a 24+ Advanced Learning Loan.

This analysis shows that the volume of learners studying on Loans eligible courses dropped by 31 per cent, falling from around 142,500 in 2012/13 to just over 98,000 in 2013/14. As outlined in the introduction chapter, this is less than the estimates in the Impact Assessment¹¹ that anticipated learner volumes would decrease by around half. In addition, it also broadly verifies the policy intention that the funding available for loans (£129 million) would support approximately 82,000 learners. Therefore, while not directly comparable, the ILR analysis is broadly corroborated by the published impact assessment. It should also be noted that this analysis is not able to attribute this drop solely to loans – other factors such as reductions in budgets, changing priorities or other policy changes may have had an impact on the amount of provision at this level and for these groups. This will be explored further in the impact evaluation.

Figure 3.1: Overall volumes of take-up of eligible courses (ILR analysis)



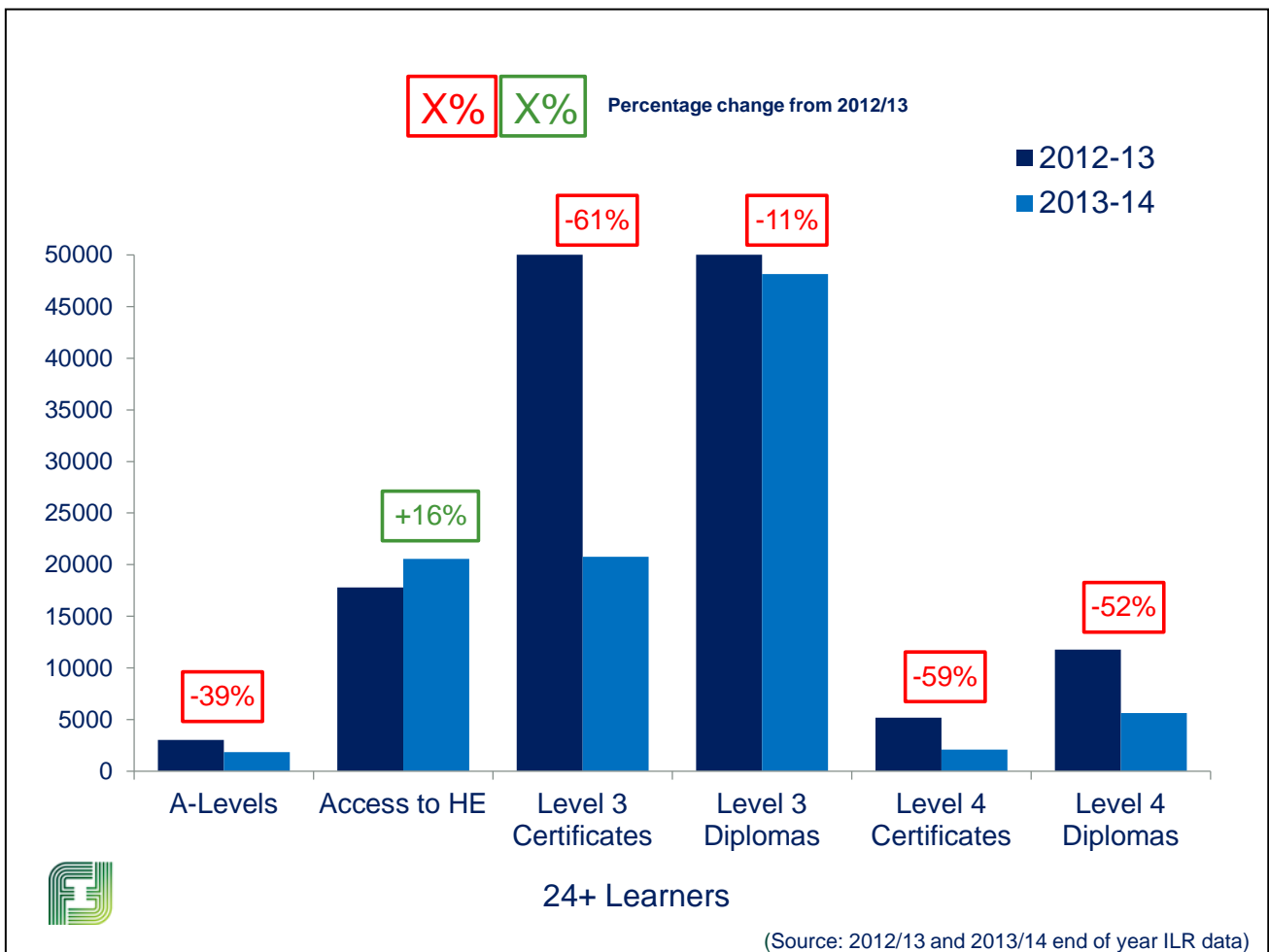
¹⁰ Note that in 2013/14 some types of learners still qualified for grant funding even if they were aged over 24 and on Loans eligible courses. This included learners covered by the Armed Forces covenant, unemployed discretionary fee remission, trade union learning aims, non-regulated provision and some ESOL students.

¹¹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32315/12-873-further-education-advanced-learning-loans-regulatory-impact.pdf (Date of Access: August 2014).

Figure 3.1 also shows that the number of self-funding learners starting Loans eligible courses increased by 56%, from 20,270 in 2012/13 to 31,690 in 2013/14.

Figure 3.2 splits out the learner figures by type of eligible course for the two years. This shows interesting variation. While 24+ learners engaged in Access to HE courses has increased by 16 per cent between 2012/13 and 2013/14, those undertaking A-Levels, Level 3 Diplomas/Certificates and Level 4 Diplomas/Certificates have all decreased (by between 11 per cent and 61 per cent). In absolute terms the greatest decline was seen in the number of learners studying towards Level 3 certificates from 53,470 learners in 2012/13 to under 20,750 in 2013/14.

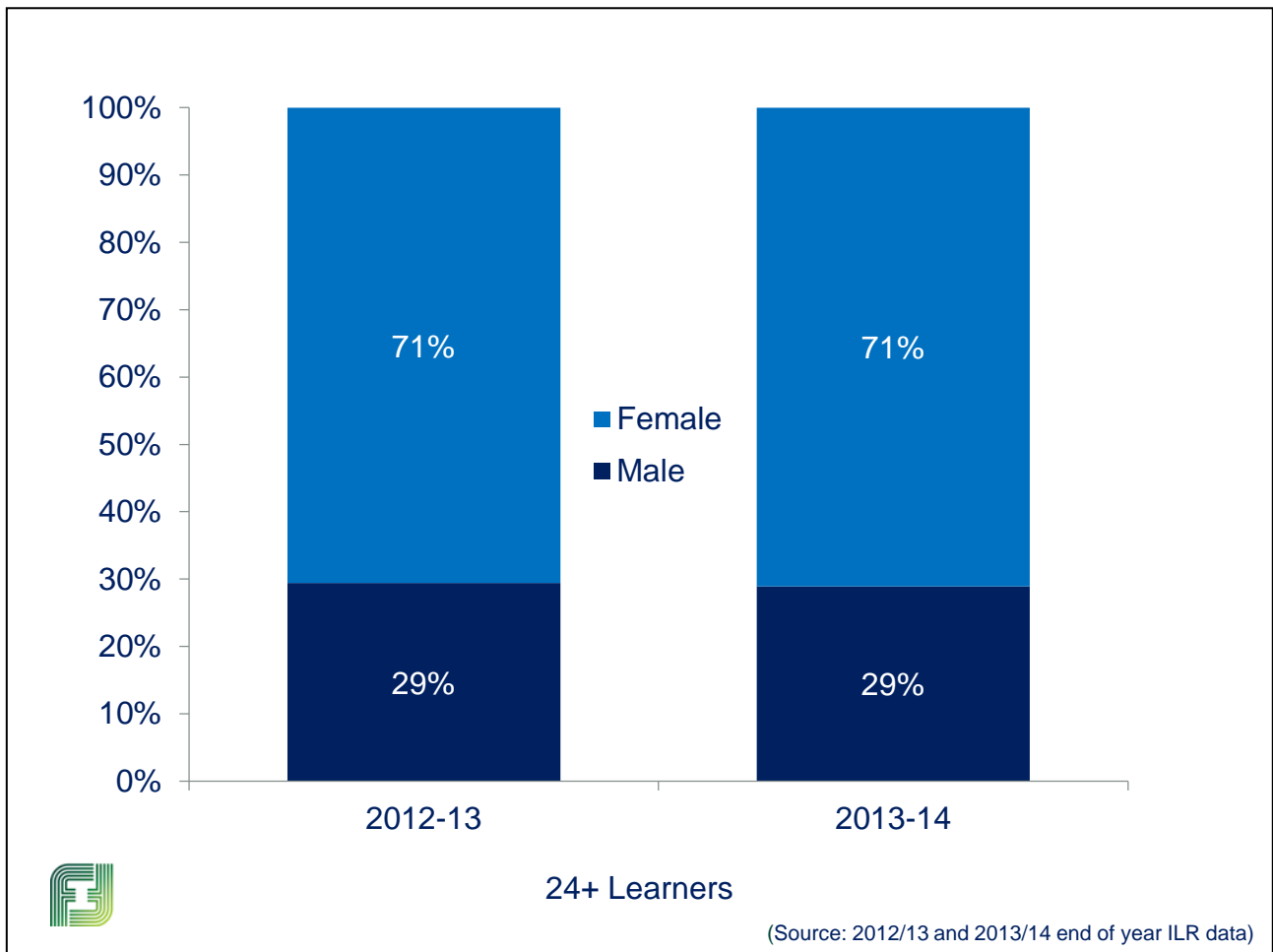
Figure 3.2: Learner volumes by course type (ILR analysis)



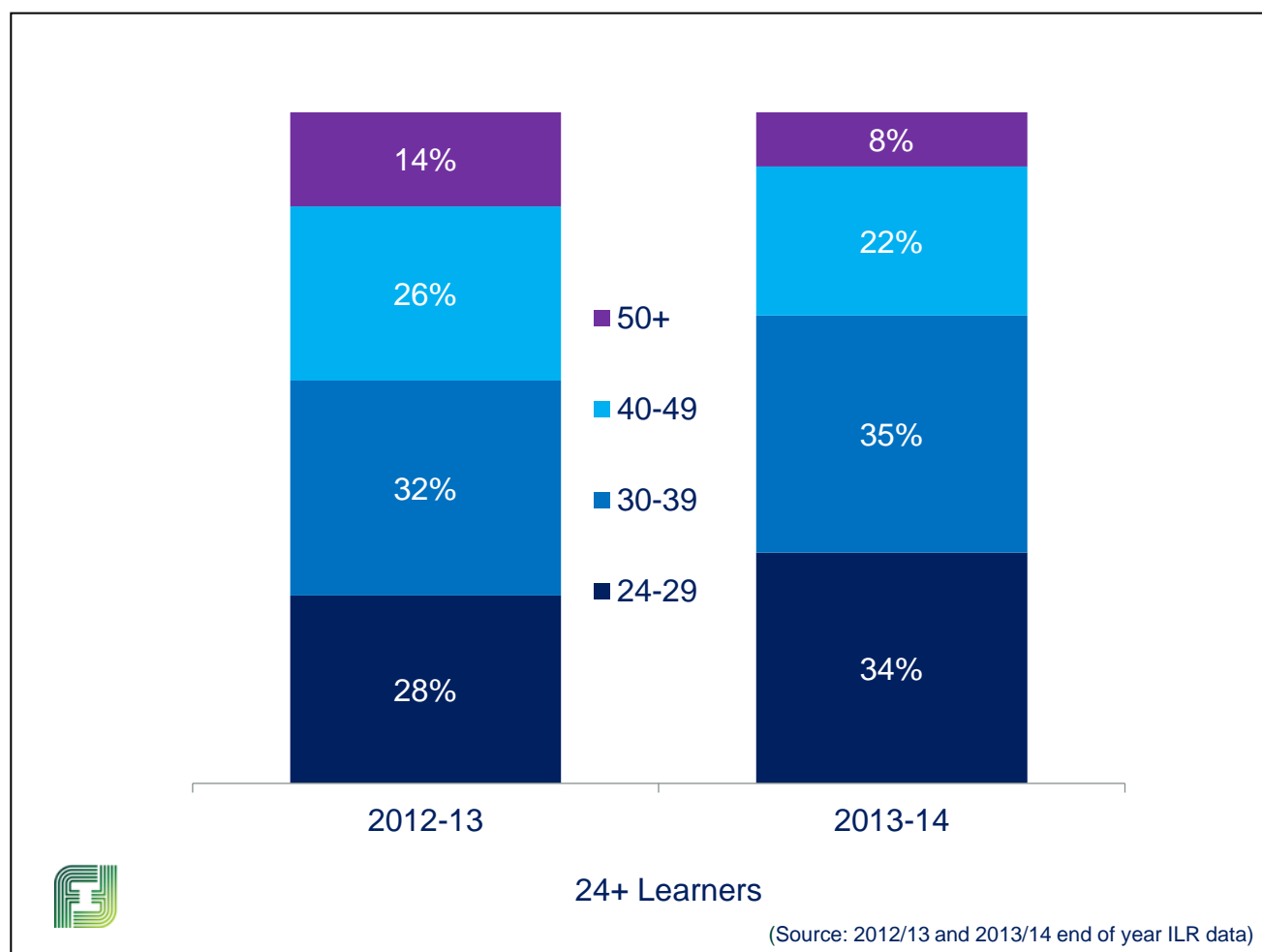
Comparing the 2012/13 and 2013/14 end of year data also facilitates an analysis of whether there has been any change in the profile of Loans eligible learners since the introduction of 24+ Advanced Learning Loans.

Figure 3.3 shows the gender profile of learners has remained relatively static with around seven in ten of 24+ learners being female. Therefore the gender profile does not seem to have been impacted by the change in course mix shown in the previous figure.

Figure 3.3: Gender profile of learners (ILR analysis)



However, as Figure 3.4 shows there has been a slight shift in the age profile of Loans learners on eligible courses. The reduction in learner numbers overall has impacted disproportionately on those aged over 40. For the 2013-14 academic year there were 30,170 learners aged 40+, compared with 56,760 in 2012/13. This represents a drop of 47 per cent compared with the 31 per cent reduction observed at the overall level.

Figure 3.4: Age Profile of Learners aged 24+ (ILR analysis)

The shift in age profile of learners is evident across all course types with the exception of Access to HE courses as shown in Table 3.1.

Table 3.1: Age profile of Loans learners by course type (ILR analysis)

	A-Levels		Access to HE		L3 Cert		L3 Dip		L4 Cert		L4 Dip	
	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14	12/13	13/14
Base	3,050	1,860	17,800	20,570	53,470	20,750	53,810	48,140	5,170	2,110	11,760	5,630
24-29	31%	34%	45%	46%	20%	25%	32%	33%	24%	24%	23%	31%
30-39	27%	28%	39%	38%	28%	33%	34%	36%	29%	30%	33%	33%
40-49	21%	20%	14%	14%	31%	28%	25%	23%	29%	30%	31%	25%
50+	22%	18%	2%	2%	21%	13%	9%	8%	18%	16%	13%	10%

The profile of learners by ethnicity for the two years remained static (Figure 3.5) showing that the change in the mix of qualifications, and age has not impacted on the ethnic make-up of 24+ learners studying Loans eligible courses.

Figure 3.5: Ethnicity Profile of Learners aged 24+ (ILR analysis)

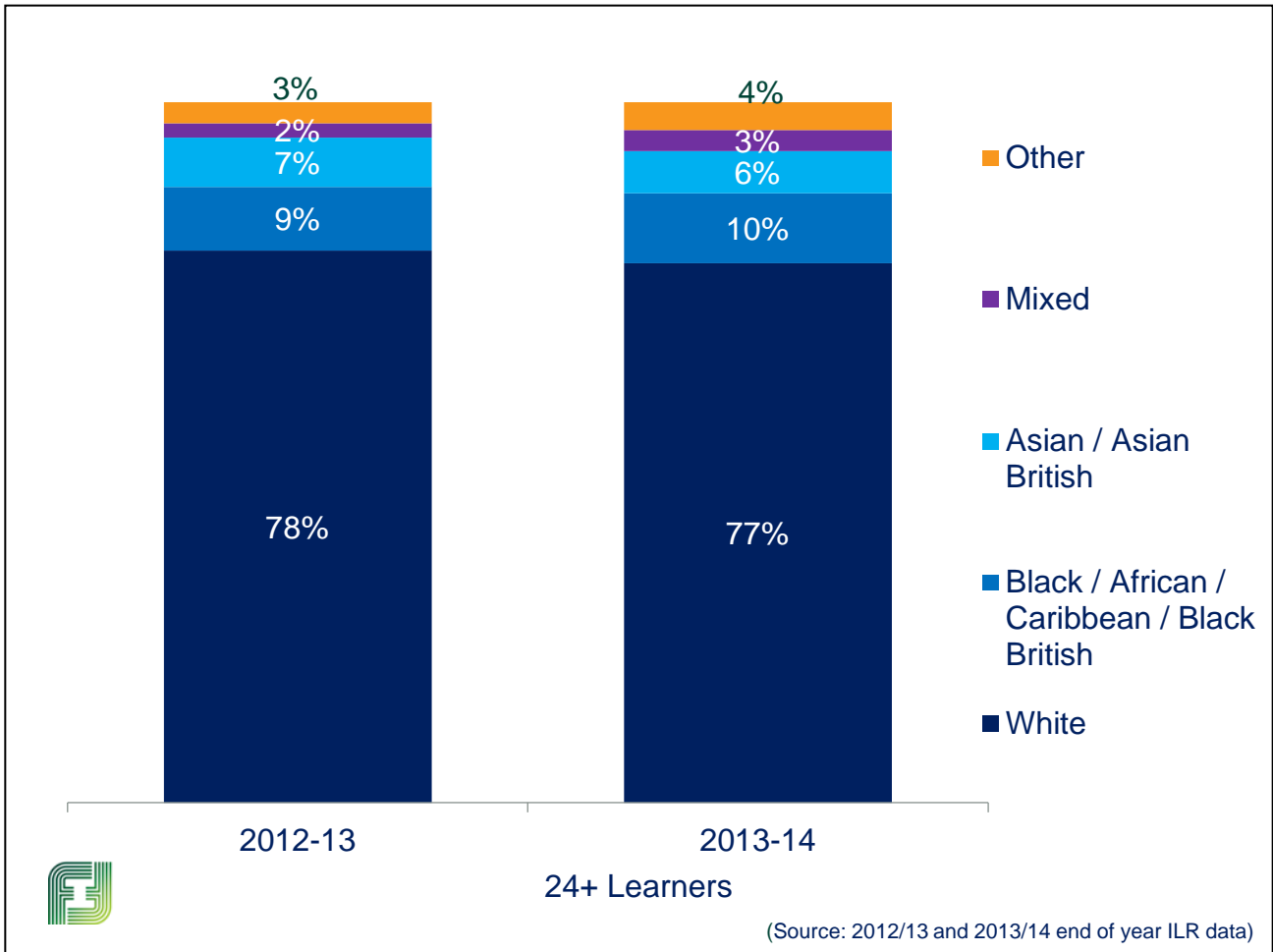
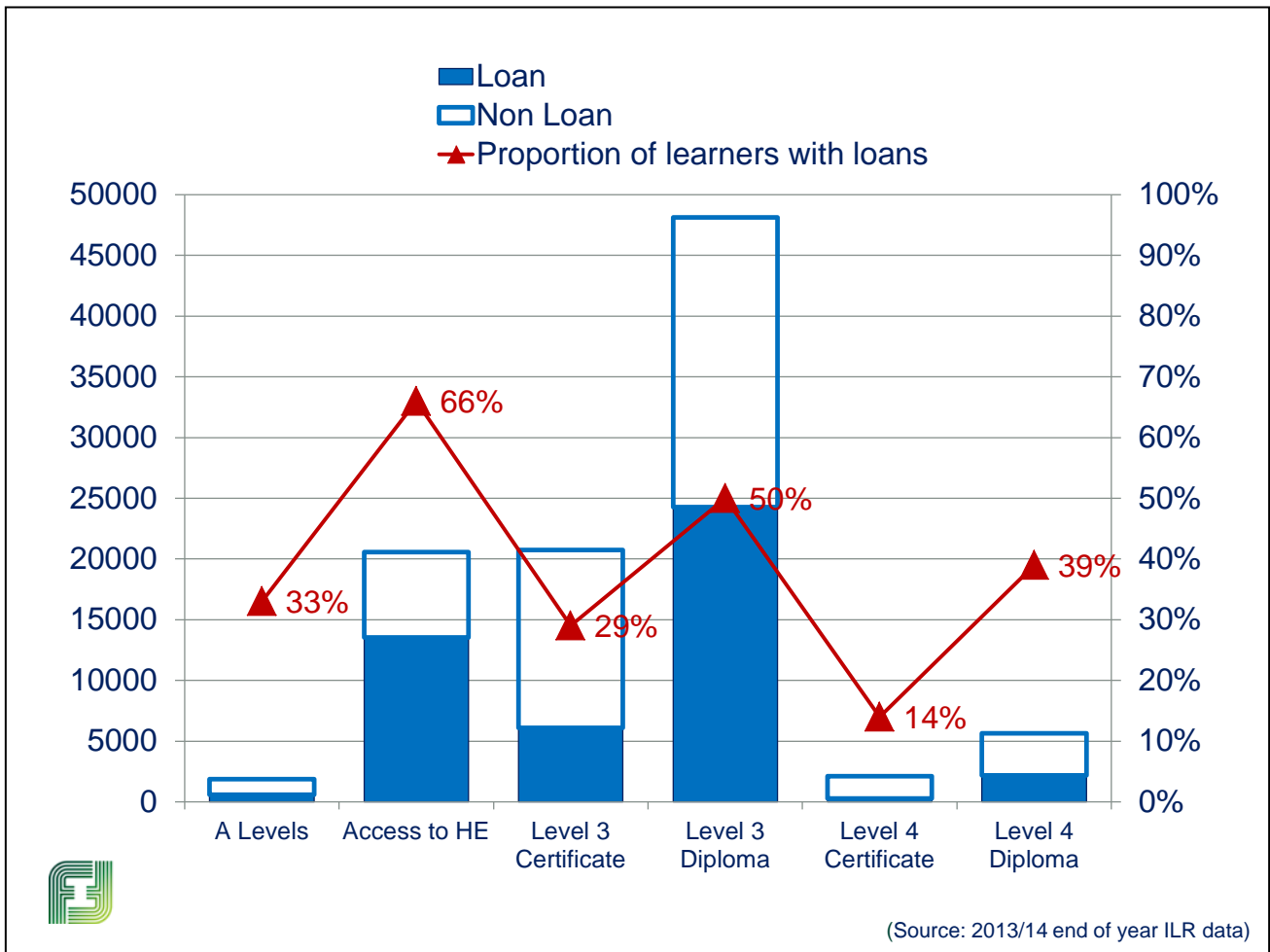


Figure 3.6 shows the proportion of Loans learners who were flagged as having a 24+ Advanced Learning Loan on the ILR. At an overall level, the ILR recorded take up of a Loan by 48 per cent of eligible learners. The chart indicates much higher take-up of loans among those studying Access to HE courses and Level 3 diplomas than among the other types of loans eligible courses.

Figure 3.6: Take-up of loans by eligible course type (from ILR)



4. Learners: Current circumstances and type of qualification

This section of the report looks at the characteristics of learners. In particular it focuses on the profile of Loans learners versus non-Loans learners when their studies began, what qualification they were working towards and how (whether full or part time), their highest previous level of qualification and their employment status. It will also explore some attitudinal differences between Loans and non-Loans learners. Both groups of learners (Loans and non-Loans) were surveyed from a sample derived from the ILR. Findings are taken from the quantitative survey of learners and where appropriate supplemented with insight from the qualitative learner journeys.

Throughout this and subsequent Learner chapters, findings are presented at the overall learner level first with differences between learners funded by a 24+ Advanced Learning Loan (Loans learners) and those not funded in this way (non-Loans learners) reported where applicable.

Chapter Summary

There are some noticeable differences in terms of the two learner groups' characteristics.

Fewer Loans learners were in employment than non-Loans learners while undertaking their learning (64 per cent vs. 75 per cent) and were more likely to be studying part-time (40 per cent compared to 17 per cent of non-Loans learners)

Non-Loans learners were more likely to have higher prior qualifications. Thirty six per cent had either a Level 4 or 5 qualification compared to 28 per cent of Loans learners. Higher proportions of Loans learners were working towards Access to HE courses, whilst non-Loans learners were more likely to be working towards Level 4 courses. Similar proportions of the two groups of learners were studying Level 3 qualifications.

At this stage, there do not appear to be many attitudinal differences between the two audiences regarding money management, suggesting that perceptions towards personal finance are not a key driver for loan take-out.

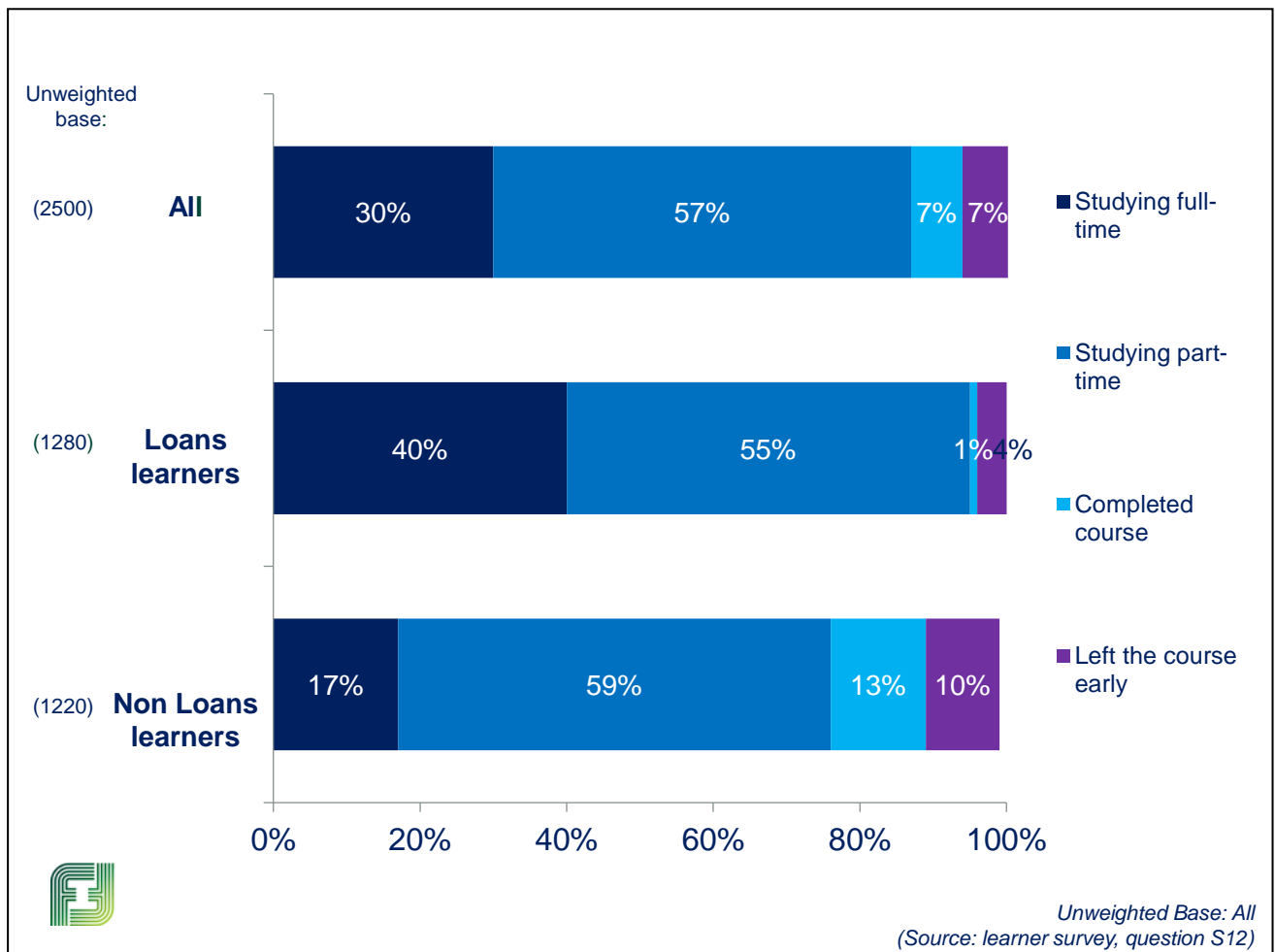
4.1 Characteristics of Loans and non-loans learners

Approaching three-fifths (57 per cent) of learners starting a course eligible for 24+ Advanced Learning Loan funding between August 2013 and January 2014 had funded their studies through 24+ Advanced Learning Loans. As such findings at the overall level are determined to a greater degree by the experiences of Loans learners.

The vast majority of learners (83 per cent) commenced their learning towards the beginning of the sampling window in September 2013. Overall, more than two-thirds of learners (69 per cent) were working when they took part in the survey with this being higher among non-Loans learners (75 per cent compared with 64 per cent of Loans learners).

It follows then that differences were also apparent between Loans and non-Loans learners in terms of their mode of study. Reflecting the fact that they were more likely to be employed, non-Loans learners were more likely to be studying on a part-time basis, as figure 4.1 indicates.

Figure 4.1: Whether learner was studying on a full-time or part-time basis and whether they had completed or left the course early



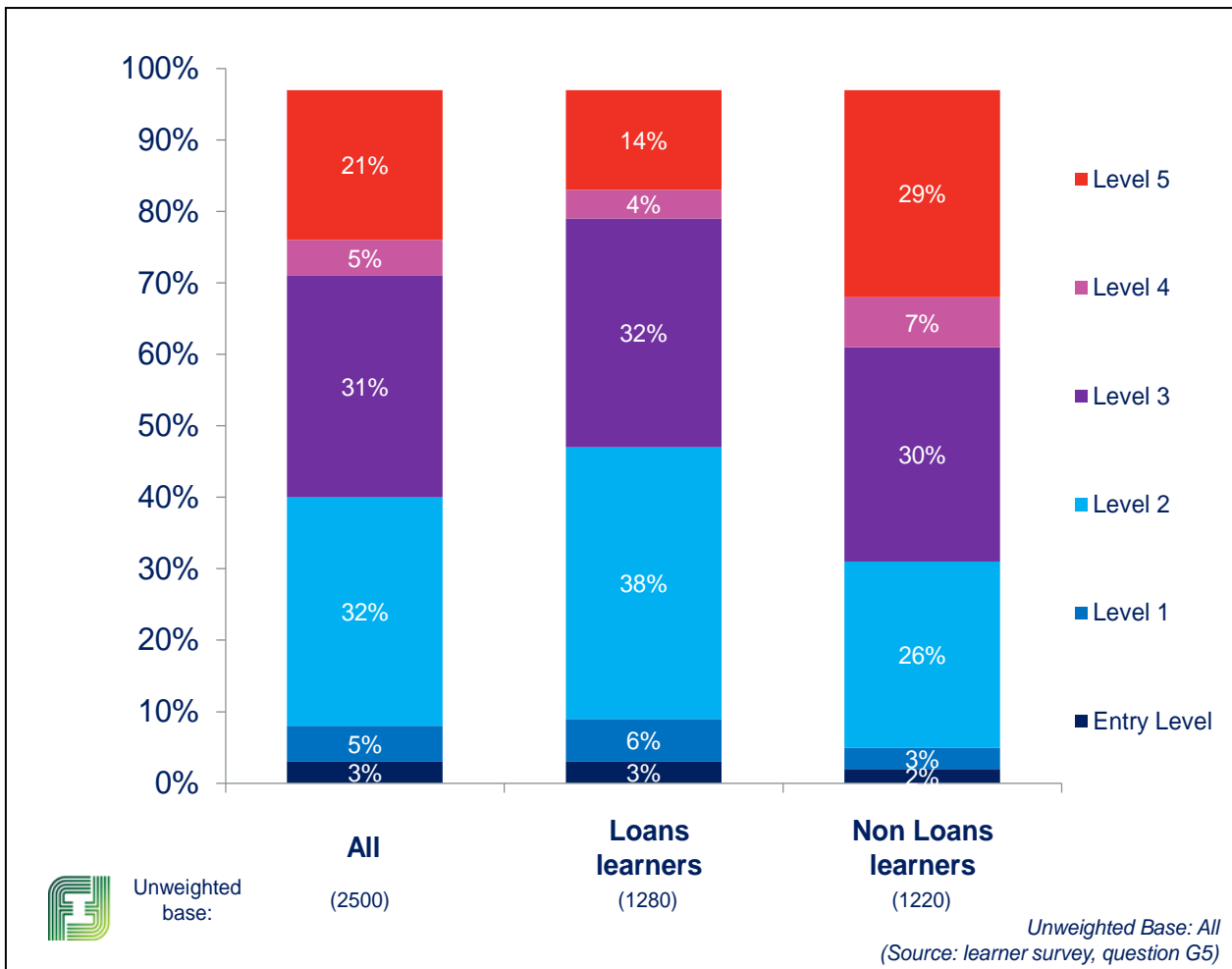
By the time of the quantitative study, more than one in ten (13 per cent) of non-Loans learners had already completed their course, this compared to only one per cent of Loans learners). One in ten (10 per cent) of non-Loans learners had left their course early – more than double the proportion of Loans learners (four per cent) and may reflect that Loan learners are less likely to withdraw from their education and training because of the financial commitment associated with taking out a 24+ Advanced Learning Loan. However, it should also be noted that non-Loans learners who self-funded their course (53 per cent) also made a financial commitment to their learning.

Loans learners were more likely to have lower earnings than non-Loans learners: almost half (47 per cent) of Loans learners reported having an annual household income of less than £20,000 compared with just a third (31 per cent) of non-Loans learners.

In terms of learners' previous level of qualification, non-Loans learners were more likely to already be qualified to a higher level than Loans learners, as figure 4.2 illustrates. The proportion of non-Loans learners who had previously attained a Level 5 qualification was twice that of Loans learners (29 per cent in comparison to 14 per cent). Non-Loans learners were also more likely to hold a Level 4 qualification (seven per cent) than Loans learners (four per cent). Conversely, two-fifths (38 per cent) of Loans learners' highest previous level of qualification was at Level 2, whereas this was the case for only around one quarter (26 per cent) of non-Loans learners.

Taking these findings together, loans appear to have been withdrawn largely from groups of learners who might otherwise have had difficulty accessing training (i.e. they are less likely to be in paid work, are less qualified and earn less when compared with non-Loans learners).

Figure 4.2: Learners’ highest previous level of qualification



In addition, there were also differences in terms of the qualification type learners were studying towards. As figure 4.3 indicates, non-Loans learners were more evenly spread across different qualification types. The majority of Loans learners were studying for either a Level 3 Diploma (43 per cent), or an Access to HE diploma (32 per cent). Whereas the highest portion of non-Loans learners were also working towards a Level 3 Diploma, numbers were significantly lower at 33 per cent and accompanied by higher numbers studying towards Level 3 and 4 certificates, and Level 4 diplomas.

The proportion of non-Loans learners on Access to HE Diplomas (14 per cent) was less than half that of Loans learners (32 per cent). The fact that the number of Loans learners enrolled on Access to HE courses is higher is likely to reflect the appeal of these particular qualification types, given the 24+ Advanced Learning Loan will be written-off if a learner progresses to, and completes, a HE qualification.

There is particular interest in the level of take-up among Muslim learners given the concept of a loan (particularly the idea of accruing interest) contravenes the principles of Sharia law. Findings from the learner survey suggest that the introduction has not necessarily deterred Muslim learners from funding their studies in this way: 67 per cent of Muslim

learners stated that they had subsidised their learning with a Loan (compared to 56 per cent of non-Muslim learners).

4.2 Attitudinal Differences

As part of the quantitative survey, learners were asked a number of attitudinal questions pertaining to money and financial planning to try and gauge the degree to which learners had a sense of caution regarding their finances and whether this had any influence on their decision to take out a 24+ Advanced Learning Loan. Findings were somewhat mixed in terms of attitudes. For example:

- Higher proportions of non-Loans learners stated that they made sure they had money saved for a rainy day (62 per cent) and were good at managing money (66 per cent) in comparison to Loans learners (51 per cent and 61 per cent respectively), however;
- Higher proportions of Loans learners (79 per cent) disagreed that they prefer to buy things on credit card rather than wait to save up to pay for them (76 per cent)

However, results showed virtually no attitudinal differences between Loans learners and non-Loans learners when they were asked the extent to which they agreed about the following statements:

- I am impulsive and tend to buy things even when I can't really afford them
- Owing money is always wrong
- Borrowing money from a bank or loan company is a normal part of today's lifestyle
- Once you get into debt, it is often very difficult to get out of it

Therefore learners' attitudes towards their personal finances revealed a mixed picture. In some cases, non-Loans learners' responses suggested that they had a more cautious attitude to their money, but, in others a higher proportion of Loans learners displayed more reserved views. In most cases, however, views did not significantly differ between Loans and non-Loans learners. This indicates that it is not necessarily attitudes towards money or desire to be financially cautious that influences learners' decisions over whether to take out a loan or not.

5. Learners: Motivations for learning and factors driving decision-making

This section of the report explores the early impacts that 24+ Advanced Learning Loans have had on the ways in which learners choose their course of learning. It reports on learners' reasons for learning before exploring how they choose the type of learning to undertake and where to study.

Chapter Summary

Motivations for learning varied between Loans and non-Loans learners; whereas non-Loans learners were more likely to consider progressing in education and their future career, non-Loans learners were more motivated by improving their skills and prospects in a current job or career.

More than half (54 per cent) of learners considered just one provider when first starting to think about studying and this was more likely to be the case among Loans learners (56 per cent) than non-Loans learners (50 per cent).

Three fifths (61 per cent) of all learners stated the cost of learning was an important factor when they started to think about undertaking studies. However, in comparison to other factors, the cost of learning was considered least important by both Loans and non-Loans learners (although Loans learners considered this issue more important than non-Loans learners – 64 per cent compared to 57 per cent). Among those who did consider cost to be an issue, most commonly course fees were the main consideration.

Rather, learners attached a greater level of importance to the subject they would be undertaking (95 per cent), the opportunities the course would present to them (89 per cent) and the qualification they would gain (85 per cent).

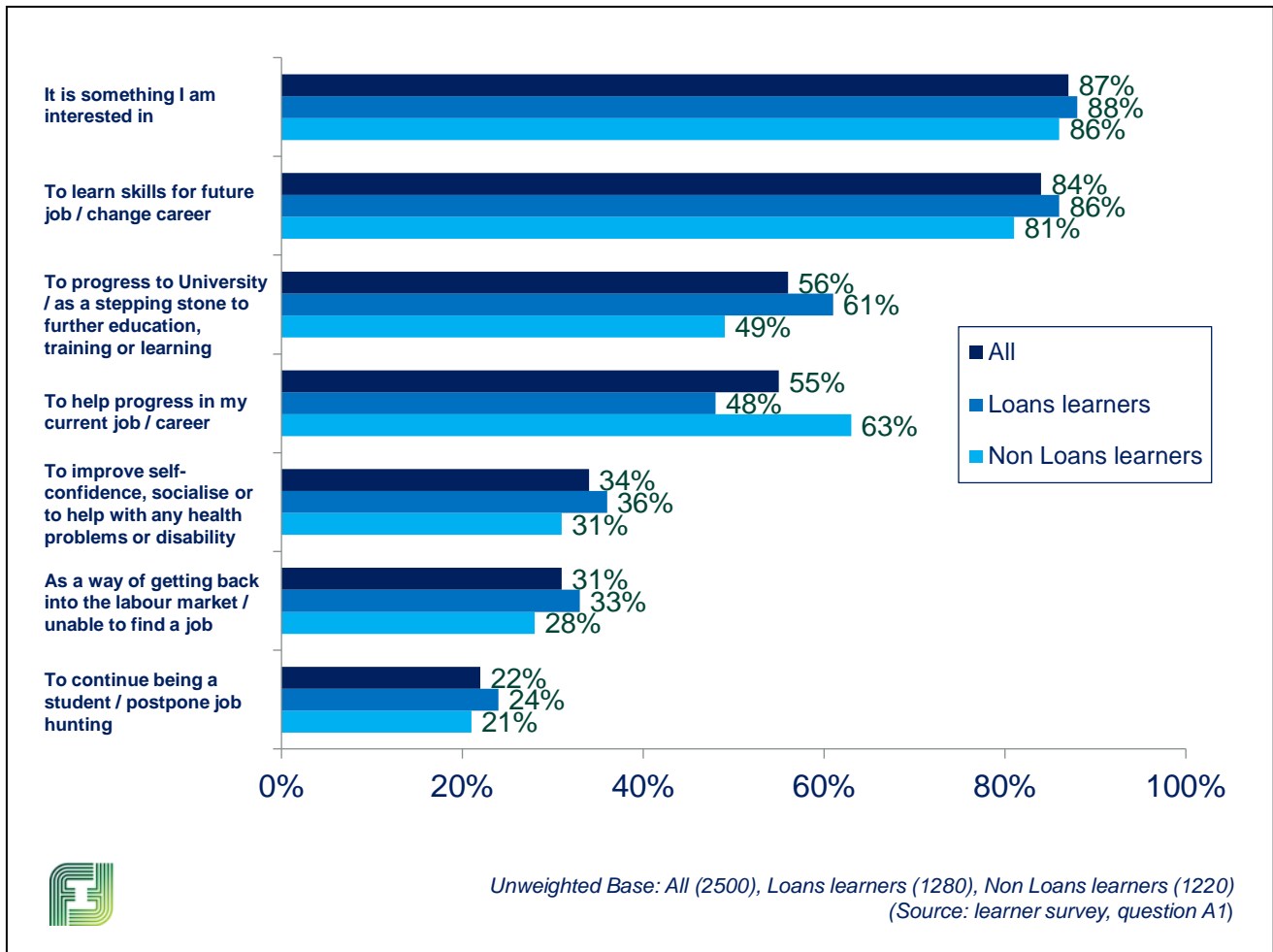
Amongst those who did consider cost to be an issue, Loans learners were more likely to consider all expenses more important than non-Loans learners.

Over one-third of Loans learners who did not consider costs to be a significant issue believed that the outcome of their learning would outweigh any financial outlay (37 per cent).

5.1 Motivations for learning

Learners were presented with a prompted list and asked to state their motivations for undertaking their course; these are shown in Figure 5.1. The most common reasons for undertaking training and education were personal interest (87 per cent) and to develop employment related skills for a future or different job (84 per cent).

Figure 5.1: Learner motivations to study



Motivations for learning varied between Loans and non-Loans learners. The findings indicate that Loans learners were more likely to consider progressing in education and their future career, whereas non-Loans learners were more motivated by improving their skills and prospects in a job or career that they are currently in. This might suggest that whereas Loans learners were more likely to have long-term learning and career plans, instead non-Loans learners’ needs and goals were more immediate and related to their current employment circumstances. This is likely to be related to the fact that non-Loans learners were more likely to be working when going into learning and that in turn, their study was more likely to be (part) funded by their employer (as we will come to see in section 5.2 when course costs are discussed).

As Figure 5.1 shows, the majority (86 per cent) of Loans learners stated that they wanted to learn skills for a future job; with a lower proportion (81 per cent) of non-Loans learners citing this reason. On the other hand, non-Loans learners were more likely to cite progression within their current job as a motivating factor compared to Loans learners (61 per cent and 49 per cent respectively).

Three-fifths (61 per cent) of Loans learners were studying or had studied to continue their progression in education or training (this compared to just less than half (49 per cent) of non-Loans learners) and were more likely (33 per cent) to be studying to return to the labour market, than non-Loans learners (33 per cent and 28 per cent respectively).

Learners were asked which was considered to be the *most important* motivating factor for undertaking study and the overall level, “to learn skills for a future job or to change career” was most commonly cited (40 per cent).

However, in keeping with previous findings, there was variation between Loan and non-Loans learners in their main reason for undertaking discussion.

Whereas Loans learners were most likely to say that learning skills for a future job / to help with a change in career was the most important factor (43 per cent) this compared to just over one third of non-Loans learners (35 per cent) who were most likely to say that they wanted to progress in their current job or career (38 per cent compared to 22 per cent of Loans learners).

Loans learners were also around twice as likely to state that the most important reason for them undertaking training was because it would help them to progress to university, other education, training or learning (20 per cent compared to 11 per cent of non-Loans learners). Please refer to Figure A in the accompanying Methodology and Appendices document for a more detailed breakdown of these findings.

Learners who were in employment at the time of the survey and stated that they were undertaking a qualification to learn skills for a future job, were asked whether they expected to earn more money in their prospective new job. The majority (78 per cent) expected that this would be the case.

Loans learners seemed more optimistic with regard to their earning potential, with four-fifths (81 per cent) stating that they thought that they would earn more money in their prospective job / following their planned career change. Just less than three quarters (74 per cent) of non-Loans learners expressed the same opinion (see Figure B in the Methodology and Appendices report).

5.2 Factors when considering type of learning and provider

One of the objectives of 24+ Advanced Learning Loans is to empower learners to become more informed customers, with the purchasing power to choose the course of the highest benefit to them. Therefore to gauge the extent to which learners ‘shopped around’ before signing up to their eventual course, they were asked how many different providers they had considered when they first started thinking about studying.

Over half of all learners (54 per cent), had only considered one provider and a further fifth (21 per cent) had considered two. Loans learners were more likely to have considered just one provider compared to non-Loans learners (56 per cent and 50 per cent).

Learners who had looked at more than one provider were asked whether these providers had met the learners’ requirements. Figure 5.2 shows roughly equal proportions had either found that all providers had met all their requirements (31 per cent) or that there was a roughly even split in terms of the number of providers who had met all / none of the learner’s needs (33 per cent). Fewer than one in twenty-five (3 per cent) thought that none of their requirements were met by providers that they had considered.

Figure 5.2: Extent to which providers met learners’ needs and requirements

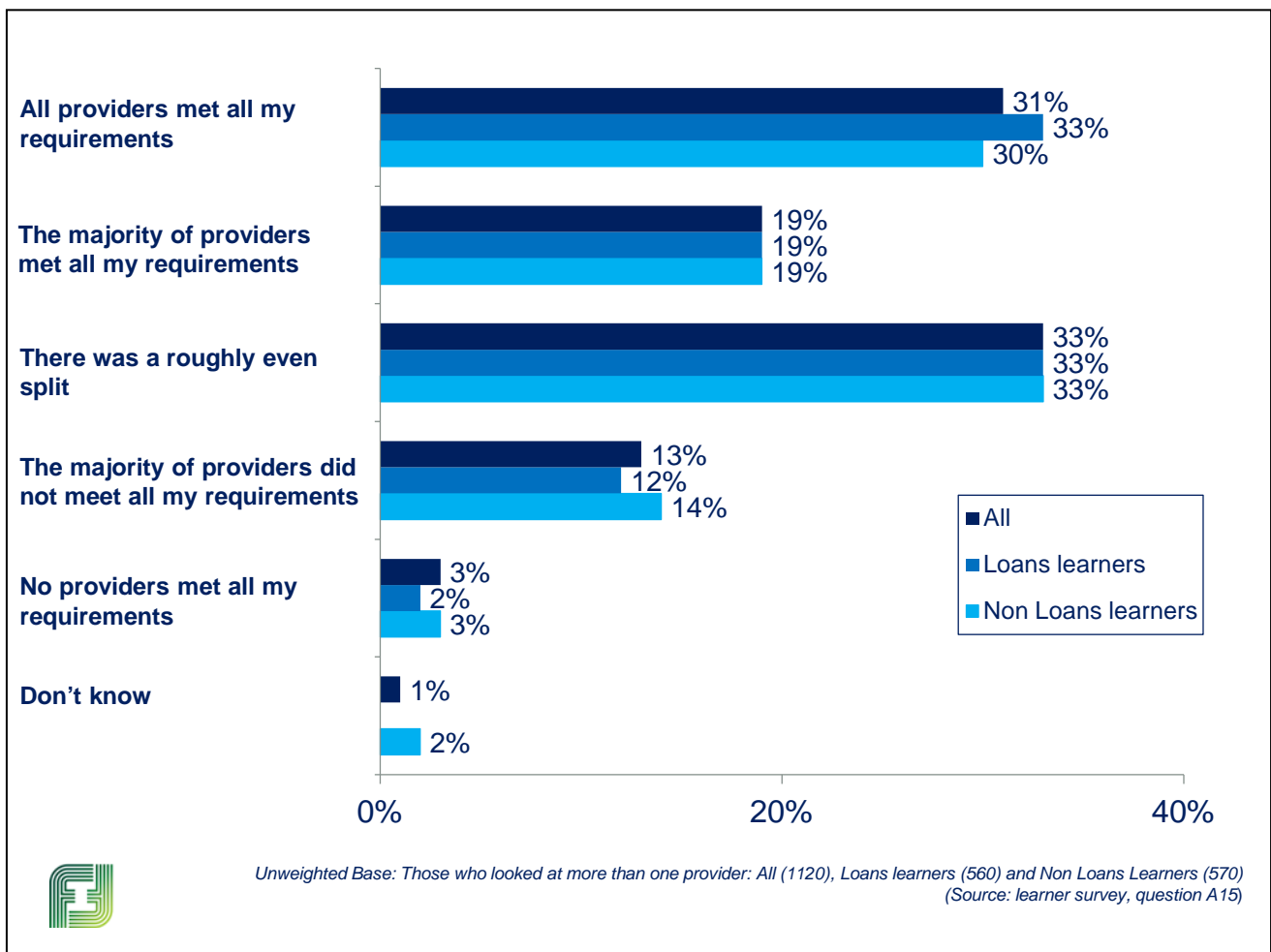


Figure 5.2 also illustrates that views did not vary significantly between Loans learners and non-Loans learners as they held similar views with regard to this question.

There were however some differing opinions among the Loans learner group; older Loans learners were more likely to state that the majority of providers did not meet all of their requirements (18 per cent aged 40+ who looked at more than one provider thought this, in comparison to those aged 30-39 and 24-29 (both 9 per cent)).

Just over one-quarter (27 per cent) of male Loans learners, who had looked at more than one provider, stated that all of their requirements had been met by the majority of them which compared to 17 per cent of their female counterparts. Rather, these female learners were more likely to say that there was an even split between those that met their requirements and those that did not (35 per cent compared to 25 per cent).

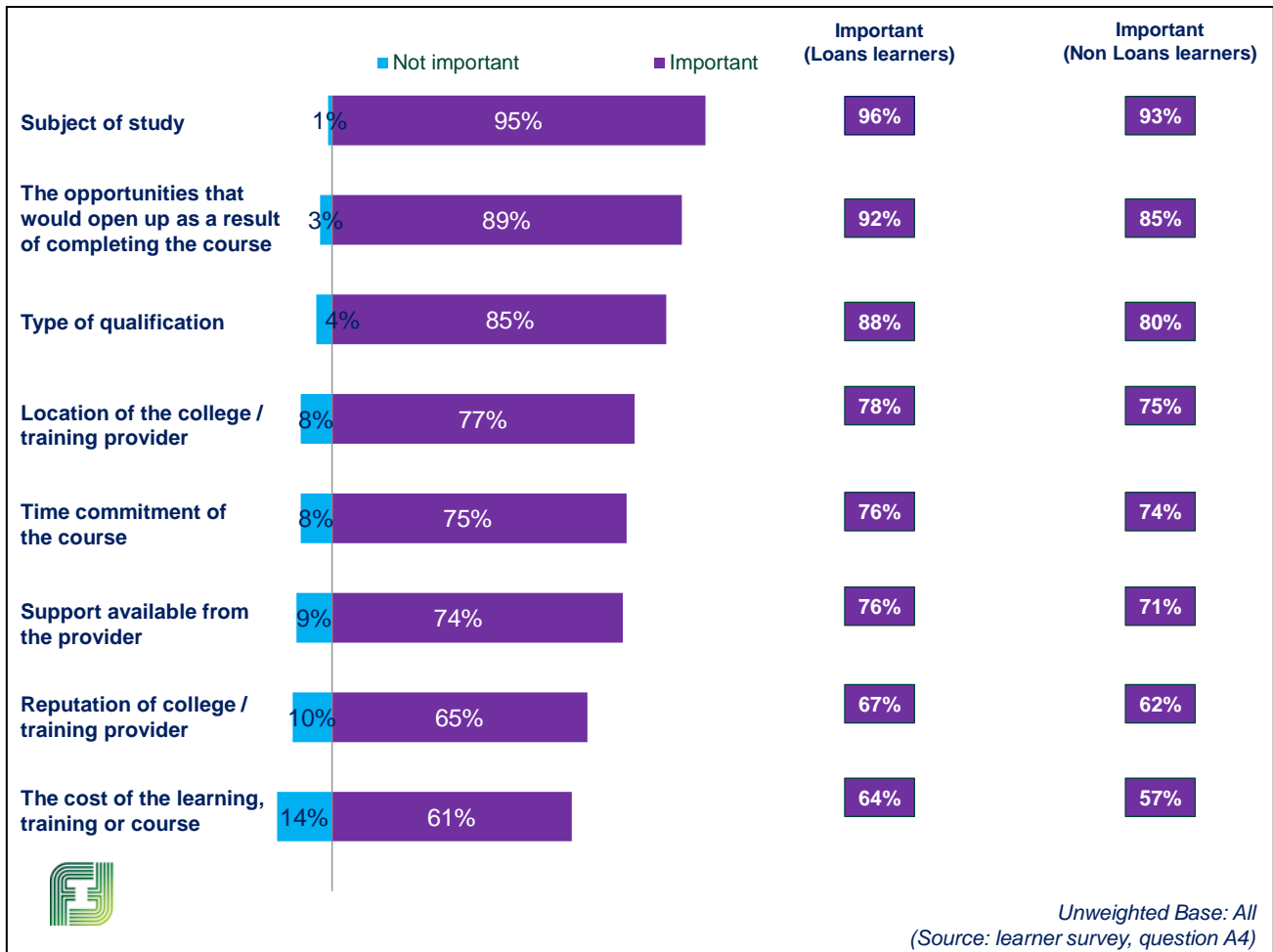
Overall just over half (52 per cent) of those who had considered more than one provider perceived costs to vary from one provider to another; 15 per cent by thousands of pounds, 29 per cent by hundreds of pounds and eight per cent by tens of pounds.

More than one-third (36 per cent) of all learners stated that costs were about the same across all providers with Loans learners more likely to state that costs did not differ between providers (41 per cent) in comparison to non-Loans learners (31 per cent). Roughly similar proportions of Loans and non-Loans learners were unable to comment as to whether costs varied (13 per cent and 10 per cent respectively).

Learners were most likely to state that costs did not vary when they were investigating potential Access to HE courses. More than half (55 per cent) of Loans learners who were on an Access to HE courses and looked at more than one provider reported this to be the case, compared to just over one-third (35 per cent) of Level 3 qualifications and just under one-quarter (23 per cent) of Level 4 qualifications. Non-Loans learners' (who had looked into studying with multiple providers) revealed a similar finding: 45 per cent stated costs for Access to HE Diplomas did not vary at all between providers, whereas only 29 per cent stated that this was the case for Level 3 Qualifications and 25 per cent for Level 4 Qualifications.

Learners were asked to rate on a scale of 1 to 5, how important various factors were when they first started thinking about studying with 1 being "Not important" and 5 being "Very important". Figure 5.3 shows the proportion of learners that provided an important rating (4 or 5) and not important (1 or 2). As figure 5.3 shows, each factor was important by at least three-fifths of all learners. The most important factors were:

- the subject (95 per cent of all learners);
- the opportunities that would entail as a result of doing the course (89 per cent) and;
- the qualification type (85 per cent).

Figure 5.3: Importance of factors when learner first started to think about studying

Significantly higher proportions of Loans learners stated each of the factors were perceived important compared to non-Loans learners. This might suggest that the 24+ Advanced Learning Loans objective of learners becoming more informed and discerning customers is being realised.

In terms of differences between different learner groups, with regards time commitment, both 24+ and non 24+ female learners stated this was more important (80 per cent and 78 per cent) than their male counterparts (64 per cent and 67 per cent), likely to be influenced by the need for childcare, as highlighted in findings from the Learner Journeys and summarised later in this chapter by Safia's journey.

The cost of the course, learning or training was felt to be important by the lowest proportion of all learners (61 per cent), although higher numbers of Loans learners felt that it to be the case than non-Loans learners (64 per cent compared with 57 per cent respectively). Cost was an important factor particularly to:

- Female learners in comparison to their male counterparts: (66 per cent of female Loans learners vs. 56 per cent of male Loans learners and 61 per cent of female non-Loan learners compared to 50 per cent of non-Loan males).

- Loans learners aged 40+ (70 per cent).

Overall, 18 per cent of non-Loans learners stated that cost was not an important factor (giving it a rating of 1 or 2), higher than Loans learners (12 per cent).

Those who said that cost was an important factor when they first started to think about studying were asked what cost-related issues they considered at this time¹². The biggest consideration related to course fees for these learners (see Figure C in the Methodology and Appendices document).

Again, Loans learners were more likely to consider all expenses more important than non-Loans learners which is in keeping with the fact this group were more likely to consider cost per se as more important than non-Loans learners.

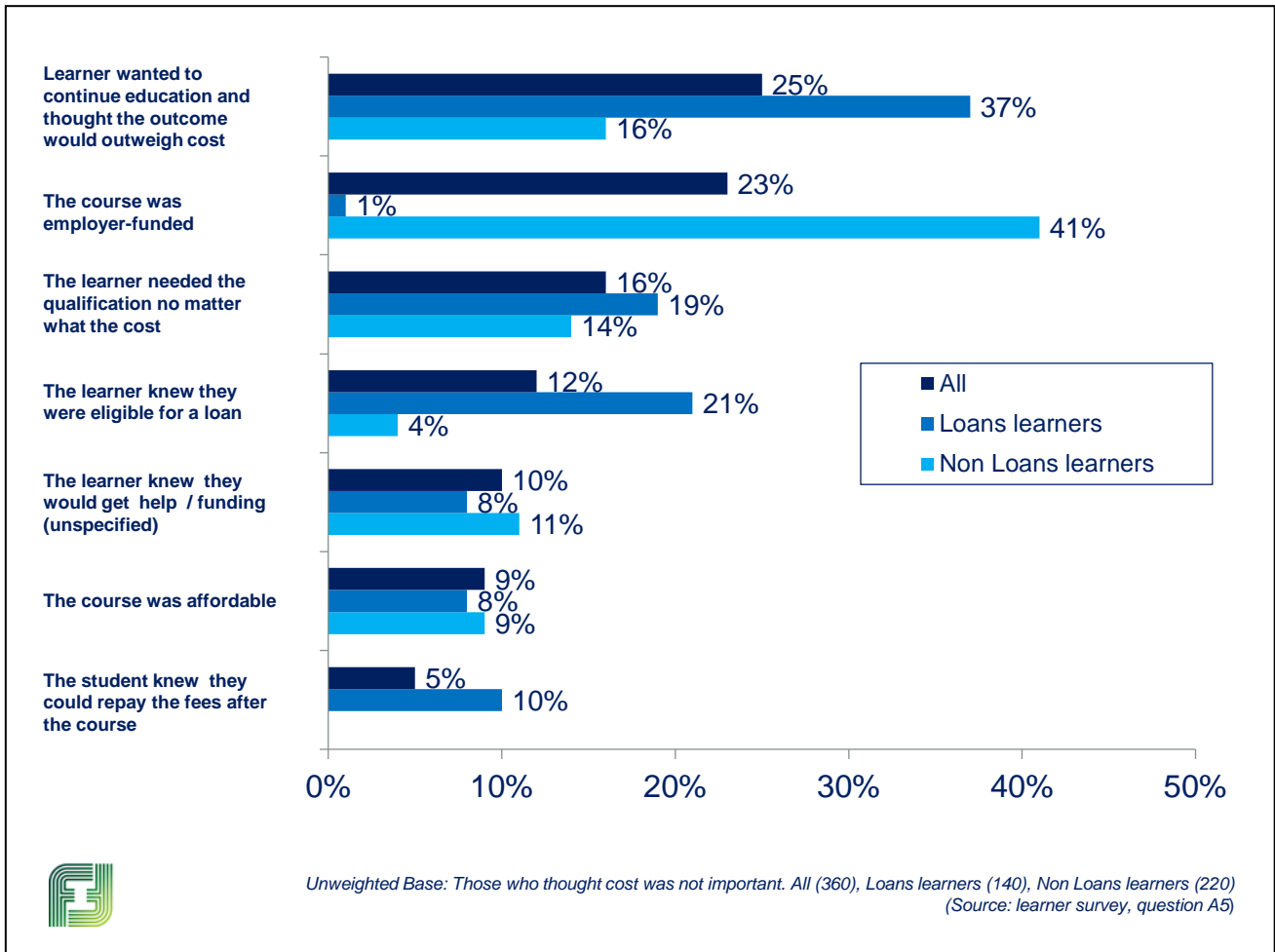
Almost three-fifths (58 per cent) of Loans learners stated that they considered the cost of course materials, compared to 49 per cent of non-Loans learners. After this, living costs (which would not be covered by the Loan) were also considered important by more than half of Loans learners and a lower proportion (48 per cent) of non-Loans learners.

The cost childcare was the issue less likely to be considered by both type of learners (30 per cent on Loans learners and 23 per cent of non-Loans learners).

¹² The 24+ Advanced Learning Loan is designed to only cover course fees. Funding for additional costs associated with learning such as childcare, travel expenses and materials are not covered by the loan.

Conversely, those who thought cost was not important when they first started to think about studying, were asked why this was the case. Their reasons are shown in Figure 5.4.

Figure 5.4: Reasons why cost was not an important factor when starting to think about studying



Roughly equal proportions of all learners who thought that cost was not an issue stated this because they thought continuing in education would outweigh the cost of training (25 per cent) and / or they thought the course would be employer funded (23 per cent) although this was determined to a large extent by the non-Loans cohort (41 per cent compared to one per cent of Loans learners (one per cent)).

Loans learners (37 per cent of those who thought that cost was not an issue) were significantly more likely to think the outcome of their learning would outweigh the cost, compared to non-Loans learners who thought that cost was not an issue (17 per cent). Loans learners were also more likely than non-Loans learners not to worry about cost because they knew at that time that they were eligible for a loan (21 per cent when compared to 4 per cent, respectively). This might indicate that there are some issues around raising the profile of 24+ Advanced Learning Loans to all eligible learners and is discussed later in Chapter 6.

5.3 Learner journey findings

Almost all of the learners who were accompanied on their decision-making journey were interested in studying at Level 3 or 4 in order to progress on to Higher Education, with a view of getting into the labour market / changing their career. No learners cited learning skills that they could use in their current line of work as a motivational factor.

Various factors emerged as being important to them when they were first thinking about studying. One factor that was crucial for a number of learners was flexibility. This was particularly the case for single mothers who took part in the learner journeys and stated that they had to find a course that would fit in around their children.

As outlined in the method section, one stage of the research involved interviewing potential learners at various stages during their learning decision-making.

Safia's journey¹³ illustrates this and highlights the variety of factors that adults often have to consider when they are making decisions about what learning to undertake. Flexible learning is paramount to many in this audience.

Safia's journey shows how factors that are important are often inter-related. She had to find a course that would fit around her children but one that was also accessible to keep travel expenses down. A number of other learners who took part in the learner journeys stated that accessibility was a crucial factor when they were first thinking about their study options. In a few cases this was the main reason why learners wanted to progress at the provider that they were already engaged with at the time of their interview.

Safia's journey also shows how important the prospective cost of her studies was when she was first thinking about her studies – in fact, she stated that she would have been unable to study a Level 3 qualification without the financial aid that a 24+ Advanced Learning Loan offered. Similarly, the cost of studies proved to be a major concern for a number of learners who took part in the learner journey aspect of this research. Learners worried about the cost of the course itself, but a number (along with Safia) also worried about travel expenses and the cost of living.

A number of learners, however, seemed to be more concerned with actually securing a place on their desired course. They were worried that they would not be able to acquire the grades that they needed to progress. For a few of these learners 24+ Advanced Learning Loans provided some relief by taking the pressure off having to find a way to fund their studies.

A few learners stated that they were concerned about returning to education after a considerable time and particularly into an environment dominated by younger learners.

On the other hand, one learner (who was interested in studying A Levels) stated that he was finding it difficult to find a provider that would cater for him because he was older and felt that most of the providers that he spoke to did not meet his requirements as he felt that they only focused on attracting learners aged under 24:

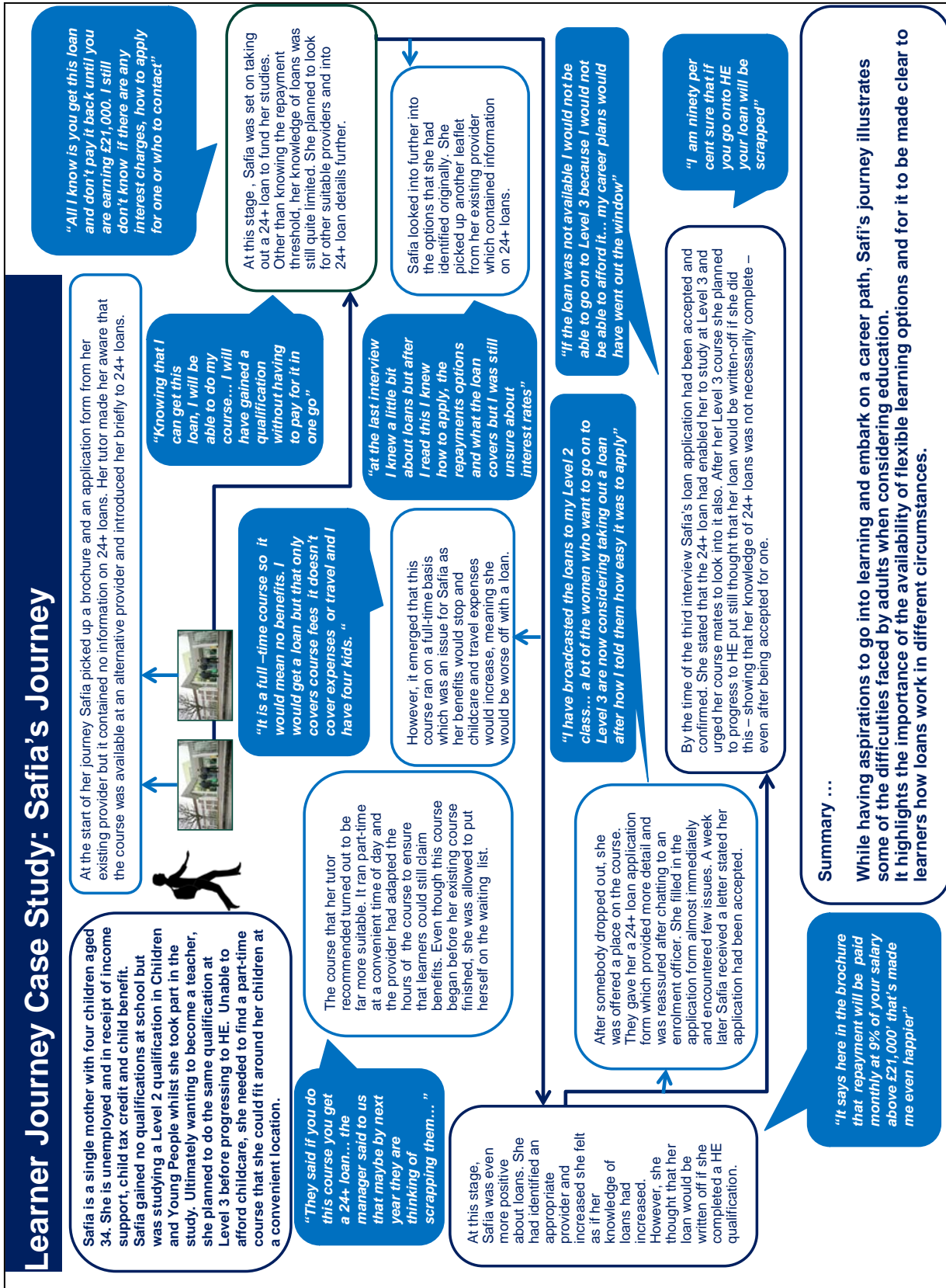
¹³ Safia is a pseudonym.

'For some reason, because I'm an adult, they discriminate and say it [A Level course] is for sixth form students... for some reason colleges are just not accepting adults'.

(Male Learner aged 27)

Overall, learners seemed divided in terms of whether they thought that the providers that they contacted met their requirements or not. Safia's journey in Figure 5.5 shows one of the stories gathered during the Learner Journey phase of the research. In Safia's case, the outcome of her search for a suitable provider had a positive outcome as she was able to find one that met her needs. The provider that she eventually committed to did as they had reduced the course hours so that their students could still claim their benefits.

Figure 5.5: Learner Journey Case Study – Safia’s Journey



In comparison, it was not always the case that learners thought that one provider always managed to meet all of their requirements or not. George's case in section 6.4 illustrates this. On one hand he felt that the provider staff who dealt with him on a face-to-face basis were not entirely helpful, however, they did point him to the sources where he managed to acquire the information that he needed.

Similarly, it is not entirely clear from some of the journeys whether providers are giving the correct information about loans and the learners are misunderstanding it / misinterpreting it or whether they are actually getting the wrong information in the first instance. This finding is illustrated by Safia's case study. Even after she had applied for a 24+ Advanced Learning Loan she was sure that her loan would be scrapped if she progressed to HE – despite the fact that she did not qualify for this offer as she was not doing an Access to HE Diploma. A lot of the learner journeys were cited similar examples and as it was not entirely clear whether learners misunderstood some information or whether they were given incorrect information in the first place.

6. Learners: Funding considerations and awareness of 24+ Advanced Learning Loans

This section of the report examines learners' initial awareness of 24+ Advanced Learning Loans, the type of information sought when they first started thinking about funding their learning and the information sources they accessed. It will explore how learners planned to fund their studies when they first thought about taking-up a course and their eventual funding arrangements. It should be noted that learners were surveyed in February–March 2014 regarding their experiences of the 2013-2014 academic year. Loans came into being from April 2013 but many only have been applied for in the summer of 2013. It is worth acknowledging that when describing their “decision-making” experience, some learners will have been looking back retrospectively to a period prior to loans being applied for.

Chapter Summary

Just over half of learners (54 per cent) sought information on funding when first thinking about undertaking training – and this was higher among the Loans group (64 per cent compared to 41 per cent of non-Loans learners).

The majority of learners (63 per cent) found sourcing information on loans easy. However, this was more likely to be the case amongst Loans learners (66 per cent) than non-Loans learners (58 per cent).

Two-thirds of learners (64 per cent) had not heard of the loans at the point where they had first started thinking about learning and there were no differences in this regard across both Loans and non-Loans learners.

Providers have a key role in the dissemination of funding information and raising awareness of 24+ Advanced Learning Loans specifically; 66 per cent of all learners who sought any funding information from their prospective provider and over three-quarters (78 per cent) of learners aware of 24+ Advanced Learning Loans had first heard about them from this source.

Although not commonly referenced as a source from which learners first hear about loans, both the 24+ Advanced Learning Loans microsite and Gov.uk website were used by sizeable proportions of Loans learners to find out further information about 24+ Advanced Learning Loans (23 per cent and 21 per cent respectively).

The most common queries related to the practical aspects of taking out a loan, notably information on paying back the loan, who can or should apply and how to apply.

Overall, learners were largely satisfied with the information they received regarding the loans both in terms of the quality of information and speed of delivery although this was less likely to be the case among non-Loans learners. Non-Loans learners were also more likely to find the process of finding information more difficult.

6.1 Funding information sought and sources used

Learners were asked whether, at the point when they first started thinking about studying, they had specifically looked for general information about how to fund their learning.

Overall a slightly higher proportion of learners did seek out information on funding (54 per cent) than did not (46 per cent) and Loans learners were far more likely to have done so than non-Loans learners (64 per cent compared with 41 per cent respectively). See Figure D in the Methodology and Appendices document.

There was also some variation according to qualifications type with learners enrolled on Access to HE courses more likely to have specifically looked for information on how to fund their studies, when they were first considering learning:

- 68 per cent of Loans learners working towards this qualification type had sought information
 - This compared with 63 per cent of Loans learners working towards a Level 3 qualification, 59 per cent working towards a Level 4 qualification and 56 per cent undertaking AS / A2 / A Levels.
- 65 per cent of non-Loans learners enrolled on Access to HE Diplomas had sought information
 - 38 per cent, of non-Loans learners on Level 3 courses, 35 per cent Level 4 courses and 31 per cent AS / A2 / A Levels

All learners who had looked for information about how to fund their studies were asked which sources they consulted. As Table 6.1 illustrates, information was mainly acquired from the college / training provider that the learner was applying to (67 per cent of Loans learners and 65 per cent of non-Loans learners) which highlights the role of the provider as the main point of contact for learners during the information gathering and decision-making stages.

Table 6.1: Top 10 Sources consulted by learners for information on how to fund their studies

A10. Which sources did you consult for information on how to fund these studies?			
Source	All	Loans learners	Non-Loans learners
Base	(1300)	(820)	(490)
	%	%	%
College / Training provider	66	67	65
Gov.uk website	20	22	15
Internet / online	14	13	17
24+ Advanced Learning Loans microsite (www.24plusmicrosite.com)	11	12	9
Local Authorities / other public sector organisations	7	8	6
Friends and / or family	7	7	7
Student Loans Company	4	4	5
My employer	3	2	6
Media	2	3	1
National Careers Service	1	2	1

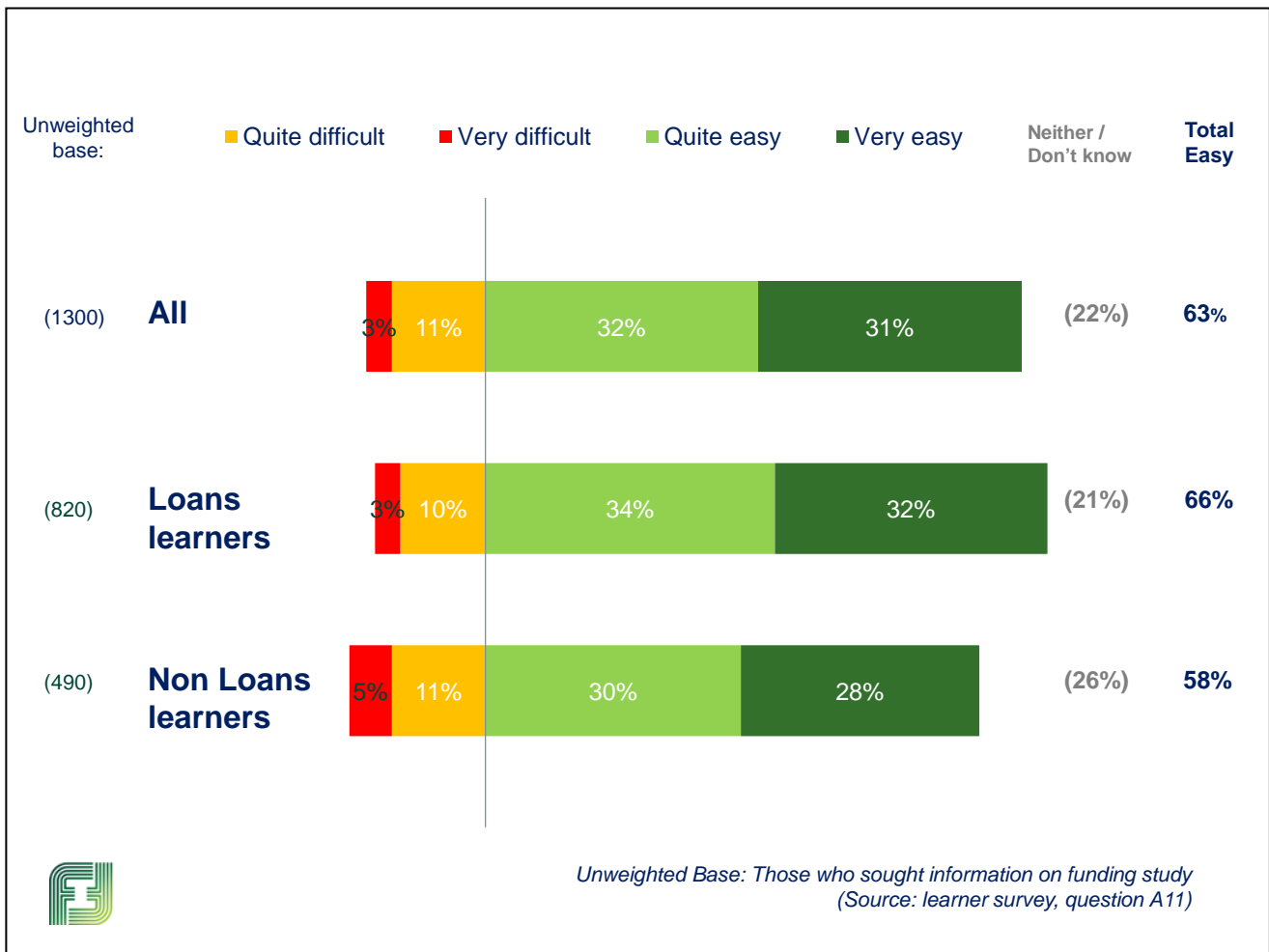
Source: Learner survey, question A10.

Secondary to this was the Gov.uk website which was accessed by one-fifth (20 per cent) of all learners and significantly more Loans learners than non-Loans learners (22 per cent compared to 15 per cent). Around one in ten (11 per cent) referenced the 24+ Advanced Learning Loans microsite indicating that its reach among the learner audience may have been limited at the time of research and that there is a need for raising the profile of online resources about funding available to learners.

In most other cases, similar proportions of 24+ and non-Loans learners addressed the same source for information.

Learners were initially asked a question regarding how easy or difficult it was to find information about funding *in general* (rather than specifically about 24+ Advanced Learning Loans), and the majority (63 per cent) felt that general funding information was easily found, as highlighted in Figure 6.1.

Figure 6.1: Ease of sourcing funding information



Despite the fact that Loans and non-Loans learners addressed similar sources for information on funding, they differed with regard to how easy they found the process of finding information on funding. Loans learners were more likely to state that they found it easy (66 per cent), compared to 58 per cent of non-Loans learners.

Almost three quarters (72 per cent) of Loans learners studying Access to HE Diplomas stated that information on funding was easy to find, a significantly higher proportion than Loans learners studying Level 3 qualifications (63 per cent) and non-Loans learners studying Level 3 and Level 4 qualifications (55 per cent). This could be indicative of the messages that are being emphasised by providers and resonating with learners (and is discussed in greater detail in the provider chapters of this report).

6.2 Awareness of and sources of information about 24+ Advanced Learning Loans

The majority of learners (64 per cent) who took part in the quantitative survey were not aware of 24+ Advanced Learning Loans at the time when they had first begun to consider learning. Awareness levels were relatively similar among Loans learners and non-Loans learners (63 per cent and 65 per cent respectively).

Levels of awareness differed by age, both across the Loans learners and non-Loans learners. Two-fifths (41 per cent) of all learners aged 24-29 were aware of 24+ Advanced Learning Loans prior to starting their studies, which compared to one-fifth (22 per cent) of those aged 40+.

More than two-fifths (43 per cent) of all learners undertaking an Access to HE Diploma were aware of 24+ Advanced Learning Loans prior to beginning their learning. Levels of awareness among learners studying other qualification types was significantly lower – only 28 per cent of those undertaking AS / A2 / A Levels, 33 per cent of learners doing Level 3 qualifications and 36 per cent doing Level 4 qualifications.

Both Loans learners and non-Loans learners who were aware of 24+ Advanced Learning Loans prior to starting their studies, were asked where they had first found out about loans, as well as any additional sources to which they might have referred for more information about the Loans. This is detailed in Table 6.2

Four fifths (80 per cent) of Loans learners first heard about 24+ Advanced Learning Loans via the college / training provider they were applying to, this was the case for a significantly lower but still sizeable proportion of non-Loans learners (69 per cent). Non-Loans learners were more likely than Loans learners to find out about the loans through their employer but this was still a relatively low proportion at 9 per cent.

Non-Loans learners who heard about loans via their employer tended to be older with 17 per cent of those aged 40+ being made aware of them through this source. Furthermore, the non-Loans learners who had learned about loans from their employers were most likely to be doing Level 4 and Level 3 qualifications (17 per cent and 9 per cent respectively).

Overall, minimal proportions accessed either the 24+ Advanced Learning Loans microsite (two per cent), Student Loans Company (one per cent) or the National Careers Service (one per cent) as an initial source of information about Loans.

Once they were made aware of 24+ Advanced Learning Loans, almost two thirds (65 per cent) sought further information about them although this differed between the two learner groups; seven in ten (70 per cent) of Loans learners had sought further information about them, compared to less than half (47 per cent) of non-Loans learners. That non-Loans learners were less likely to have sought further information may have been through lack of necessity, for example if they knew they would be self or employer funded. However, it could also have potentially been a consequence of non-Loans learners finding it more difficult to find information about funding more generally as discussed earlier in the previous section.

Table 6.2: Channels through which learners first heard about 24+ Advanced Learning Loans and sought further information

B2 / B5: Sources that learners found out about 24+ Advanced Learning Loans from and sources they used to acquire further information						
Source	B2. Source from which learner first found out about 24+ Advanced Learning Loans			B5. Sources that learner consulted when looking for more information on 24+ Advanced Learning Loans		
	All	Loans learners	Non-Loans learners	All	Loans learners	Non-Loans learners
Unweighted Base: All aware of 24+ ALLs	(1,690)	(1,280)	(410)	(1,690)	(1,280)	(410)
	%	%	%	%	%	%
College / Training provider I was applying to	78	80	69	30	30	26
Friends and / or family	10	9	12	2	2	2
Gov.uk website	4	5	2	18	21	9
My employer	4	2	9	1	*	2
Internet / online	3	2	4	10	10	9
Local Authorities / other public sector organisations	2	3	1	3	3	1
24+ Advanced Learning Loans microsite	2	2	1	20	23	8
Media	1	1	2	2	4	*
Student Loans Company	1	1	1	3	4	2
National Careers Service	1	1	-	1	1	*
Financial Advisor	*	*	-	*	*	-
Local charities	*	-	-	*	*	*
Bank	-	-	-	*	*	*
Other	3	2	4	3	3	3
Don't know / Can't remember	1	1	1	2	2	2
Did not seek further information	Not asked			34	29	53

Source: learner survey, questions B2 and B5.

In addition to being the first source of information about 24+ Advanced Learning Loans, providers were also most commonly sought out for further information about the Loans (30

per cent of Loans learners and 26 per cent of non-Loans learners aware of the Loans). This further highlights how instrumental providers are in not only alerting learners to 24+ Advanced Learning Loans in the first instance, but also in providing more detailed or supplementary information.

Although relatively uncommon for learners to refer to either the 24+ Advanced Learning Loans microsite or the Gov.uk website in the first instance, these were the next most likely resources to acquire additional information about the Loans and hint at the role that providers have in signposting learners to external materials. Overall nearly one-quarter (23 per cent) of Loans learners referred to the 24+ Advanced Learning Loans microsite for further information (compared to just eight per cent of non-Loans learners aware of the Loan) and one-fifth (21 per cent) to the Gov.uk website, more than double the proportion of non-Loans learners aware of the Loan – nine per cent. The microsite is not targeted at learners but rather practitioners. However, the fact that it was accessed among a sizeable portion of learner potentially indicates the need for raising the profile of alternative online resources about funding available that are appropriate for the learner audience.

Those who had sought further information on 24+ Advanced Learning Loans were also asked if they specifically sought information on a number of different topics as outlined in Figure 6.2.

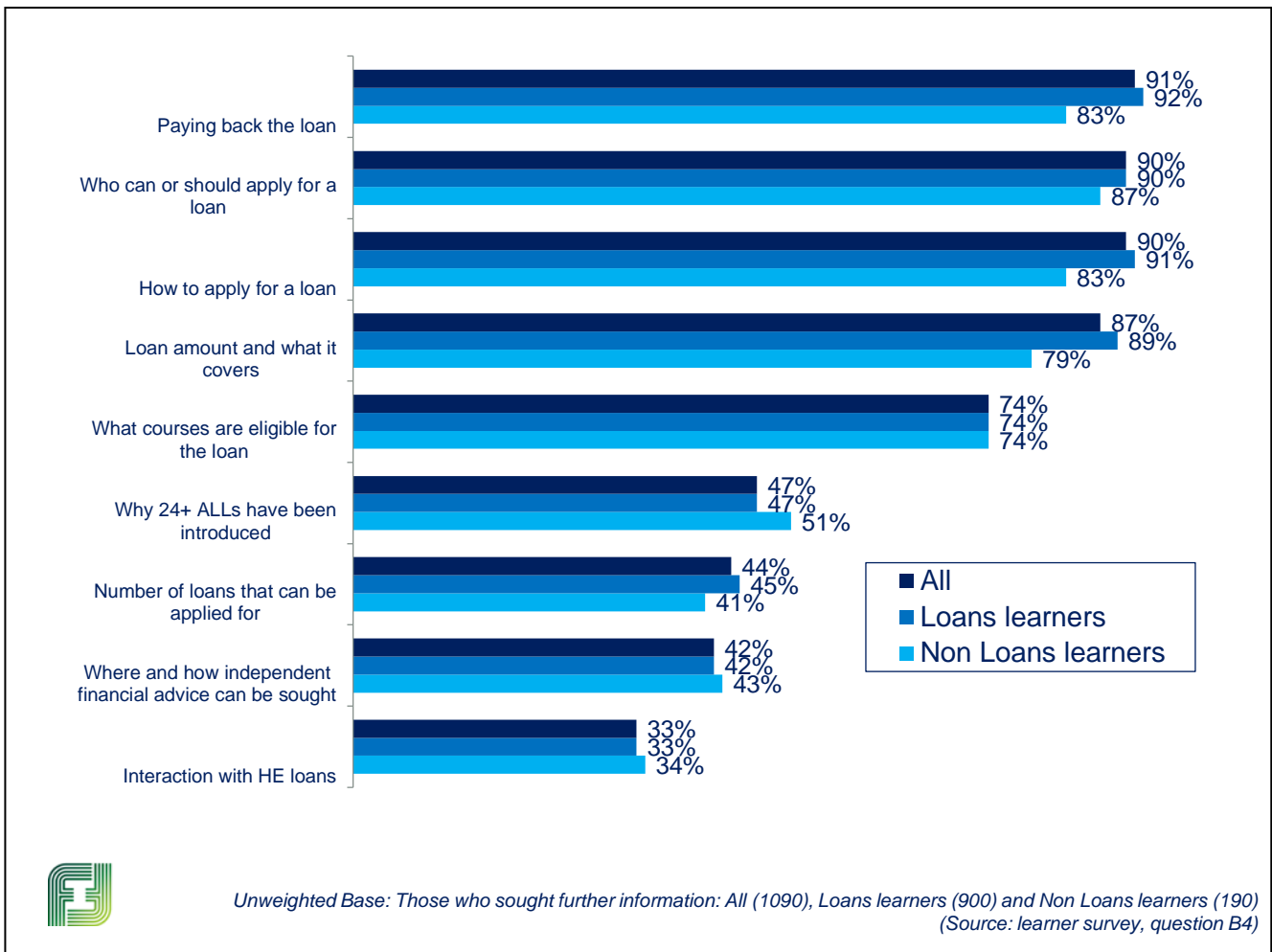
The vast majority of learners sought information on paying back the loan (91 per cent of those who sought further information on loans), eligibility criteria (90 per cent), the application process (90 per cent) and the loan amount and what it covers (87 per cent). Three-quarters (74 per cent) sought information about which courses were eligible for 24+ Advanced Learning Loans.

It was less common for learners to seek information on how 24+ Advanced Learning Loans would interact with HE loans (33 per cent); where and how independent financial advice could be sought (42 per cent), the number of loans that can be applied for (44 per cent) and why 24+ Advanced Learning Loans had been introduced (47 per cent).

There was some variability in the extent to which the two learner groups looked for information on different issues with Loans learners being more likely to have sought further details on the more practical aspects of the Loans (top four issues in Figure 6.2) and likely reflects their intention to pursue with their application.

As might be expected, those who were studying AS / A2 / A Levels were more likely to ask about the number of loans that can be applied for, compared to those studying other types of qualifications. Over three-fifths (63 per cent) of those who sought information and were studying AS / A2 / A Levels sought information on this specific issue.

Figure 6.2: Issues on which learners sought further information



Similarly, higher proportions of those on Access to HE courses, across both Loans learners and non-Loan learners sought information on the relationship between 24+ Advanced Learning and HE loans (42 per cent compared to 27 per cent taking Level 3 and 26 per cent Level 4 qualifications).

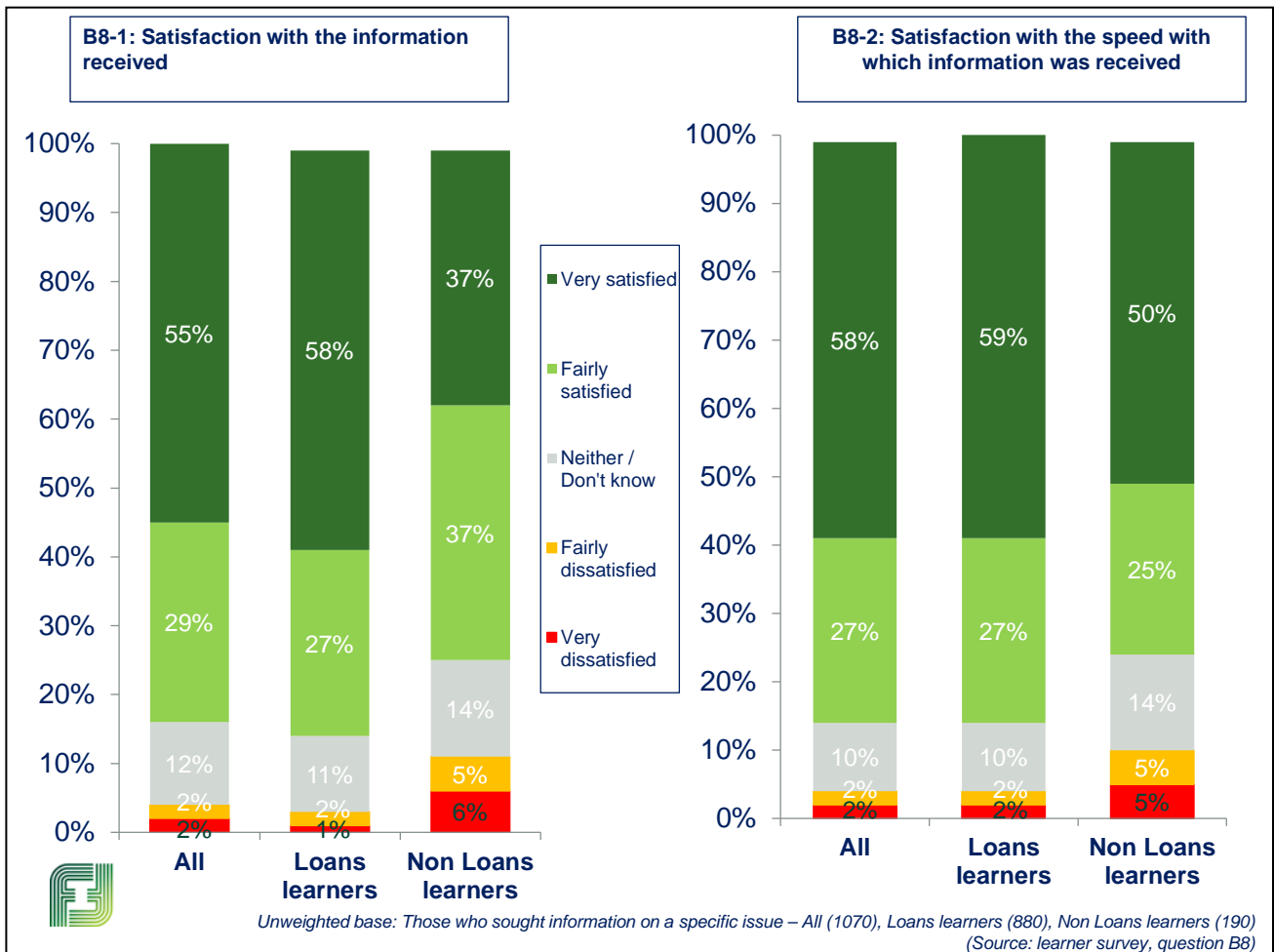
6.3 Satisfaction with information sources

Learners who had sought information on a specific issue or issues were asked how satisfied they were with the quality of information that they received and the speed with which it was delivered. As figure 6.3 illustrates, the vast majority were satisfied with the quality of information and its timeliness (84 per cent and 85 per cent respectively). However, fewer non-Loans learners were satisfied on both of these measures.

In terms of quality of information 84 per cent of Loans learners were satisfied in comparison to 74 per cent of non-Loans learners, of whom 11 per cent were dissatisfied. The group who appeared to be most dissatisfied with the quality of information they received were those non-Loans learners studying for Access to HE courses (21 per cent).

Similarly, 85 per cent per cent of Loans learners were satisfied with the speed with which they received information, compared to three-quarters (75 per cent) of non-Loans learners with again, a higher proportion expressing dissatisfaction (9 per cent).

Figure 6.3: Perceptions of quality of information provided and speed of delivery



6.4 Learner journey findings

Learners who took part in the qualitative aspect of the research appeared to have differing levels of awareness of 24+ Advanced Learning Loans. A number still had very limited awareness of loans well into their journey at this point and only a couple of those who were interviewed spontaneously mentioned 24+ Advanced Learning Loans in their initial interview.

The qualitative findings were very much aligned to those coming out of the quantitative study in terms of how learners became aware of 24+ Advanced Learning Loans. Among those interviewed for the qualitative element it was often the case they found out about the Loans through a provider that they were interested in studying with. This is no doubt a reflection of the aforementioned fact that many learners who were interviewed wanted to progress to Level 3 with their existing Level 2 provider.

On the other hand, a number of learner journeys began via the internet. Some learners opted just to do their own initial research into their study options and funding online.

Almost all of the learners, however, used a combination of sources to acquire information about 24+ Advanced Learning Loans – an example of this is provided by the case study of George¹⁴, a participant for the learner journey stage

George was studying towards a Level 2 qualification when his existing provider told him about the opportunity for him to progress to an Access to HE qualification. They also explained that financial help would be available through a loan at the Student Loan Company, should he wish to progress with this route.

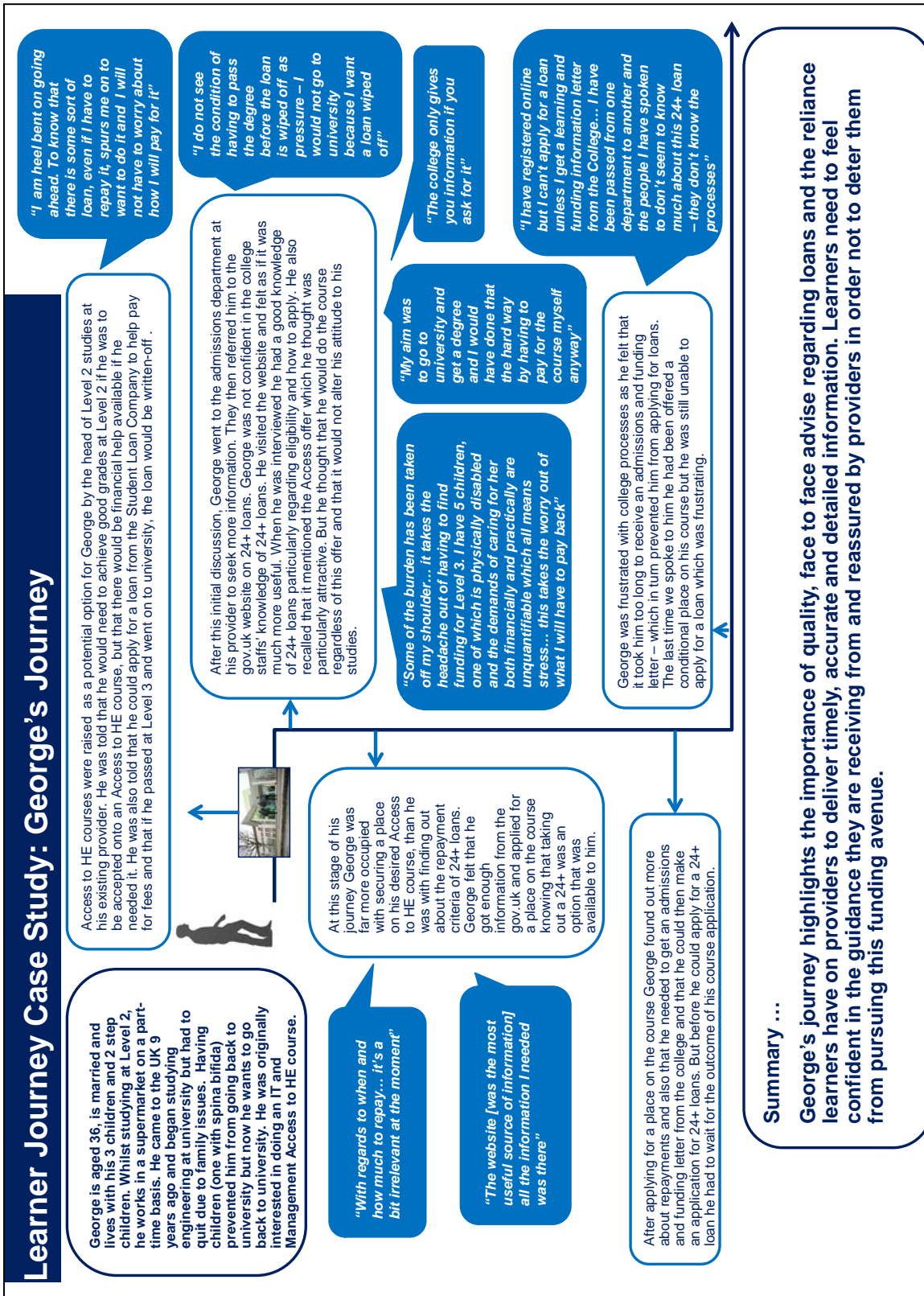
He was interested and wanted additional information but was not entirely confident with his providers' knowledge about the loans themselves. He was directed to the Gov.uk website, which he felt he needed to access to supplement the information provided to him by his provider. He found the site to be useful and felt confident that it had given him enough information to know this was the right route for him. However, it was only later in the process that he was informed that he needed an admissions and funding letter from the college before being able to make an application for a loan.

George's story (Figure 6.4) highlights that some learners access a range of sources regarding the loans and thus the importance for clear, consistent information. It also shows the importance of providers as being the first port of call learners for information and them being an important gateway in raising awareness about the loans.

George had become frustrated with the college's admissions procedures and what he perceived to be a time-consuming process. This highlights the need for providers to communicate effectively with their learners, keep them well informed and manage their expectations when it comes to timescales for processing their applications.

¹⁴ George is a pseudonym.

Figure 6.4: Learner Journey Case Study – George’s Journey



6.5 Funding considerations

6.5.1 Initial considerations

All learners were asked how they initially planned to fund their studies when they first started thinking about their learning and could state as many sources of possible funding as they saw fit.

Approaching half (45 per cent) of all learners believed at this point that their studies would be self-funded and this was significantly higher among non-Loans learners (55 per cent) than their counterparts (38 per cent).

Around one-third (32 per cent) thought their studies would be funded through a 24+ Advanced Learning Loan - slightly lower than proportion of all learners who were aware of the Loan when first starting to think about their studies (36 per cent). This might suggest that where learners are aware of the Loan it is generally seen as an attractive and viable means by which to fund their course. The proportion who thought their studies would be funded through a 24+ Advanced Learning Loan rose to nearly half (46 per cent) among Loans learners (compared to 14 per cent of non-Loans learners) which suggests that Loans learners found out about the loans relatively early on in their decision making.

Nearly one quarter (23 per cent) of non-Loans learners, but only a small minority (3 per cent) of Loans learners initially thought that their employers would fund their learning. In addition, within the non-Loans group the following types of learners were more likely to think they would be employer funded:

- Older learners, within the non-Loans group: 27 per cent of those aged 40+ compared to 20 per cent of 24-29 year old non-Loans learners
- Non-Loans learners working towards specific qualification levels: 33 per cent of non-Loans learners studying Level 4 qualifications and 24 per cent at Level 3 in comparison to 6 per cent of non-Loans Access to HE Diplomas learners and five per cent of AS / A2 / A Levels.

In terms of qualification type, those learners who were undertaking Access to HE qualifications were more likely to initially think their studies would be funded through a loan. This is perhaps indicative of the appeal the loan has for these types of courses and, as will be described in the provider chapter of this report, providers' readiness to promote the loans among this audience. Loans learners who were thinking of undertaking an Access to HE Diploma were most likely to think that they would fund their studies with a 24+ Advanced Learning Loan (53 per cent). In comparison, 43 per cent of Loans learners studying a Level 3, and 39 per cent of Loans learners studying a Level 4, qualification thought that they would fund their studies with a loan.

Similarly 42 per cent of non-Loans learners who were undertaking an Access to HE Diploma originally thought that they would fund it by taking out a 24+ Advanced Learning Loan, whereas 10 per cent of non-Loans learners working towards a Level 3 qualification, 8 per cent of those working towards a Level 4 qualification and 5 per cent of non-Loans learners working towards AS / A2 / A Levels felt the same.

6.5.2 Actual funding of learning

Those who did not take up a 24+ loan were asked how they eventually ended up funding their qualification. Just over half (53 per cent) self-funded their learning and where this was the case these learners were more likely to be undertaking AS/A2/A levels (81 per cent) and Level 3 qualifications (57 per cent) compared to those on Access to HE courses (43 per cent) or Level 4 qualifications (47 per cent).

A further quarter (25 per cent) of non-Loans learners were being funded by their employer and were more likely to be:

- Male (28 per cent compared to 21 per cent of females);
- Aged 40+ (31 per cent vs. 22 per cent of 24-39 year olds) and;
- Studying for L3 (26 per cent) and L4 courses (34 per cent), compared with 5 per cent of those on AS/A2/A Level and 6 per cent on Access to HE courses.

Other funding avenues included a grant or bursary (six per cent) and personal loans (three per cent). In addition, a number of learners (six per cent) stated that they were intending on funding their course through the 24+ Advanced Learning Loan but this had not yet transpired or were waiting for their application to be approved.

6.5.3 Reasons for non-take up of loans

Non-Loans learners were further categorised according to whether or not they had applied for a 24+ Advanced Learning Loan at any point before or after securing a place on their qualification and are discussed below.

One-fifth (19 per cent) of non-Loans learners had applied for a 24+ Advanced Learning Loan at any point before or after securing a place on their qualification. Those aged 24-39 were more likely to have applied for a loan (22 per cent) in comparison to 40+ (11 per cent) as were those on Access to HE qualifications (60 per cent), again highlighting the appeal of loans for learners undertaking these qualification types.

These learners who made an application but did not go on to take out a Loan were asked why this was the case. The main reasons for not taking out a loan were not necessarily to do with how the Loan was perceived by learners but for more practical reasons. Equal proportions (15 per cent) stated that their application process was still ongoing (and as such had not definitively funded their study through alternative means) or that they had decided to withdraw from the course. Roughly equal proportions states that:

- Funding wasn't available for the qualification they wanted to study (nine per cent);
- The application was rejected on the grounds of the learner's residency status (eight per cent);
- The learner found an alternative / preferred means by which to fund their studies (eight per cent) and;

- There were issues with the Loan application (seven per cent)

Similarly those learners who decided not to apply for a loan at any point were asked their reasons why. The highest proportion of non-Loans learners stated that they felt they could pay for their course without having requiring a loan (63 per cent). This was most commonly felt to be the case amongst AS/A2/A Level learners (76 per cent) who would according the Loan conditions, be able to apply for a maximum of four concurrent loans.

Almost half (48 per cent) were deterred from applying as they did not want to be in debt and a slightly lower proportion were unaware of the 24+ Advanced Learning Loan. This finding reinforces the assertion that more could be done to raise (potential) learners' awareness of 24+ Advanced Learning Loans, particularly among the 30+ age group (of whom 48 per cent stated they were unaware compared to 36 per cent of 24-29 year olds). In addition, it could be argued that messages used to inform learners about the loans are not resonating with those studying qualifications other than Access to HE and that more positive messages need to be communicated about the other qualifications that can be funded through the Loan. Forty-nine per cent on non-Access to HE learners were unaware of the Loan compared to 23 per cent of those studying for this qualification type

A number of other reasons cited suggest that more could be done to improve the information available on 24+ Advanced Learning Loans provided to learners. Three in ten (30 per cent) of those who did not apply stated that they did not know enough about the application process to do so. One fifth (20 per cent) did not like or know enough about the terms of the repayment and a slightly lower proportion (16 per cent) mistakenly thought that they were ineligible due to their age. In addition, sizeable portions indicated difficulties in understanding information relating to the loans, suggesting that a greater degree of guidance is required for learners when discussing the process and more learner-friendly information is required. Around one in ten (11 per cent) indicated that the loan process was complicated and 9 per cent that they struggled to comprehend information relating to loans (see Figure E in the Methodology and Appendices document).

There appears to be a greater level of misunderstanding and misperception regarding loans among learners who are studying for AS/A2/A Levels, suggesting that the correct information is not currently filtering through to this audience as well as those studying for other qualifications. This is indicated by the following:

- A quarter of non-Loans learners (25 per cent) did not apply as they did not think funding was available for the qualification that they wanted to study. This was most common among non-Loans learners doing AS / A2 / A Levels (39 per cent);
- Similarly, the 25 per cent of non-Loans learners who believed that they were ineligible as a continuing learner at the same institution were again more likely to be studying AS/A2/A Levels (38 per cent). In comparison, this was lower for those studying Level 3 certificates or diplomas (26 per cent) and Level 4 courses (20 per cent).
- A quarter (26 per cent) of non-Loans learners who were studying AS / A2 / A Levels who did not apply for a 24+ Advanced Learning Loan thought that they were not eligible due to their age. Again, this proportion was higher than that cited by those

doing Level 4 courses and Access to HE Diplomas (18 per cent, 13 per cent and 8 per cent); and

- 21 per cent stated that they did not apply as they did not think they were eligible due to their previous attainment (compared to the overall average of 11 per cent).

Those who thought that information on 24+ Advanced Learning Loans was difficult to understand were asked why this was the case. The most common response, given by 31 per cent was that there was not enough information available. Additional reasons provided were: that repayment terms were unclear (12 per cent), that the language used was too complicated (11 per cent), that the application process itself was too complicated (9 per cent) and that the website was too complicated / difficult to use (seven per cent).

7. Learners' understanding of and application to the 24+ Advanced Learning Loans

This section of the report examines Loans learners' understanding of 24+ Advanced Learning Loans. Specifically it explores learners' knowledge of repayment terms, loan amounts and the application process. It will then move on to examine their understanding of loan criteria and the details of the 24+ Advanced Learning Loans that had been taken-up by students.

Chapter Summary

Learners were generally knowledgeable about the loans at the point of application. Across both Loans and non-Loans learners, 79 per cent felt satisfied that they had all the information they needed when they came to submit their application.

Although there are substantial numbers of learners who have misconceptions about the loans, overall awareness and understanding of the loan terms has improved substantially since the Impact Tracker Research undertaken between December 2012 and June 2013.

As might be expected, Loans learners claimed a greater degree of knowledge about the loans than their non-Loan counterparts. Any knowledge gaps or weaknesses tended to reflect those areas in which providers were less confident about answering queries.

The messages that seem to resonate most clearly among learners were that the loan will get written off if they proceed to and complete a Higher Education course and they have to be earning a certain amount before having to pay the loan back. Half (51 per cent) of those aware of the repayment threshold identified this as being set at £21,000. Non-Loans learners were more likely to already earn this amount at the time of undertaking their course.

For the vast majority (91 per cent) of Loans learners the 24+ Advanced Learning Loan covered the full course fee and where this was not the case the shortfall tended to be made up through self-funding.

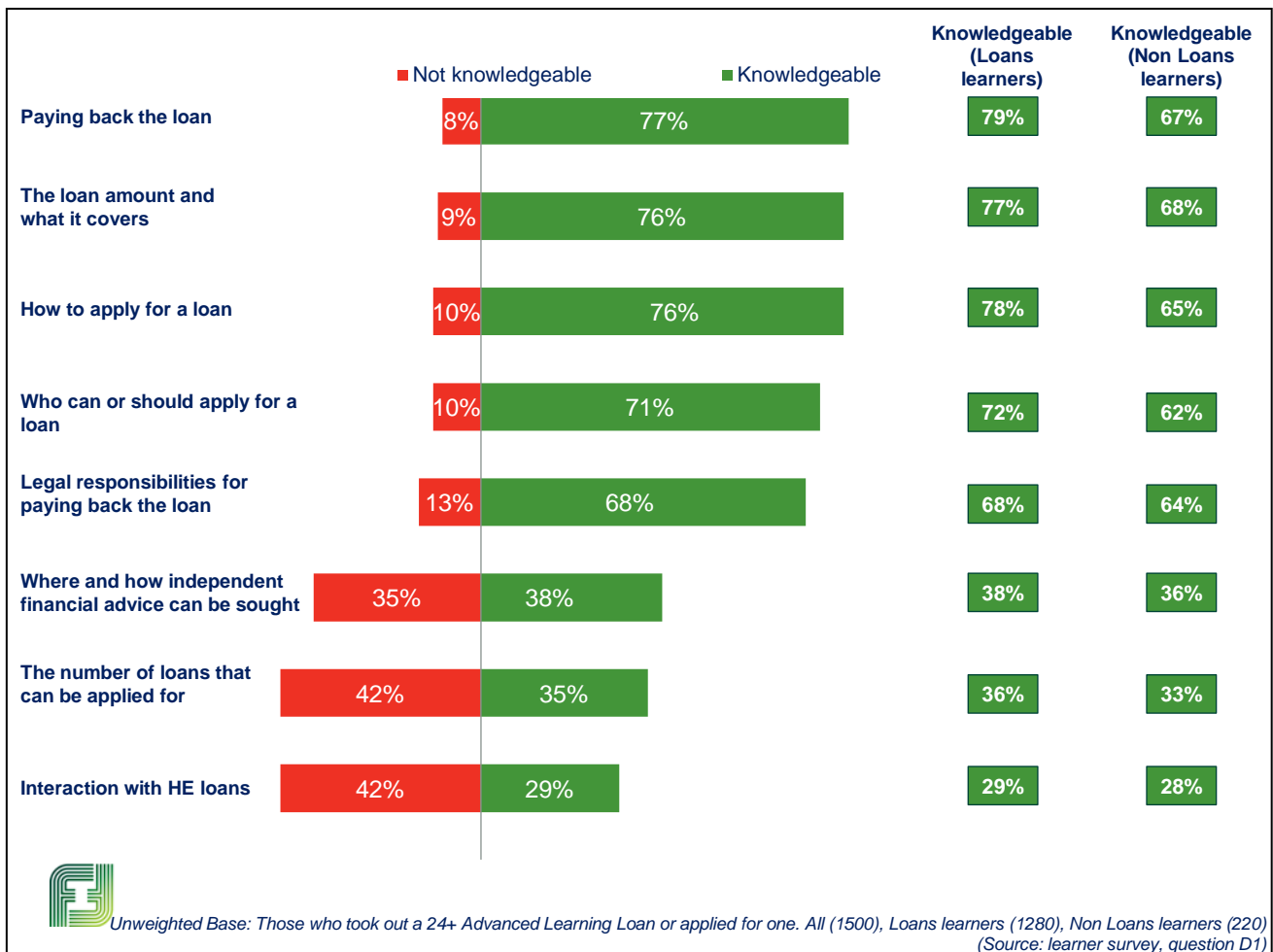
A very small proportion of Loans learners (four per cent) accessed additional financial support through the 24+ Advanced Learning Loans Bursary Fund and where this was the case, monies were most commonly put towards course-related costs such as materials and other equipment.

7.1 Knowledge and understanding of the loans

Those learners who had taken out a 24+ Advanced Learning Loan or who had applied for one were asked how knowledgeable they felt about various aspects at the point of submitting their application. As Figure 7.1 illustrates, learners considered themselves well informed at the point of applying, with most learners feeling knowledgeable about several of the key areas.

The majority of Loans and non-Loans learners felt they understood the terms of the loans with regards to paying it back, who and should apply for a loan and what they covered. In addition, most understood the practical aspect of how to apply for a loan.

Figure 7.1: How knowledgeable learners felt when they came to submit their application for a 24+ Advanced Learning Loan



Learners felt least knowledgeable with regard to the interaction of 24+ Advanced Learning Loans with HE loans, the number of loans that could be applied for, and where and how independent financial advice can be sought (29 per cent, 35 per cent and 38 per cent respectively). However, the lack of knowledge in these areas is likely, at least in part, to be reflective of the fact that fewer learners sought guidance on these issues. As discussed previously, only 33 per cent, 44 per cent and 42 per cent, of those learners who sought

further information when they first found out about loans did so about these aspects. Additionally, it was in these areas that providers were least confident answering learner queries (as discussed in Chapter 10) and given that providers tend to be learners' first / main port of call for information about Loans so it follows that learners would also feel less knowledgeable in the same areas.

As might be expected, Loans learners were more likely to state that they were knowledgeable across all aspects than non-Loans learners but particularly when it came to paying back the loan (79 per cent vs. 67 per cent), how to apply for a loan (78 per cent vs. 65 per cent), the loan amount and what it covers (77 per cent vs. 68 per cent) and who could / should apply for a loan (72 per cent vs 62 per cent), indicative of them having a vested interest in understanding this information.

Learners who were studying Access to HE Courses were more likely than those studying Level 3 and Level 4 qualifications to state that they felt knowledgeable about how 24+ Advanced Learning Loans and HE loans interacted (35 per cent compared with 23 per cent and 27 per cent respectively).

In several incidences, learners who were less well informed across the various loan aspects tended to be non-Loan, older, male and working towards a Level 3 qualification. Across several aspects, these groups were less likely to feel informed on these areas for example:

- 23 per cent of non-Loan Level 3 learners stated they were not knowledgeable about how to apply for a loan as did 25 per cent of non-Loan males;
- Regarding the loan amount and what it covers, 22 per cent of L3 learners and 24 per cent of non-Loan males claimed lack of knowledge;
- 61 per cent of non-Loan learners aged 40+ and 57 per cent of non-Loan males did not know the number of loans that can be applied for and;
- 19 per cent and 24 per cent of L3 non-Loan learners were not knowledgeable about paying back the loan or their legal responsibilities with regards to this.

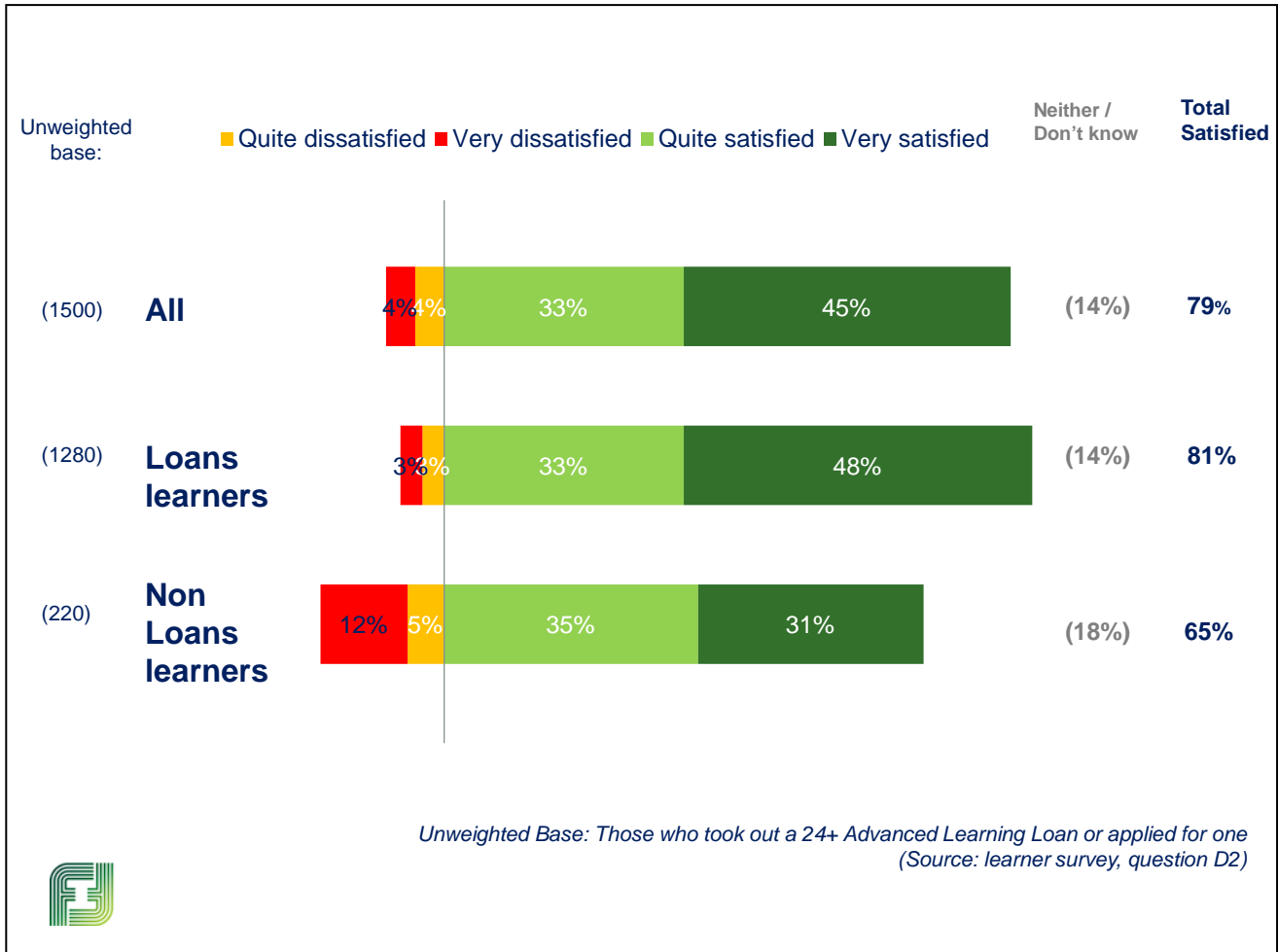
However, this lack of knowledge is potentially because these learners had not felt the need to seek this information out, rather than them receiving a lack of guidance or poor quality information.

Previously the report discussed how satisfied learners were with any further information they had sought information about 24+ Advanced Learning Loans after first being made aware of them. In addition to this, learners who had applied for a 24+ Advanced Learning Loan were asked how satisfied they were that they had received all the information they needed to be able to make an informed decision about taking-up a Loan by the time they came to submit their application.

Figure 7.2 shows the majority (79 per cent) of learners stated that they felt satisfied, although again, there were differences between non-Loans learners who had applied for a loan and Loans learners. Four-fifths (81 per cent) of Loans learners stated that they felt satisfied, compared with lower levels of non-Loans learners (65 per cent). Just less than

one in five (17 per cent) of non-Loans learners felt dissatisfied and this was almost three-times as many as Loans learners (six per cent).

Figure 7.2: Whether learners were satisfied that they had all the information they needed when they came to submit their application for a 24+ Advanced Learning Loan



The terms and conditions for 24+ Advanced Learning Loans are set out for learners by Student Finance England (SFE). Their 'Guide to terms and conditions'¹⁵ informs the learner of the terms of their loan and repayment and explains:

- A learner will begin to repay their Loan in the April after they complete their course;
- That any interest on the Loan will be based on inflation;
- Repayments are based on income and not the loan amount borrowed

¹⁵ http://www.slc.co.uk/media/588854/24plus_termsandconditions_1314_d.pdf (Date of Access: August 2014).

Loan applicants do not need to undergo a credit check and if successfully secure a Loan will not need to pay any course fees upfront. As discussed previously, if a learner takes out a 24+ Advanced Learning Loan to undertake an Access to HE course and then goes on to complete a Higher Education course they will not need to pay back any of their 24+ Advanced Learning Loan.

To gain a better understanding of learners' knowledge of these terms and conditions a series of statements were read to learners (both Loans learners and non-Loans learners who had applied for a Loan) in the quantitative study and were asked to indicate whether the statement was applicable to 24+ Advanced Learning Loans. Table 7.1 shows how learners responded. The green cells denote those terms and conditions which are applicable or not and the proportion of learners that were able to correctly identify them.

Overall Loans learners seemed to have a greater understanding of the characteristics of Loans than those who had applied but did not go on to take out a Loan. The findings show that there are substantial numbers of learners who have misconceptions about the loans, although there does appear to be some improvement in understanding since the Impact Tracker Research which was undertaken between December 2012 and June 2013¹⁶.

¹⁶ See Highton, J et al (2014), Tracking the impact of the 24+ Advanced Learning Loan p. 65-66.

Table 7.1: Learners' perceptions on the terms and conditions of 24+ Advanced Learning Loans at the time of the survey¹⁷

C9. Which, if any of the following terms and conditions do you think apply to learners who receive a 24+ Advanced Learning Loan...?									
	All learners			Loans learners			Non-Loans learners who were aware of 24+ Advanced Learning Loans		
Unweighted Base	C9-1 to C9-5 (1690) C9-6 (1200) C9-7 (496)			C9-1 to C9-5 (1280) C9-6 (870) C9-7 (410)			C9-1 to C9-5 (410) C9-6 (330) C9-7 (90)		
Source	A	DNA	DK	A	DNA	DK	A	DNA	DK
	%	%	%	%	%	%	%	%	%
C9-1: Learners only begin to pay their loan back when they earn over a certain amount	94	4	2	96*	2	2	87	9	5
C9-2: Learners will be expected to pay some costs for tuition upfront	28	61	11	27	63*	10	32	52	16

¹⁷All figures for non-Loans learners in this table are based on non-Loans learners who were aware of 24+ Advanced Learning Loans (412), apart from iteration C9-6 which is based on non-Loans learners excluding those on Access to HE courses, who were aware of 24+ Advanced Learning Loans (326). An asterisk denotes a significant difference between Loans and non-Loans learners.

C9. Which, if any of the following terms and conditions do you think apply to learners who receive a 24+ Advanced Learning Loan...?									
	All learners			Loans learners			Non-Loans learners who were aware of 24+ Advanced Learning Loans		
Unweighted Base	C9-1 to C9-5 (1690) C9-6 (1200) C9-7 (496)			C9-1 to C9-5 (1280) C9-6 (870) C9-7 (410)			C9-1 to C9-5 (410) C9-6 (330) C9-7 (90)		
Source	A	DNA	DK	A	DNA	DK	A	DNA	DK
	%	%	%	%	%	%	%	%	%
C9-3: Interest rates on loans will be linked to inflation and based on income	61	25	14	62	25	13	57	27	16
C9-4: A credit check will be needed for those taking out a loan	31	58	11	28	61*	11	41	50	9
C9-5: High street banks will be involved in processing accounts that receive student loans	20	60	20	18	62*	20	29	51	21

C9. Which, if any of the following terms and conditions do you think apply to learners who receive a 24+ Advanced Learning Loan...?									
	All learners			Loans learners			Non-Loans learners who were aware of 24+ Advanced Learning Loans		
Unweighted Base	C9-1 to C9-5 (1690) C9-6 (1200) C9-7 (496)			C9-1 to C9-5 (1280) C9-6 (870) C9-7 (410)			C9-1 to C9-5 (410) C9-6 (330) C9-7 (90)		
Source	A	DNA	DK	A	DNA	DK	A	DNA	DK
	%	%	%	%	%	%	%	%	%
C9-6: Learners who take out subsequent HE loans will have all of their repayments rolled into one	42	33	25	45*	32	24	35	35	30
C9-7: Learners on Access to HE courses who go onto HE will have their 24+ Advanced Learning Loan written-off	74	9	17	75	8	17	72	12	16

A=Applies, DNA= Does not apply, DK=Don't know

Source: learner survey, question C9

* - denotes a significant between Loans and Non-loan learners

The messages that seemed to resonate most clearly with learners is that they do not have to pay the loans back until there are earning a specific wage and that the Loan will be written off for those progressing on to Higher Education. As chapter 10 of this report will go on to discuss, this could, in part, be because these are the key messages that providers are using in their discussions with learners and marketing literature in order to promote the loans. The vast majority (94 per cent) of all learners correctly stated that they understood that repayment would only occur once learners reached a certain wage, with Loans learners being more likely to have knowledge of these terms (96 per cent) in comparison

to non-Loans learners (87 per cent). This has risen from the Impact Tracker Research where 80 per cent of current learners identified that this was a correct condition.

In addition, three-quarters (74 per cent) believed that if they progressed on to and (and completed) a Higher Education course, their loan would get written off¹⁸.

Whereas the majority of learners understood most of the other “rules” of the loans and there is evidence to suggest that knowledge has improved since the Impact Tracker Research, some misconceptions still existed among sizeable proportions. Around a third (31 per cent) believed that a credit check would be needed for those taking out a loan. A quarter mistakenly believed that the interest rates on loans would not be linked to inflation and based on income (25 per cent), when in fact they are and this has not changed significantly since the Impact Tracker Research. Twenty-eight per cent thought that learners would still be expected to pay upfront costs, although this has fallen since the Impact Tracker Research where almost half (49 per cent) incorrectly believed this to be the case.¹⁹ One in five (20 per cent) thought that high street banks would be involved in processing loan accounts and this again had fallen from 33 per cent among current learners.

Furthermore, there appears to be a greater degree of confusion or lack of understanding in terms of what happens if a learner subsequently takes out a Higher Education loan. Only 42 per cent were able to correctly identify that the loan gets rolled into one with a third assuming this does not apply.

As might be expected in several cases, non-Loans learners were more likely than Loans learners to either misunderstand or be unsure about the terms of the loans:

- 41 per cent believed that a credit check would be required for those taking out a loan (compared to 28 per cent of Loans learners);
- 30 per cent were unsure as to whether 24+ and higher education loans would get rolled into one (vs. 24 per cent);
- 29 per cent thought that high street banks would be involved in processing the loans (vs. 18 per cent) and;
- 16 per cent were unsure as to whether learners would be required to pay upfront fees (10 per cent).

Learners (both Loans learners and non-Loans learners who were aware of the Loan) who had correctly identified that loan repayments would not begin until they start earning over certain amount were asked what they thought this repayment threshold was.

¹⁸ The statement regarding HE loans was phrased in the survey as follows: “Learners on Access to HE courses who go onto Higher Education will have their 24+ Loan written off”. It should be noted that the condition states that this will only be the case if the learner goes on to *complete* their HE course. As such, caution should be taking when drawing conclusions regarding learners’ understanding of the term based on these findings.

¹⁹ Where a 24+ Advanced Learning Loan does not cover the full course fees however, the shortfall would need to be paid by the learner and will need to be agreed with the provider upfront.

Around half (51 per cent) correctly stated that they needed to earn a salary of £21,000 before they were required to start paying their 24+ Advanced Learning Loan back, with a higher level of Loans learners understanding this to be the case (compared to 35 per cent of non-Loans learners). This has risen considerably since the Impact Tracker Research where only 15 per cent of current learners were able to identify the correct earning threshold. This is perhaps an indication that this is one of the leading messages used by providers in their information provision regarding the loans, and one that appears to be resonating most with learners, as discussed further in the Provider chapters (9-12).

A further fifth (21 per cent) of learners, although unsure of the exact threshold, believed that they would need to be earning between £20,000 and £25,000. Non Loans learners were more likely to incorrectly believe the amount to be between £15,000 and £20,000 (16 per cent vs. 8 per cent of Loans learners) and were also likely to state that they were unsure (11 per cent vs. four per cent).

Learners who had taken out a loan or were aware of them were then asked when they expected to be earning £21,000 per year. There were two key differences between Loans and non-Loans learners, the former being more likely to state that they would only reach this earning potential in the next 3-4 years and the latter that they reported to already be earning £21,000. This may provide some further explanation as to why non-Loans learners did not pursue taking out a 24+ Advanced Learning Loan; that they may have been deterred from taking out a loan because of the imminence of the loan repayments.

One quarter (23 per cent) of 24+ Loans learners anticipated that they would be earning enough to begin repayments in 3-4 years (compared to 12 per cent of non-Loans learners). More than two-fifths (43 per cent) of these 24+ Loans learners were studying on an Access to HE course and 24 per cent on AS/A2/A Level courses.

Non Loans learners (who were aware of loans) were more likely than Loans learners, to already earn £21,000 or more (22 per cent compared with 4 per cent respectively), reflecting that a higher proportion of this learner group were already in employment when enrolling on their course.

As might be expected higher proportions of Loans learners studying higher qualifications were already earning £21,000 (20 per cent of Level 3 and 41 per cent of Level 4 learners), as were the eldest age group (although this was lower than the proportion of non-Loans learners aged 40 years or older were earning at least £21,000 five per cent and 37 per cent respectively).

7.2 Details of 24+ Advanced Learning Loans taken-up

A learner can take out a maximum of four 24+ Advanced Learning Loans but are only entitled to receive one at a time and cannot apply for another Loan to cover a different course at the same level previously funded through a Loan.

The exception to this is A-levels for which learners can take out a maximum of four Loans simultaneously to cover the costs of four full programmes (A Levels, AS and A2s).

Loans learners who had taken out a loan specifically to fund AS / A2 / A Levels were asked how many loans they had taken out in total. The majority (69 per cent) had just taken out one loan and an additional 15 per cent, two loans. Ten per cent had taken out three or four and six per cent were unsure or refused to say.

The vast majority (91 per cent) of Loans learners stated that their loan / loans were enough to cover all their course fees. One in ten (10 per cent) of Loans learners studying a Level 4 qualification, and a similar level of those studying a Level 3 qualification (9 per cent), said that their 24+ Advanced Learning Loan did not cover the full cost of the course, a higher level than those on Access to HE courses (4 per cent).

The 8 per cent of Loans learners who stated that their loan or loans only covered part of their course fees were asked how they were funding the outstanding costs. Almost two thirds (65 per cent) stated that the remainder of the course fee was self-funded, one in eight (13 per cent) stated that they were in receipt of a grant or bursary (equating to four per cent of all Loans learners) which helped to make up the cost and four per cent stated that their employer had helped to meet the course fees. These learners were also asked whether funding the remaining course fee was problematic. Just over one quarter (27 per cent) stated this was the case but almost half (46 per cent) stated that it had not been.

7.3 Bursary Fund

The 24+ Advanced Learning Loan Bursary Scheme exists to help Loans learners continue with and complete their course in instances where they would otherwise be unable to do so on financial grounds even with the help of a 24+ Advanced Learning Loan. Loans learners must meet the necessary criteria to be able to access the bursary fund which can be used to assist with the following costs:

- Accommodation and travel
- Course materials and equipment
- Childcare
- Classroom assistance for a disability or learning difficulty

The fund does not cover tuition, registration and exam fees. Each training provider has their own application process for learners to follow and determines the amount that should be paid to the learner.

One in twenty-five (four per cent) of Loans learners stated they were receiving additional financial support through the 24+ Advanced Learning Loans Bursary Fund²⁰.

The highest proportion learners (39 per cent) received less than £200 from the Loans Bursary. The remaining learners were relatively spread in terms of the amount they received (see Figure F in the Methodology and Appendices document).

Bursary funding was most likely to be used by students to help with course-related costs such as materials and other equipment (68 per cent). Half (50 per cent) of learners in receipt of bursary funds used them to help with travel expenses. Almost a third (32 per cent) spent their bursary on childcare and 8 per cent used it to help with other support costs such as a dedicated teaching assistant.

²⁰ Caution should be taken when interpreting findings relating to the bursary funds as they are indicative only due to small base sizes.

8. Learners: Satisfaction with course to date and anticipated impacts of learning

As discussed in Section 2.1, one of the objectives of the 24+ Advanced Learning Loans is for learners to become more discernible customers of FE provision and for providers to respond to their customers' need accordingly. Therefore this section explores levels of learner satisfaction with their studies by the time of the research and examines what they expected to be the longer term outcomes of their learning.

Chapter Summary

Overall, there were very few differences between the two groups of learners in terms of their views regarding the quality of their course and learning experience. The majority of both non-Loans (82 per cent) and Loans learners (84 per cent) reported that they were satisfied with their course.

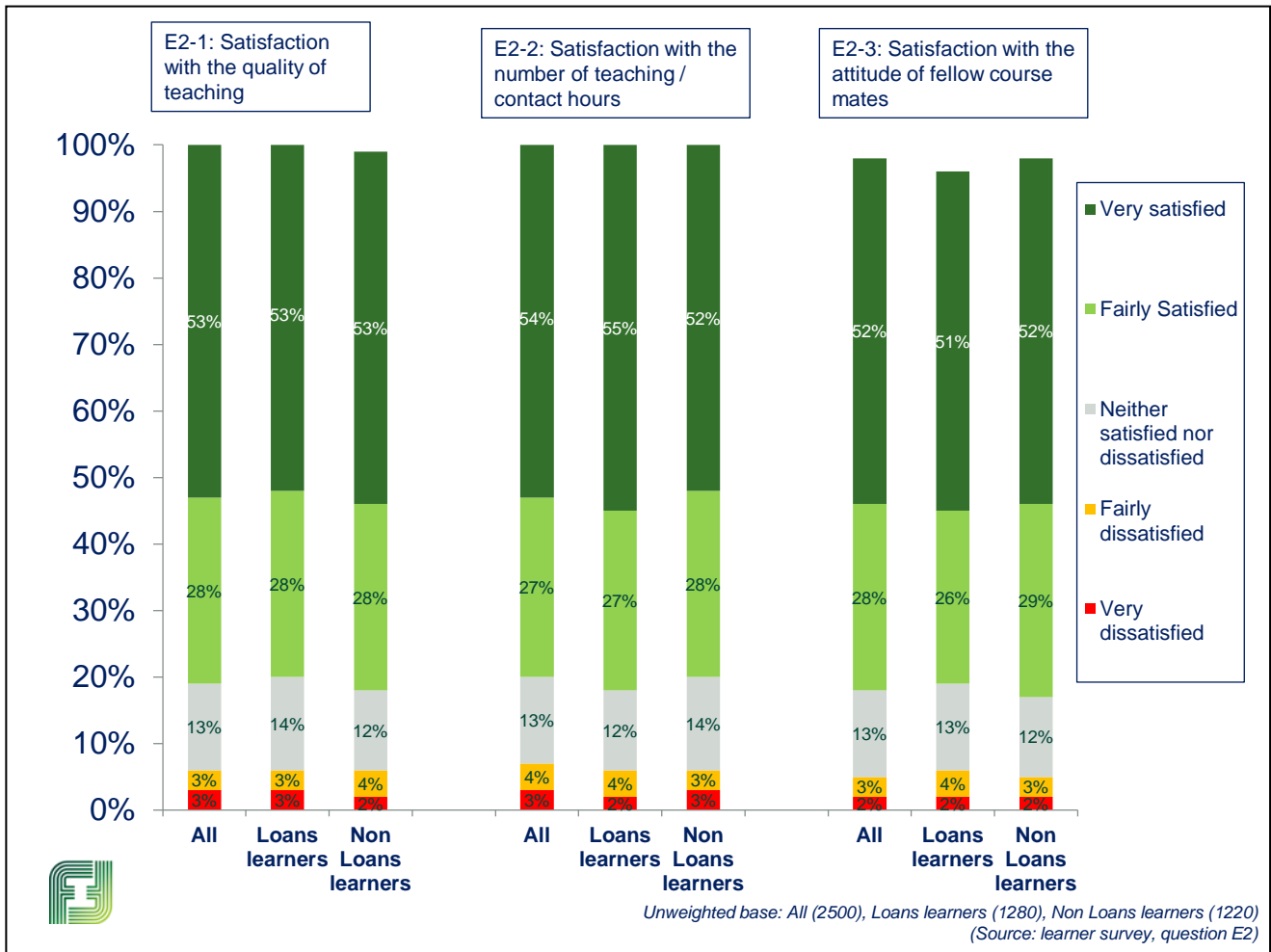
There was also very little variation between Loans and non-Loans learners in terms of attitudes and approach to learning, though Loans learners were more satisfied that they had made the right course / provider choices than their non-Loans counterparts.

When asked if they would choose different subjects, qualifications or providers if making the decisions now, across all aspects, Loans learners felt more confident that they had made right choices with higher proportions stating that they would be unlikely to choose alternatives if they were to make their decisions again than non-Loans learners.

8.1 Attitudes towards learning and behaviour on courses

The majority of all learners (83 per cent) stated that they were satisfied, overall, with their course at the time of the survey. Further, as figure 8.1 demonstrates, levels of satisfaction did not differ between Loans and non-Loans learners (84 per cent and 82 per cent respectively).

Figure 8.1: Learner satisfaction with their course



Learners were asked a series of questions regarding their satisfaction levels with a number of different aspects about their learning experience to date notably:

- How satisfied they were with the quality of teaching they received;
- The number of teaching / contact hours they had with teaching staff and;
- The attitudes of their fellow course mates.

For each of these three measures, levels of satisfaction were high among both Loan and non-Loans learners. Across both Loans and non-Loans learners, 81 per cent were satisfied with the quality of teaching on the course (82 per cent of Loans learners and 79 per cent of non-Loans learners) and the number of teaching hours / level of contact with staff (82 per cent Loans learner and 79 per cent of non-Loans learners).

Overall 79 per cent were happy with the attitude of their course mates (81 per cent non-Loans learners and 78 per cent Loans learners – the only significant difference regarding these measures across the two groups of learners).

Learners were also asked how they found the course in terms of its level of difficulty. Again, the majority (83 per cent) of learners believed that it was set at about the right level, with 9 per cent stating it was too difficult and seven per cent too easy. As satisfaction, views did not greatly differ between Loans and non-Loans learners.

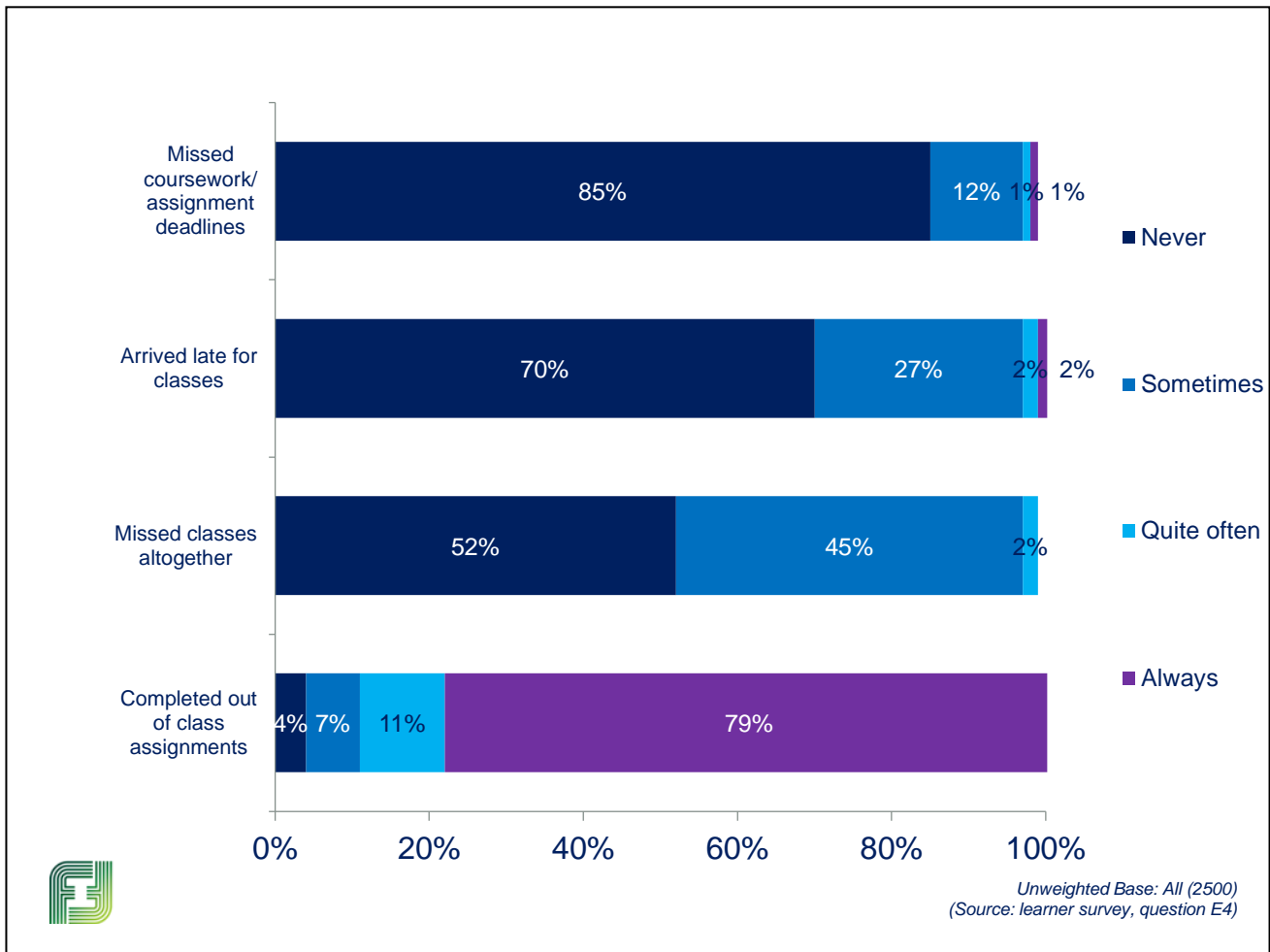
Perceptions regarding ease of course differed somewhat in terms of the qualification learners were taking. As might be expected, those studying at higher qualification levels were more likely to state they were finding their course difficult for both Loans and non-Loans learners. Eleven per cent of all Access to HE learners and 13 per cent of all Level 4 learners found their course to be too difficult in comparison to eight per cent and seven per cent of those on AS/A2/A Level and Level 3 courses.

To better understand attitudes to studying all learners were asked to state how frequently they had done any of the following:

- Missed classes altogether;
- Arrived late for classes;
- Missed coursework / assignment deadlines and;
- Not completed out of class assignment.

As the Figure 8.2 shows, only small proportions of learners had difficulties meeting the requirements of the course with few reporting missing deadlines, classes or arriving late or being unable to complete out of class assignments. Again, there were virtually no differences in behaviour between Loans and non-Loans learners suggesting that attitudes to learning are not necessarily affected by how someone chooses to fund their studies. Figure 8.2 therefore shows responses to these questions across all learners.

Figure 8.2: Degree to which learners are able to meet the course requirements



8.2 Learners’ perceptions on the value of their course

In addition to their satisfaction with the course and their behaviour on the course to date, learners were asked to evaluate what they perceived to be the benefits of undertaking their learning. Learners were asked whether they believed gaining their qualification would lead to a number of prompted outcomes.

As Figure 8.3 shows, learners were generally positive about the longer term benefits of their learning both on an employability and personal level. The majority believed that their course would improve their career prospects, help them develop their job skills and improve their self-confidence.

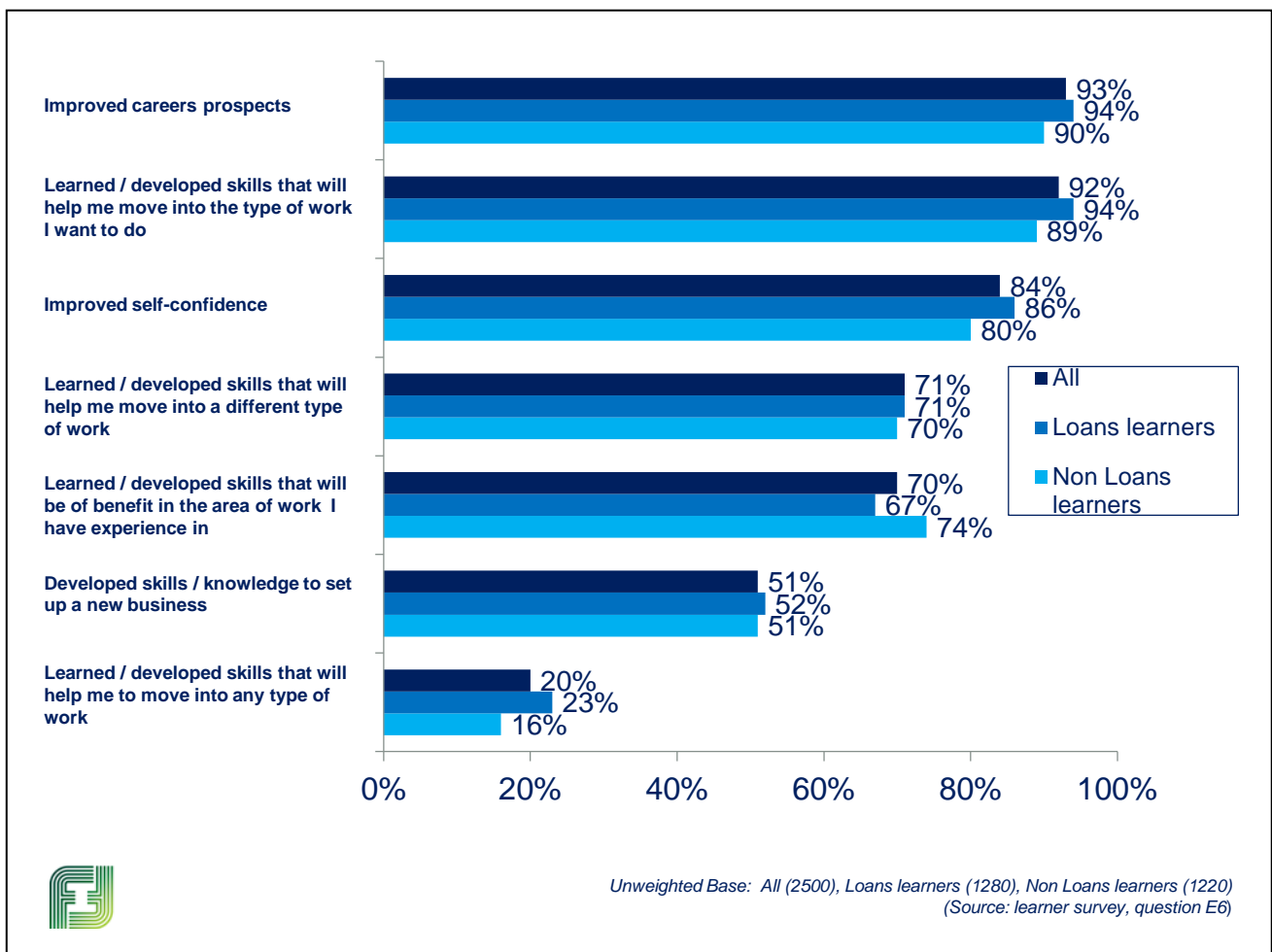
Loans learners were significantly more likely to state that their learning would lead to a number of outcomes which were:

- Improved career prospects (94 per vs. 90 per cent of non-Loans learners);

- Learning and developing skills to help move into the type of work they want to do (94 per cent vs. 89 per cent);
- Improved self-confidence (86 per cent vs. 80 per cent);
- Learning and developing skills to help move into **any** type of work (23 per cent vs. 16 per cent);

Conversely, non-Loans learners were more likely to state that their learning would help them to learn or develop skills that would be of benefit to the area of work in which they have experience (74 per cent compared to 67 per cent of Loans learners). The difference in the longer term impact of undertaking training between the two learner groups likely reflects their contrasting situations upon entry to their course (with non-Loans learners being more likely to already be in employment and qualified to a higher level).

Figure 8.3: What learners think their course has led to or is going to lead to



As an additional way of assessing learners' satisfaction with their learning experience, they were asked a series of questions about how likely it was that they would have made different learning choices if they had made these choices later, at the time of the research.

As Table 8.1 indicates, the majority of learners felt that they had made the right decision when it came to their learning choices, with at least 70 per cent stating that it was unlikely that they would chose differently across all of the factors. However, the Loans and non-Loans learners differed in their views with the former more satisfied that they had made the right decision with their choices across all aspects which suggests that they deliberate their choices more in the context of committing to a 24+ Advanced Learning Loan.

Table 8.1: Whether learners would chose differently across different learning aspects if making the decision now

E3. If you were to choose now whether or not to study your course, how likely or unlikely is it that you would...?						
	LIKELY			UNLIKELY		
Source	All	Loans learners	Non-Loans learners	All	Loans learners	Non-Loans learners
Unweighted Base	2,500	1,280	1,220	2,500	1,280	1,220
	%	%	%	%	%	%
Decide to do something completely different	13	11	15	78	81	75
Do a different subject	16	16	17	75	76	73
Work towards a different type of qualification	18	16	21	70	73	65
Study at a different provider	16	16	17	70	72	68

Source: learner survey, question E3

Other than the differences between the two learner groups, views were generally similar across the various sub-groups for each aspect. One notable exception was the perceptions of non-Loans learners studying for an Access to HE qualification of whom more than one quarter (27 per cent) stated that given the option, they would choose an alternative provider. This was significantly higher than their Loans learner counterparts and as well as those working towards Level 3 and Level 4 qualifications (both Loans and non-Loans learners). Non-Loans Access to HE learners were significantly more likely than other non-Loans learners to state that, knowing what they now know, they would have taken out a loan (69%). Thus, a potential reason for higher proportions of HE non-Loans learners wanting to study at a different provider is because they wanted to access a loan and their current practitioner did not have a loan facility.

Three-quarters of (74 per cent) of all learners believed their course was good value of money with the highest portion of learners agreeing strongly (53 per cent). The views of

Loans learners and non-Loans learners were largely consistent (as demonstrated in Figure G in the Methodology and Appendices section).

Looking at the overall attitudes of the Loans learners and non-Loans learners towards their learning experience, the findings suggest that currently, there is little difference between the two groups. Both express similar levels of satisfaction with regards to their course and exhibit similar behaviour in terms of dedication to their learning. Given that their assessment of the quality of their courses do not differ significantly, it is difficult to tell at this stage the degree to which the financial investment that Loans learners make has had any impact on driving Loans learners to be more discerning when making learning decisions²¹.

²¹ It should be acknowledged that Loans learners are not the only learners making a financial commitment. The majority of non-Loans learners (53%) self-funded their course and in doing so made a definite financial commitment, while those who withdrew a Loan were only making a contingent commitment.

9. Learners: Attitudes towards 24+ Advanced Learning Loans

Previous sections of the report have explored learners' reasons behind loan take-up and their awareness and understanding of loans. This section turns to learners' overall attitudes towards 24+ Advanced Learning Loans and their relative level influence in determining an individual's learning trajectory.

Chapter Summary

Loans learners were extremely positive about 24+ Advanced Learning Loans and the perceived opportunity they had given them in enabling them to access learning.

When asked whether they would have been able to undertake their studies without a 24+ Advanced Learning Loan, 76 per cent of learners said they would not.

Proportionately, the Loan had the greatest impact in terms of allowing learners to undertake their course sooner than if they had self-funded (84 per cent of Loans learners). Loans learners also thought the Loan made it possible to undertake a course at a higher level (77 per cent) and that it allowed them to study for a longer period of time (65 per cent).

However, 50 per cent of Loans learners stated they would have been able to find alternative sources to fund their studies.

Combined, these self-reported findings limit much robust analysis around the deadweight and additionality associated with the introduction of the Loan but suggest that the main perceived impact of the Loan was in terms of 'qualitative additionality' – specifically learners being able to access learning sooner that might have otherwise been possible.

The vast majority (93 per cent) of Loans learners stated that they would still have taken a loan out if given the choice at the time of the research. A substantial proportion of non-Loans learners (40 per cent) also indicated that if they had known what they knew at the time of the research when then initially started thinking about learning they too would have funded this learning with a 24+ Advanced Learning Loan.

Loans learners were asked a number of statements regarding the impact the loans had on their decision-making regarding their learning and the degree to which the loans presented an opportunity to them. Non-loans learners were asked similar questions but asked to comment instead on whether, if they had taken-out a loan, their learning opportunities might have been improved.

Overall, learners were relatively positive regarding the impact loans have had (or could have had in the case of non-Loans learners) in enabling their learning. Learners were asked “Do you think that you would have been able to undertake your studies without a 24+ Advanced Learning loan?” and three quarters (76 per cent) of Loans learners believed that they would not have been able to undertake that particular qualification (and by implication, at that particular time) were it not for their loan. However, as shown in the next few sections, fewer Loans learners believed that they would have abandoned the idea of studying altogether and higher proportions stated that they would have looked to other funding options.

Loans appear to have increased the number and type of opportunities available to the majority of Loans learners’ and given them more choice across all other aspects. Most have been able to do a higher qualification (77 per cent), start their course earlier (84 per cent) and do a longer course (65 per cent). Furthermore, the majority of those loans Learners studying full time (rather than part-time) stated that they were only able to because of taking out a loan (78 per cent).

Although fewer non-Loans learners agreed that the loans would have altered their learning choices, substantial portions still believed that the loans would have presented them with a greater degree of opportunity, notably in terms of allowing them to undertake a higher qualification (61 per cent) or a course that lasted for a longer period of time (52 per cent).

Table 9.1: Learners’ perceptions on the impact the loans have had on enabling their learning

F1. Do you think that your 24+ Advance Learning Loan made it / would have made it possible to....?			
Source	All	Loans learners	Non-Loans learner
Unweighted base	(2,500)	(1,280)	(1,220)
	%	%	%
Undertake a course at a <u>higher qualification level</u> than would otherwise have been possible	70%	77%	61%
Start studying or training <u>sooner</u> than would otherwise have been possible	68%	84%	47%
Undertake a course that lasted for a <u>longer period of time</u>	59%	65%	52%
Start a course or learning on a <u>full-time basis</u> rather than a part-time basis	55%	78%	35%

Source: learner survey, question F1

Learners' positive views of the loans and the value they have for opening up learning opportunities echo the Impact Tracking Research²². Potential Loans learners were positive about the premise of the loans and their introduction, perceiving them to be a fairer system. Most current learners (74 per cent) responding to the survey believed that having a system where learners were required to pay tuition fees upfront, created a barrier for some wishing to access Further Education and most agreed that *"having a low-cost loan to help with course fees will help maintain access to learning opportunities for all"* (76 per cent).

9.1 Learner journey findings

The qualitative study also revealed that, overall, learners were far more likely to be positive than negative regarding the introduction of 24+ Advanced Learning Loans. Figure 8.1 illustrates the story of another learner who took part in the learner journey stage of the research. Chloe's²³ journey exemplifies the typical feeling of learners towards 24+ Advanced Learning Loans. Many were apprehensive about loans to begin with but felt more enthused as they progressed through their journey. This case study also reveals the fact that, in many cases, 24+ Advanced Learning Loans have been very popular as they have enabled learners to study courses that they would not have been able to do without a loan. During her journey, Chloe's understanding of 24+ Advanced Learning Loans improved as she acquired more information, but it was still not complete when she applied for a loan.

During one of her interviews Chloe stated *'if I don't take out a 24+ Advanced Learning Loan I won't be able to do the course'*. This view was also expressed by Safia when she was interviewed and although George stated that he would have continued with his plans regardless, he did acknowledge the fact that 24+ Advanced Learning Loans had made it considerably easier for him to progress with his studies.

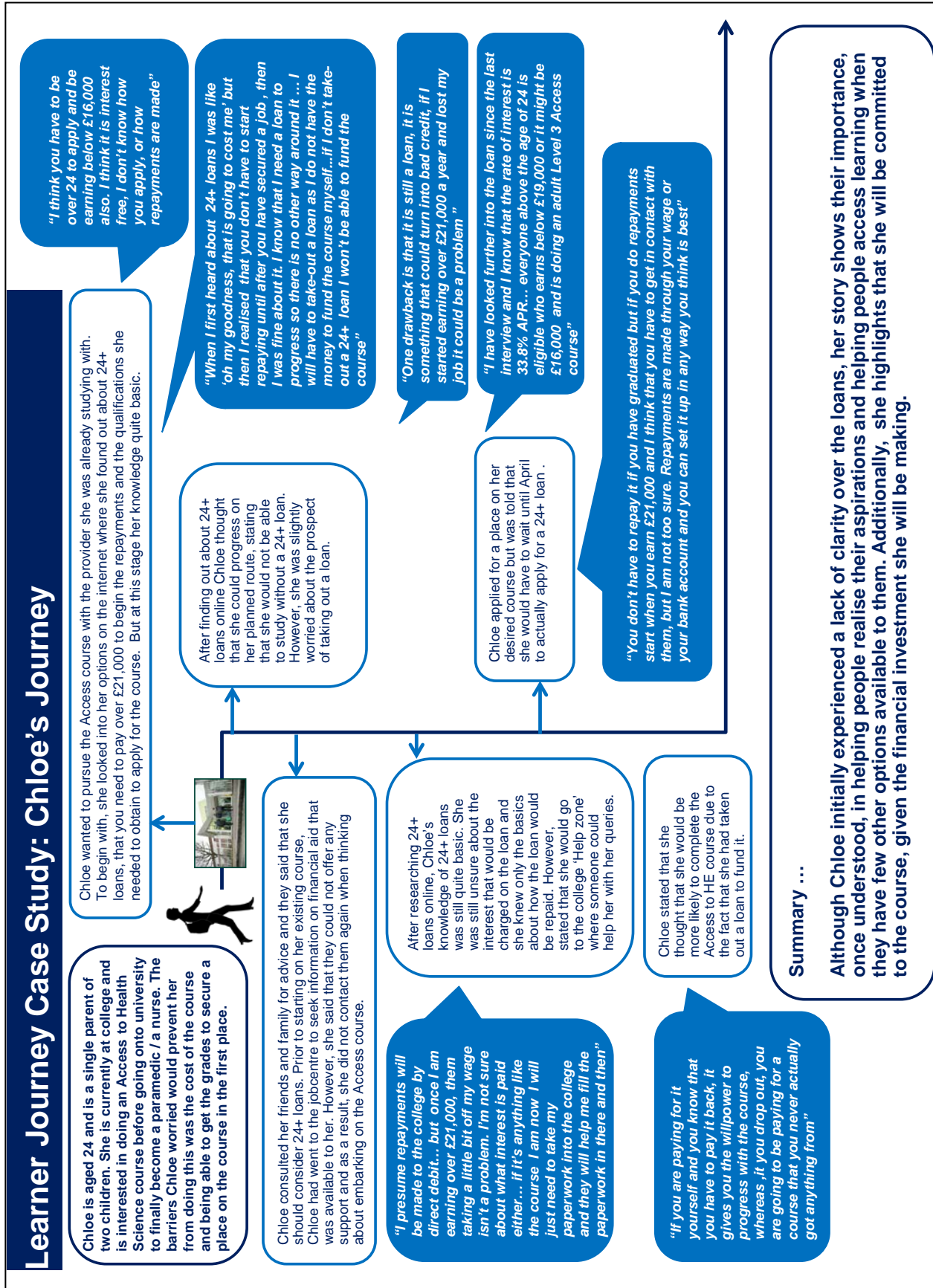
Many learners who took part in the learner journeys expressed similar views. They were positive about 24+ Advanced Learning Loans as they would be able to pay the fees of their course upfront. One stated: *'I want to be able to do the course and I can't afford it myself without 24+ loans I would not do the course I guess and I would just look into getting a job elsewhere'*.

Chloe also suggested that a 24+ Advanced Learning Loan would potentially impact positively on her attitude towards her studies: *'if you are paying for it yourself and you know that you have to pay it back, it gives you the willpower to progress with the course, whereas, if you drop out, you are going to be paying for a course that you never actually got anything from'*. A couple of other learners expressed a similar view with regard to the Access to HE offer in particular, one learner stated that it *'gives the initiative to actually want to make sure you do get your degree... it gives that extra nudge towards getting to the goal and where you want to be. It encourages you to do it if you think you are going to have a full year paid for you'*.

²² See Higton, J et al (2014), Tracking the impact of the 24+ Advanced Learning Loan p. 69-72.

²³ Chloe is a pseudonym.

Figure 9.1: Learner Journey Case Study – Chloe’s Journey



9.2 The impact of 24+ Advanced Learning Loans on learners' decision-making

In order to further assess the affect the loans had on decision-making, Loans learners were asked what they anticipated they would have done differently if the Loan had not been available to them.

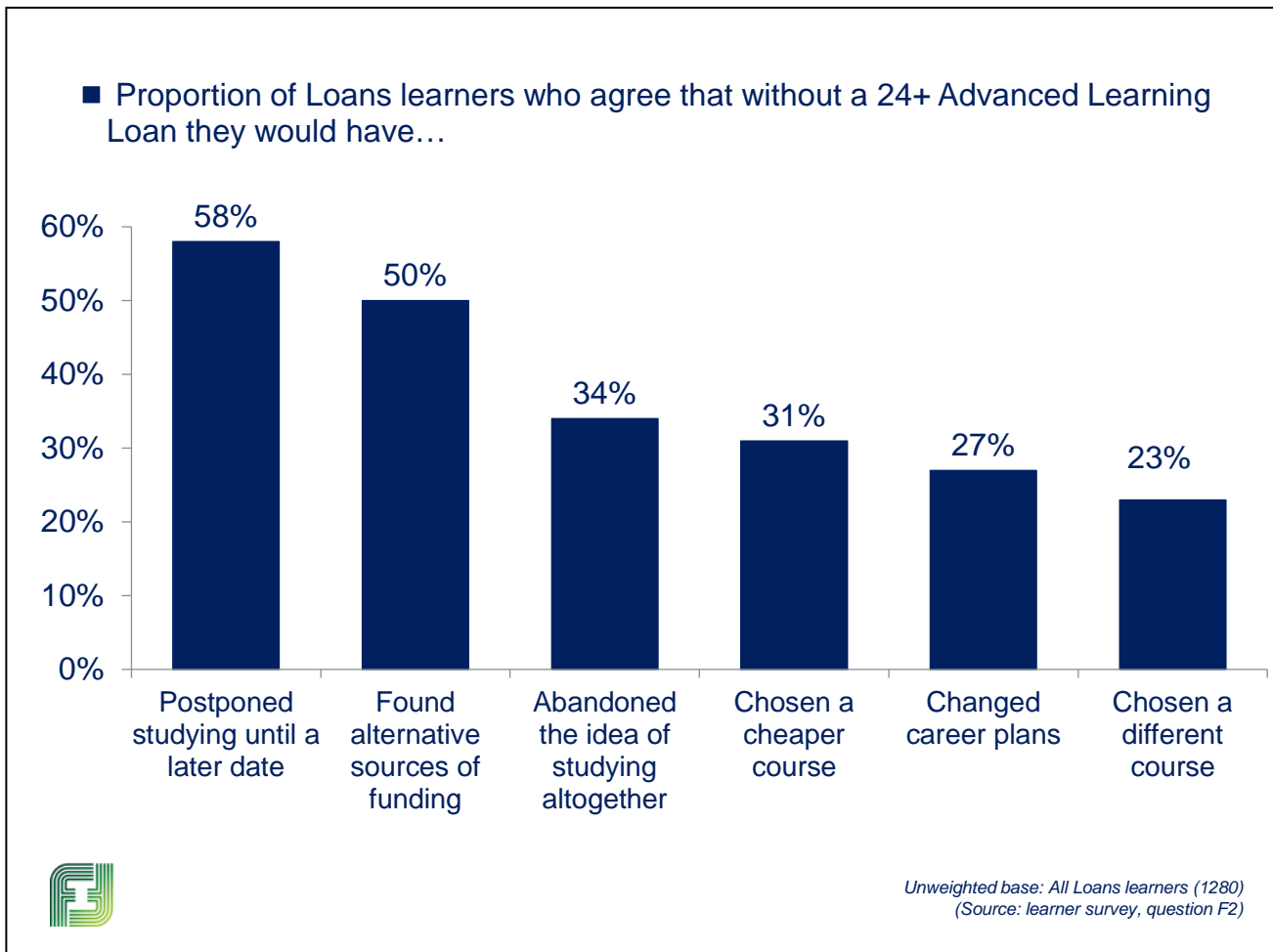
As Figure 9.2 indicates, the absence of a loan would have had a negative impact on substantial proportions of Loans learners and their ability to undertake the qualification they eventually chose.

While it is not possible to quantify the deadweight and additionality of Loans from the survey data, the findings in this chapter (although self-reported) suggest that the main impact of Loans has been to allow individuals to access learning sooner or at a higher level than otherwise might have been possible. For a sizeable proportion however, the absence of the Loan would have had a far greater impact as one-third (34 per cent) stated that they would have had to abandon their plans to undertake a course altogether. This increased to one in two learners (51 per cent).

Nearly a quarter (23 per cent) of Loans learners would have chosen a different course and nearly one-third (31 per cent) felt that they would have had to choose another course that charged less in course fees specifically. Again this was more likely to be the case among Muslim learners (49 per cent of whom would have chosen a course with cheaper course fees).

Although the absence of the 24+ Advanced Learning Loan would have had a detrimental impact on their learning trajectory, half (50 per cent) of Loans learners still thought that they would have been able to find alternative funding had they not had access to 24+ Advanced Learning Loans.

Figure 9.2: Learners' perceived options had a 24+ Advanced Learning Loan not been available



Younger learners were more inclined to state that they would have looked for alternative ways to fund their learning, (60 per cent of those aged 24-29 in comparison to 45 per cent of those aged 30+) indicative of the fact that there are more potential funding options available to this group than older learners. In addition, male Loans learners were more likely than female Loans learners to think that they would be able to find alternative funding avenues had 24+ Advanced Learning Loans been unavailable (58 per cent vs. 47 per cent respectively).

More than a quarter (27 per cent) disagreed that they would have found alternative sources of funding and so felt that they would not have funded their studies in another way.

While it is not possible to conclude at this stage the deadweight and additionality of the Loan, the findings from the survey (although self-reported) suggest that the overall impact of the Loan was to allow individuals to access learning sooner than might otherwise have been possible.

Those who agreed that they would have found alternative funds were asked how. As Table 9.2 outlines, the majority of Loans learners who thought they could have sourced alternative funding believed that they could have self-funded (64 per cent) equating to 32 per cent of all Loans learners.

Table 9.2: How Loans learners would have funded their studies had 24+ Advanced Learning Loans not been an option

F3. What sources would you have used to fund the course?	
<i>Base: Those who agree that they would have funded a course another way</i>	(620) %
Self-funded	64
Personal loan	32
Grant or bursary	7
Employer funding	4

Source: learner survey, question F3

Those non-Loans learners who had applied for a loan but elected not to take one out were asked to imagine how their learning decisions might have changed if they had funded their studies with a Loan.

The majority of learners did not feel restricted by the absence of a loan to fund their learning. Nearly three-quarters believed that they would not have done a different course (73 per cent) even with access to a loan. In addition, 73 per cent felt that they would not have chosen to do a more expensive course, suggesting that it was not because of financial restrictions that these learners chose the qualification they did. Two thirds (66 per cent), felt they would not have changed their career aspirations, perhaps indicative of the fact that this group are more likely to be undertaking their learning to develop skills in a line of work they are already well established in.

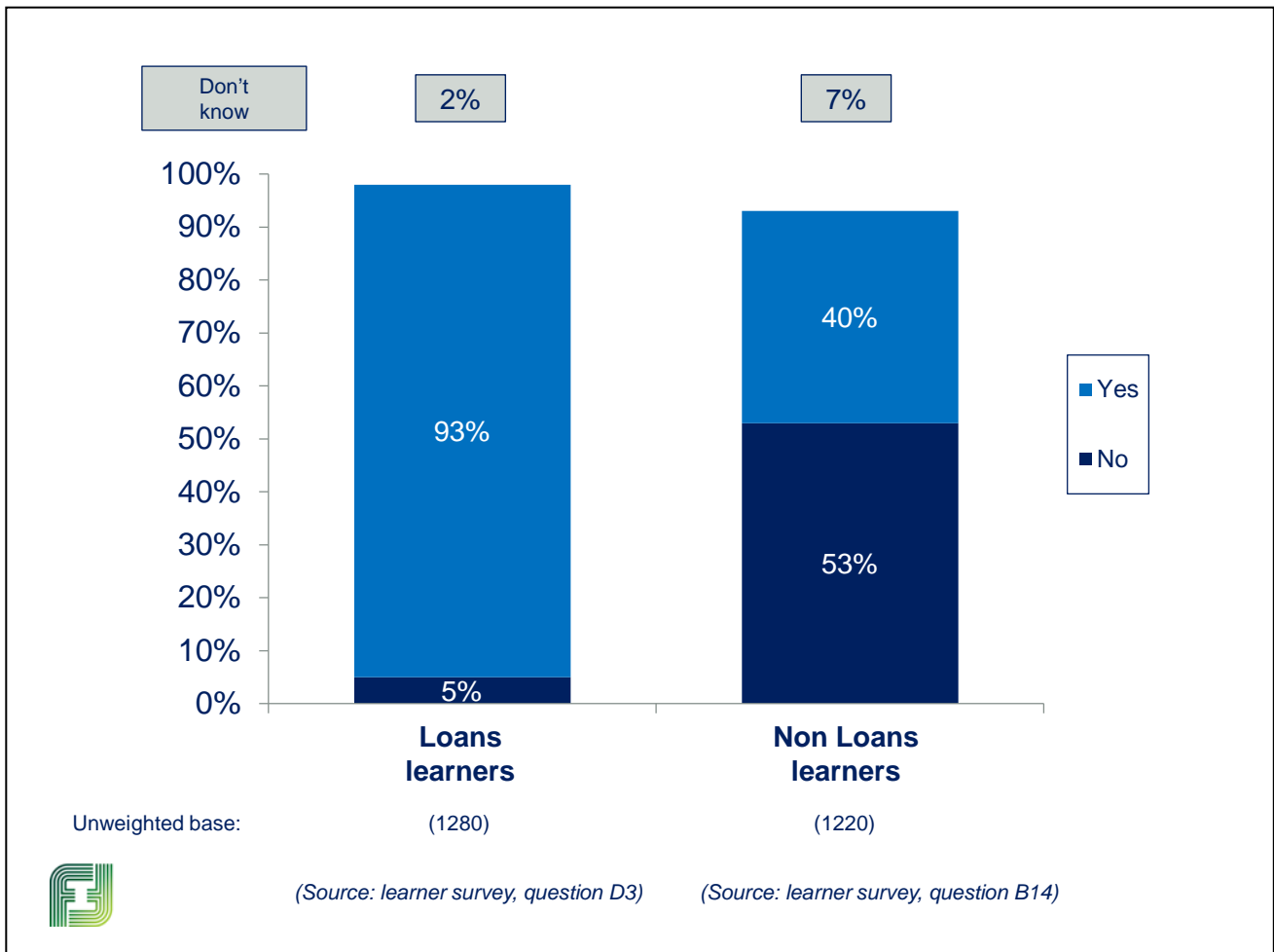
9.3 Current learner perceptions of 24+ Advanced Learning Loans

To better understand the extent to which a lack of awareness or understanding of the 24+ Advanced Learning Loan is an inhibitor to greater take-up, both Loans and non-Loans learners were asked if they had known what they knew about 24+ Advanced Learning Loans at the time of the research when they were first thinking about funding their study, they would have gone on to take one up.

Among the Loans learners the vast majority (93 per cent) stated they would still have funded their studies in this way. When this group were asked why this was the case, two-fifths (42 per cent) stated (unprompted) that they would not be able to study without it, showing that a sizeable portion of learners were heavily reliant on the loan to allow them to access learning. Others spoke of the loan allowing them to progress either within education (22 per cent) or their career (8 per cent) and a further (12 per cent) spoke about the practical ease of applying for a loan. The fact that they did not have to pay it back until

they were earning £21,000 and that it helped with the cost of their course was mentioned by 8 per cent of learners.

Figure 9.3: Whether learners would have taken out a 24+ Advanced Learning Loan knowing what they did at the time of the survey



A slight majority (53 per cent) of non-Loans learners stated that they still would not have taken out a 24+ Advanced Learning Loan to fund their study, at the time of interviewing. Two-fifths (40 per cent) stated that they would have opted to access one and fewer than one in ten (seven per cent) were unsure.

Almost seven in ten (69 per cent) of non 24+ Access to HE learners stated that they would have taken out a loan had they had the level of knowledge that they did at the time of interviewing, a higher level than learners studying for all other qualifications (38 per cent of Level 3, 30 per cent of Level 4 learners and 22 per cent of AS / A2 / A Level learners).

Younger non-Loans learners were more likely to state that they would have taken out a loan, given their current knowledge; 46 per cent of those aged 24-29 and 45 per cent of those aged 30-39 reported this to be the case compared to less than one-third (32 per cent) of those aged 40+.

Non-Loans learners who stated that they would have now applied for a loan where asked an open question as to why. The largest proportion of non-Loan learners' answers related to cost, to either ease financial pressure, help with course fees or additional costs (49 per cent). Around one-fifth (19 per cent), stated that they were currently struggling to progress and that a Loan would ease this burden and 13 per cent that it would help them continue their education.

9.4 Levels 24+ Advanced Learning Loans recommendation

As a final gauge of learner perceptions of 24+ Advanced Learning Loans, Loans learners were asked whether or not they would recommend the Loan to other students.

The vast majority (95 per cent) stated that they were likely to recommend loans with 84 per cent being very likely to do so. Table 9.3 outlines the reasons why learners would endorse the loans. As the table shows, a wide range of reasons were provided but demonstrates that learners regard the Loan as a means by which to open up education to those who might not otherwise be able to afford it.

Table 9.3 Reasons why learners would recommend 24+ Advanced Learning Loans to others

F5. Why would you recommend 24+ Advanced Learning Loans?	
Base: Those who would recommend 24+ Advanced Learning Loans	(1,210)
	%
It helps those who can't afford to study	27
The application process is quick / simple / accessible	20
It encourages people to study / get back into education	14
It makes life easier / reduces financial pressure	11
Because you don't have to pay back the loan until you afford it	8
It covers course fees	8
It helps people progress in their careers / jobs	7
It helps people to better themselves / it offers people opportunities	7
It helps those who are older to get back into education	6
The repayment scheme is easy / fair / flexible	5
The loan is affordable	4
Loans give you the opportunity to get into higher education	4
Loans will be wiped out at the end of the course If you go on to do a degree	4
They are really helpful (unspecified)	3
You can study without having to go to banks or loan sharks	2

Source: learner survey, question F5

10. Providers: Information provision

As mentioned in the introduction to this report, providers have a key role to play in explaining 24+ Advanced Learning Loans to (prospective) learners who make enquiries about eligible courses. It is the responsibility of providers to ensure that clear information on 24+ Advanced Learning Loans is available. This chapter looks at the flows of information about 24+ Advanced Learning Loans from the provider perspective, exploring how providers acquired information themselves and how they raised awareness among, and answered the queries of, learners. Providers included in these strands of the research are practitioners delivering Level 3 and 4 adult learning and training courses with a 24+ Advanced Learning Loan facility. Student Finance England pays the loan to the learners' training provider in the form of monthly payments once they have confirmed the learners' attendance on the course – no money is transferred to the learner²⁴.

In both the qualitative and quantitative stages²⁵, providers were asked a number of questions about information relating to 24+ Advanced Learning Loans. Areas of exploration included the sources of information or guidance providers accessed or received the methods and messages used when communicating to students about the loans, the specific queries students were approaching them with and how comfortable they were dealing with queries.

Chapter Summary

At the time of the quantitative survey (November 2013 to January 2014) which was relatively soon after the introduction of 24+ Advanced Learning Loans, the majority of providers were confident dealing with learner queries relating to loans and in most cases, tended to resolve them internally, rather than referring them on to other sources.

The majority of providers were using a number of channels to provide (potential) learners information about the loans, most commonly through their websites or other marketing materials such as prospectuses or course directories. Around half used materials from the 24+ Advanced Learning Loans microsite but findings suggest that more could be done to raise awareness about this, especially given that feedback for this is extremely positive among those providers that have used it.

Providers were keen to remain relatively neutral in their messaging with regards to the loans. Nonetheless, the messages that they were most likely to be promoting were around the Access to HE offer (i.e. that the loan would be written off if the learner proceeds to and completes an HE course) and that repayment does not start until learners are earning £21,000 per year.

²⁴ For more details see http://www.sfengland.slc.co.uk/media/568945/sfe_24_loans_factsheet.pdf (Date of access: August 2014)

²⁵ For more details see sections 2.9.7 and 2.9.8.

10.1 Information sources received or accessed by providers

Responses from the quantitative survey suggest that providers accessed information about 24+ Advanced Learning Loans from a range of sources. Over half (53 per cent) of providers had used information from at least three different sources.

Table 10.1: Sources which providers accessed or received information from in relation to 24+ Advanced Learning Loans

B1. Which sources has your institution accessed or received information from in relation to 24+ Advanced Learning Loans? (Unprompted)		
B2. Which of these sources have you found most useful?		
Unweighted Base	(250)	(240)
	Sources used (B1)	Source found most useful (B2)
Source	%	%
Student Loans Company	64	15
Skills Funding Agency Update	52	24
Skills Funding Agency Area Relationship Teams	33	7
General information about Further Education on government websites	15	5
Written briefing documents from a government department or agency	13	6
Face-to-face briefings from a government department / agency	13	11
The 24plusmicrosite	13	1
Skills Funding Agency (unspecified)	11	2
Union / advisory body	11	3
Government department or agency (unspecified)	10	-
Other funding advisory services	9	3
Word of mouth from other people working in the sector	8	2
FE and Skills Newsletter	4	2
General email alert services	4	-
Seminars / conferences	3	-
Other sources	7	3
None	3	3
Don't know	3	22

Source: provider survey, question B2

As Table 10.1 illustrates, the information source most commonly mentioned was the Student Loans Company (64 per cent). Over half (52 per cent) said that their information had come from Skills Funding Agency Updates and a third (33 per cent) said that they had accessed or received information from Skills Funding Agency Area Relationship Teams. Combining those that used any Skills Funding Agency source (including those that did not specify exactly what the source was) 70 per cent of providers accessed information from the SFA.

In addition, Skills Funding Agency sources were felt by the largest portion of providers to be the most useful. A third (33 per cent) felt that a Skill Funding Agency source provided the most helpful information (24 per cent believing that the Skills Funding Agency Update was most useful).

Eleven per cent said that face-to-face briefings from a government department or agency and the same proportion (11 per cent) thought information provided by the Student Loans Company was the most useful. Only 1 per cent thought that the 24+ Advanced Learning Loans microsite was the most useful source.

Just over one fifth (22 per cent) of respondents said that they did not know what the most useful source they consulted was.

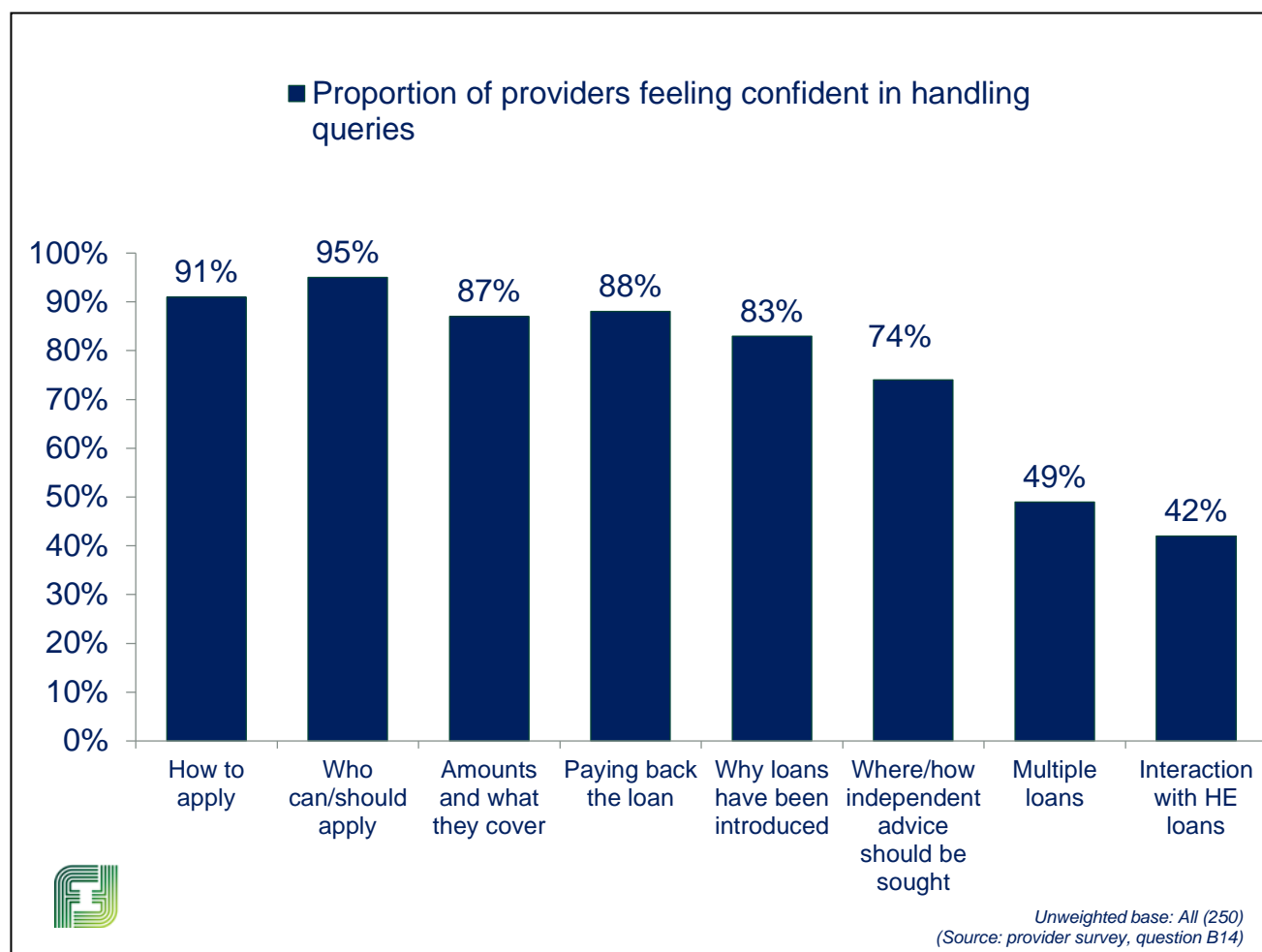
10.2 Dealing with queries raised by students

A key part of provider interaction with learners about 24+ Advanced Learning Loans was how they responded to any enquiries that learners may have had about the new system. Overall, across the qualitative and quantitative stages, it appeared that providers were facing few issues in terms of their ability and confidence in providing information to prospective students in relation to 24+ Advanced Learning Loans. Providers were met with a variety of queries but, on the whole, they tended to deal with these queries themselves, rather than referring learners to other sources, and were generally comfortable in doing so.

During the first qualitative phase of the research, providers were asked whether they felt comfortable when discussing the loans with (potential) learners. Although a minority felt wary, given that the system was new and they wanted to ensure that they were providing the correct information, most stated that they were comfortable with discussing 24+ Advanced Learning Loans with learners even at this early stage.

These early findings are supported by the quantitative stage. Figure 10.1 shows the proportion of providers stating that they felt confident in answering questions from learners about a range of different aspects of 24+ Advanced Learning Loans.

As the figure shows, the vast majority of providers felt confident in dealing with queries about how to apply for a loan, who can apply for a loan, the value of loans and what they cover, paying back loans and why loans have been introduced. The proportion who were confident in handling queries about where and how independent advice should be sought was slightly lower (at 74 per cent) and the proportions confident in handling queries about multiple loans and interaction with HE loans was considerably lower (49 per cent and 42 per cent respectively).

Figure 10.1: Provider confidence in handling queries from prospective learners

Generally providers in the Colleges / Sixth Forms category were more confident in dealing with queries than either private / voluntary sector providers or local authority/other public sector bodies. This may be because Colleges / Sixth Forms were the largest in terms of student numbers (42 per cent had over 1,000 students, compared to four per cent private / voluntary sector²⁶ and none of the Local Authority / other public sector bodies) and so were more used to dealing with student enquiries. For most types of query, the differences between the groups were not very large. However Colleges / Sixth Forms were notably more likely to say that they were confident in dealing with queries about:

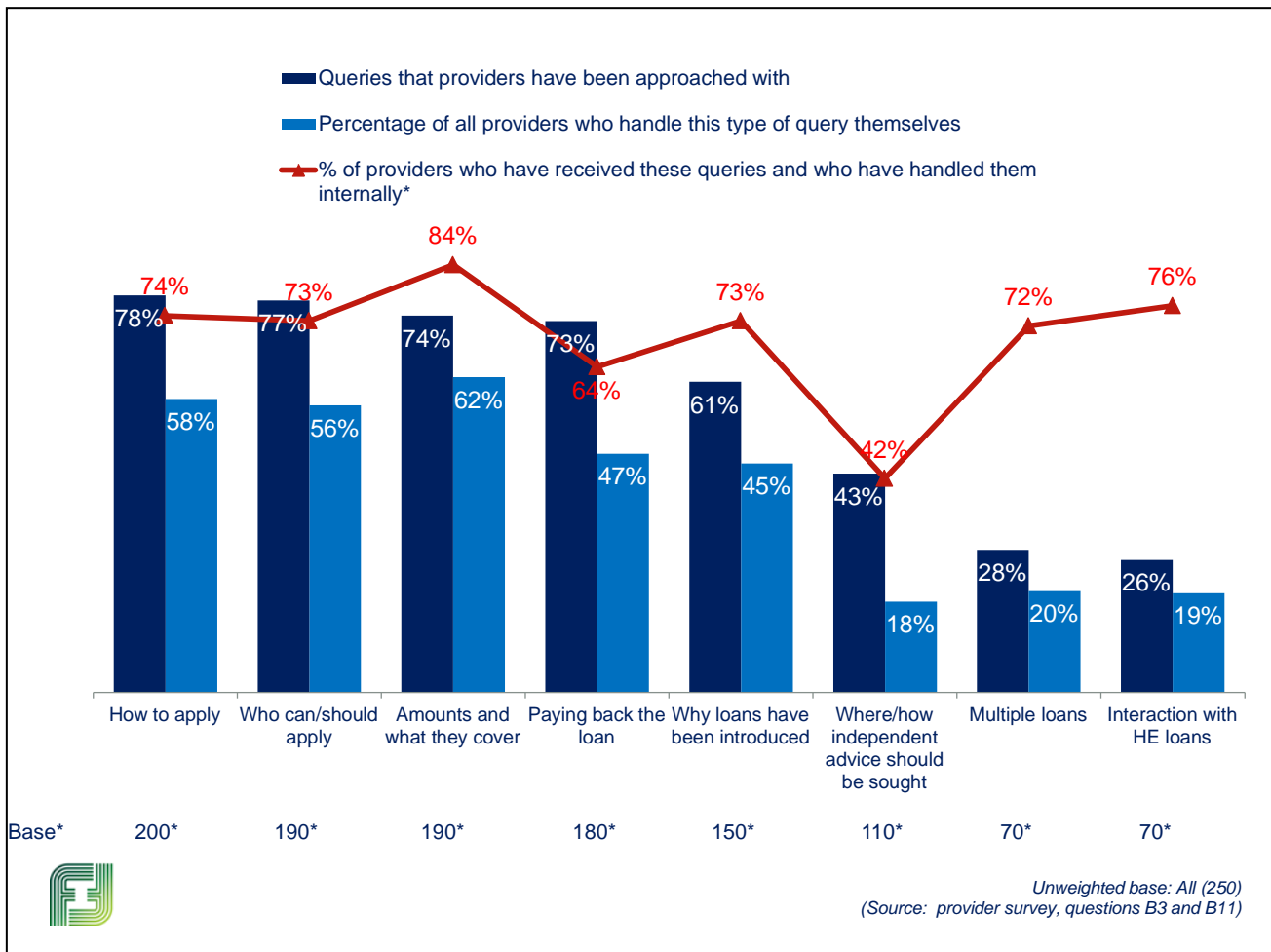
- Supporting learners with finding independent advice (82 per cent in comparison to 69 per cent of Private / Voluntary sector providers and 65 per cent of Local Authorities / Other public sector providers).

²⁶ Caution should be taken when interpreting findings relating to private/voluntary sector providers as the unweighted base size is less than 50.

- Interactions with HE loans (67 per cent compared to 21 per cent of Private / Voluntary sector providers and 37 per cent of Local Authorities / Other public providers).

Figure 10.2 shows the proportion of providers who had experienced queries from learners in each of the different areas and the proportion of providers who had dealt with all the queries that they had received in-house (the light blue bars). The red line shows the proportion of all providers receiving each type of query who had been able to deal with them entirely in-house. Hence 78 per cent of providers had received queries about how to apply for a loan and 58 per cent had both received queries and been able to handle them entirely in house (i.e. 74 per cent of those receiving queries had handled them in-house).

Figure 10.2: Extent to which providers handle queries internally



Generally there was a strong correlation between the types of queries providers were most likely to have received and those that they were most confident in handling. Around three quarters had been approached by prospective learners about how to apply for a loan (78 per cent), who can or should apply for a loan (77 per cent), the loan amount and what it covers (74 per cent) and paying back the loan (73 per cent). Less common enquiries were those about multiple loans and the how 24+ Advanced Learning Loans would interact with

Higher Education loans (28 per cent and 26 per cent respectively) which were the two areas where providers were least confident.

For most types of enquiry, around three-quarters of providers stated that when they received queries they dealt with them entirely in-house (with the remainder saying they would refer learners to an external source either some or all of the time). This proportion is a bit lower (at around two thirds) for queries about paying back a loan (10 per cent of providers receiving these queries said that they tend to refer them to another source with 25 per cent saying they sometimes handle these in-house and sometimes refer them on) and considerably lower for queries about independent advice (which 36 per cent said they tended to refer on to another source and 19 per cent said that they sometimes refer on). Despite being less likely to deal in-house with queries relating to independent financial advice, three quarters of providers (74 per cent) felt confident in handling these sorts of enquiries so this would suggest that they don't view it as problematic to refer learners elsewhere – more just that they consider this the most appropriate approach.

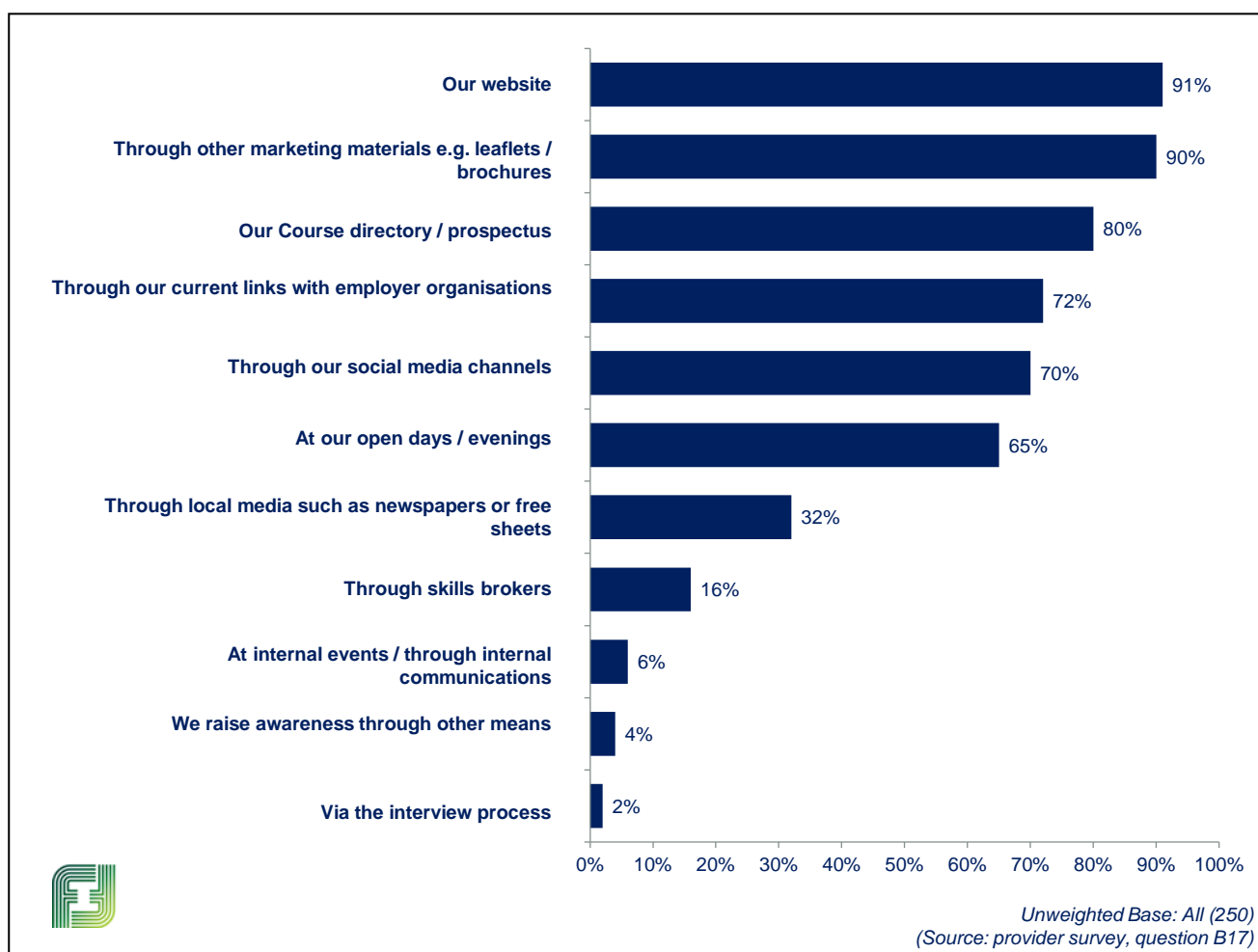
Those who tended to refer learners to another source for queries about where/how independent advice should be sought most commonly suggested that they get advice from the Money Advice Service (31 per cent) and/or the Student Loans Company (26 per cent). This is supported when exploring the information produced by providers about the loans for students, as collected during the qualitative site visits. A number of information leaflets and/or brochures highlighted the importance of understanding whether a loan was the best option and sign-posted The Money Advice Service if free, impartial money advice was required.

More generally, the majority of providers (83 per cent) were satisfied that they were able to devote as much time as was needed to assist learners / potential learners with their queries about 24+ Advanced Learning Loans and that they could do this without causing too much disruption to their existing practices (76 per cent). While there were no substantial differences in satisfaction with ability to devote as much time as was required by provider type, Colleges / Sixth Forms were least likely to be satisfied that they were able to achieve this without causing too much disruption (only 67 per cent were satisfied that this was the case compared with 81 per cent of Private / Voluntary sector providers).

10.3 Provision of information on 24+ Advanced Learning Loans to students and key messages used

At the point of the quantitative survey, nearly all (96 per cent) providers were using at least one channel to provide information about 24+ Advanced Learning Loans to raise awareness among (potential) students. Figure 10.3 illustrates the channels that providers used to raise (potential) learners' awareness of 24+ Advanced Learning Loans.

Figure 10.3: Channels used to make students / potential students aware of 24+ Advanced Learning Loans



The provider's own website, other marketing materials such as leaflets and brochures, and the provider's course directory / prospectus were the most commonly used marketing materials (91 per cent, 90 per cent and 80 per cent respectively).

Providers also tried to raise awareness through their links with employer organisations (72 per cent), at open events (65 per cent), via local media (32 per cent), through skills brokers (16 per cent) and/or internally (6 per cent). In addition, materials collected during the qualitative stages showed that some providers had branded a range of promotional materials with a "24+ Advanced Learning Loans" logo to distribute to students including bags, stationary, water bottles, stress balls and packets of mints.

The types of channels through which awareness of loans was raised differed according to provider type. The vast majority (96 per cent) of Colleges / Sixth Forms used their website to raise awareness, a proportion significantly higher than the 88 per cent of Private / Voluntary sector providers and 86 per cent of Local Authorities / other public sector bodies that did so.

Course directories / prospectuses were more likely to be used by Colleges / Sixth Forms (92 per cent) and Local Authorities / Other public sector bodies (88 per cent) in comparison with Private / Voluntary sector providers (67 per cent). On the other hand, private and voluntary sector providers were more likely (79 per cent) than Colleges / Sixth Forms (66 per cent) and Local Authorities / other public sector bodies (65 per cent) to raise awareness via their existing links with employer organisations.

A small minority (3 per cent) of providers stated that they did not raise awareness through any of the channels above. These providers were most likely to have a loan facility of less than £50,000 and no take-up of their loan facility to date.

How 24+ Advanced Learning Loans were initially introduced to, and the reaction of, prospective learners were themes covered in greater depth during the qualitative part of the research. As with the quantitative stage, the majority of providers stated that they provided information about loans and the most common way they did this was via their website. However, when information was disseminated to prospective learners about loans methods seemed to differ. Some stated that they told learners about 24+ Advanced Learning Loans at Open days, others said it was when they approached with general enquiries, some said they raised loans during interviews / assessments and others stated it was once they had been given a place on the course. Most of the time, however, providers mentioned loans at a number of these points as almost all of the providers stated that they supplied information about loan to learners at multiple stages of the initial application process.

Only a small minority of providers interviewed at the qualitative stages had formally been in contact with other providers to share ideas about marketing strategies and messages, although several had been to groups meetings or for example, discussed the issue informally on forums. Those that had felt there was some value in circulating experiences because it allowed them to hear how others were dealing with difficult enquiries from students and share best practice in terms of information provision relating to 24+ Advanced Learning Loans.

Although most providers were providing information about loans, they were generally conscious of trying to avoid 'selling' loans when discussing them with students. Most were keen to remain neutral by presenting loans in an impartial way, as just one of many options available to learners, so that they did not appear to be promoting a financial product. A number of providers mentioned specifically that they were very cautious about being seen to be providing financial advice.

'We try to be very careful that we're not giving financial advice. We're just saying you need to pay for your course. You can do this in a number of ways'.

(FE and specialist Colleges / 6th Form / HE, £1m+²⁷)

'Staff have been aware that offering financial advice is not in their remit'.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,999)

²⁷ Quote attribution includes: type of provider and Loan Facility value.

This is supported by some of the briefing materials distributed to staff that were collected during the site visits. One large private provider for example advised staff in their briefing literature that it was important not to leave learners assuming that the 24+ Advanced Learning Loan was necessarily the best way to fund their course and that they should always be made aware of all the other options available to them. In addition, they emphasised the need to avoid pushing learners towards funding decisions but rather allowing them to make such decisions for themselves.

In the site visits, providers were asked whether there were any specific messages that they were using in the information that they provided to prospective learners about 24+ Advanced Learning Loans. Some providers appeared to be proactively marketing Access to HE courses in particular. A number of providers appeared to emphasise this offer to attract learners, (i.e. that loans taken out to fund Access to HE courses are written-off if the learner progresses onto and completes an HE qualification). A few providers stated that this offer was '*being sung from the rooftops*' that it was '*the key thing for marketing*', another labelling it '*the selling point*'.

'It is the write-off message definitely. If you are going on to HE it is a no brainer and eighty percent of 24+ Advanced Learning Loans are [taken out to fund] Access [to HE courses]. Last year they would have had to apply for a means tested benefit remission or paid or got a career development loan and this is a good option for them ... the repayment is so low and the income [threshold] so high relatively speaking.'

(FE and specialist Colleges / 6th Form / HE, £250,000 - £999,999)

Other key messages used by qualitative-stage providers when speaking with students about the loans related to the repayment conditions. Providers particularly raised the fact that repayment only occurs once (and if) the learner starts to earn £21,000 or more per annum and that the interest rates on loans taken-out were small in comparison to loans that could be taken out to fund studies from other sources.

Again, this was supported by some of the marketing materials collected during the site visits across the stages. Although presented in a relatively neutral way, there seemed to be a consistency in terms of the key messages that were being used in materials aimed at learners regarding the loans. These included:

- That the loans were not means tested or subject to credit checks;
- Repayment does not occur until April 2016²⁸ or until recipients are earning £21,000;
- If a loan is taken out for an Access to HE course and the learner then goes on to complete a higher education course, the loan for the access course does not need to be repaid and;
- Application and repayment are straightforward processes.

²⁸ April 2016 is the date from which HMRC will start to gather repayments through the tax system for both HE and FE income contingent loans. Individuals can make voluntary repayments to SLC before that date if they wish. Moving forward, learners will come into repayment from the April following the end of their course.

Indeed, an analysis of websites of the providers that took part in the survey shows a similar picture. Most of the providers who took part in the qualitative phase of the research had information about 24+ Advanced Learning Loans on their websites although this was easier to locate on some websites when compared with others.

Most of the information provided on the websites covered the basic criteria relating to 24+ Advanced Learning Loans, particularly with regard to eligibility and information on repayments. Across the provider webpages it seemed that the strongest key message that is being relayed to students is the threshold at which repayments begin to be made. As discussed, providers during the site visits suggested that a key way to hook potentially interested learners is to remind them that repayments do not start until they are earning £21,000 per year – accordingly, this message features prominently on a number of sites.

A number of providers who took part in the qualitative interviews do not appear to have any information relating to 24+ Advanced Learning Loans on their websites (or it is difficult to find said information on their webpages). This seemed to be the case largely for local education authority providers and could be related to the fact that their websites have to house information on a wide range of issues and services in comparison to general FE colleges who have far fewer functions and are able to dedicate more space to specific issues. Only a few private providers gave little or no exposure to 24+ Advanced Learning Loans on their webpages.

Providers' websites also varied in terms of the links that they provided to other sources of information. Some providers had links to the 24+ Advanced Learning Loans application form, a number had links to FAQ pages and some had contacts for (prospective) learners to email or phone to make enquiries but the most common link appeared to be to the gov.uk website. There were also links to the SLC, National Careers Service (NCS) and the Money Advice Service and this was generally common across all of the providers. One provider site had an 'eligibility checker' and a 'repayment calculator' both of which could be quite useful tools for learners with enquiries.

10.3.1 Use of materials on the 24+ Advanced Learning Loans microsite

Results of the survey indicate that more could be done to raise awareness of the 24+ Advanced Learning Loans microsite among providers. Over half (52 per cent) of providers stated that they had distributed materials available on the 24+ Advanced Learning Loans microsite to prospective learners, but a quarter (25 per cent) said they had not and a similar proportion (23 per cent) did not know whether they had or were unaware of the microsite.

Colleges / Sixth Forms were more likely to distribute materials available on the 24+ Advanced Learning Loans microsite to prospective learners (61 per cent) compared to Private / Voluntary sector providers (45 per cent). Conversely, Private / Voluntary sector providers were more likely not to have used the site (32 per cent compared to 16 per cent of Colleges / Sixth Forms 16 per cent).

Loan facility size also seems to have influenced whether providers used the 24+ Advanced Learning Loans microsite or not, those with a higher facility being more likely to have used it. Two thirds (66 per cent) with an initial loan facility of £250,000+ and around half (53 per

cent) with one between £50,000 and £249,999 had used the site in comparison to only 33 per cent of providers whose loan facility was less than £50,000.

Providers' views of the 24+ Advanced Learning Loans microsite were generally relatively positive during both phases of qualitative interviews among those that use it. The general consensus emerging from the qualitative interviews was that the microsite was useful. The information on the microsite was deemed to be clear and the materials to be an important source in providing accurate and consistent information to students coming from an official angle, rather than being seen to be the college's own promotion.

A few stated that they liked the way it had different information that was tailored to the site's different audiences, i.e. students, course leaders and administration staff. Other positive attributes of the site included the FAQs section and the picture gallery. One provider stated that they felt that the microsite was the best training tool available when discussing loans with their staff as it made them easy to understand.

'They were useful and extremely useful in the days because they were answering a lot of questions. Sometimes we took the information from here and put them straight into the information that we were putting out but adapting it to fit the needs of our learners'.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,999)

'It is quite a simple site that cuts through all the SFA funding methodology which you never really want to pass onto tutors - it just tells you what you need to know and what you need to tell the students'.

(FE and specialist Colleges / 6th Form / HE, £250,000 - £999,999)

Only a small minority of providers had some issues with the site, for instance that it was 'clunky' to use and that, although it provided good general information, it did not initially have information regarding more difficult issues (though they stated more specific information had been added by the time of the interview).

'Answers to detailed questions were not there (not until much later on): For instance, we got a lot of questions around whether student could borrow the cost of examination registration fees, course materials, levies- things that they absolutely need, but we couldn't get a firm answer from anyone we spoke to at SFA or materials we referred to. By the time we got the answers it was too late and we lost some students'.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,999)

In addition, some providers during the second phase of site visits felt that an increased amount of information had been added and in some ways, it had become unwieldy, difficult to follow and not in a language suitably pitched towards learners. Some spoke of adapting the materials to make them less confusing and more digestible for students.

'I have just been looking at it [again] and there is a tremendous amount of new information they have put up for 2014/15, I went onto that website and there was loads of material there and you can get lost in it. I think the key thing is to be able to present the key messages very clearly to the learners and staff so we distilled the material ... the factsheet was very good and frequently asked questions and eligibility tool. Those were the key relevant stuff we thought would be useful for the learners so we said these are available and this is where you go. In fact we have links on our website to that information'.

(Local Authority / Public Body, £50,000-£249,000)

11. Providers: Views on learner take-up and changes to offers

This chapter looks at provider impressions of the impact of the introduction of 24+ Advanced Learning Loans on the volume of learners that they had enrolled by the point of interview (only a few months after the introduction of the loans but after the peak enrolment period of August/September). The chapter also looks at provider perceptions of impact on learner profiles in terms of qualifications, subjects and demographics.

Chapter Summary

When asked about learner volumes since the introduction of 24+ Advanced Learning Loans, over half (55 per cent) of providers felt numbers had decreased with 37 per cent reporting a large decrease. Sixty per cent of providers who saw a change in numbers attributed it to the introduction of the loans. This was felt most by private and voluntary sector providers.

The majority of providers (68 per cent) had committed at least some of their loan facility at the time of interviewing (three to five months after the introduction of loans).

There was considerable variation by type of providers in terms of the level of take-up of loans that they had experienced. Private and voluntary sector providers were generally more likely to report.

A decline in Level 3 learners aged 24 years and over (70 per cent)

Having committed none of their loan facility (41 per cent)

Having fewer than 24 per cent of eligible students taking out loans

This appears to be largely related to the course offer of these providers. These providers are much less likely to offer the qualifications that have seen stronger take-up. In particular few of these providers offer Access to HE courses. They are also more likely to offer work-related courses (in particular Apprenticeships which were still eligible for loans when the early stages of fieldwork were conducted but also other Level 3 and Level 4 courses).

Across all providers, variations in patterns of take-up of loans were more likely to be reported by qualification type or subject area than by learner demographics.

Around two fifths (39 per cent) of providers had made changes to their course offering since the introduction of 24+ Advanced Learning Loans. Almost equal numbers had introduced provision or increased places (21 per cent) and reduced them (23 per cent). Findings suggests that there is cross-over, with some providers both increasing and withdrawing provision.

An almost equal number of providers had either increased course fees (33 per cent) or kept them the same (34 per cent) for Level 3 or 4 courses. Over half (55 per cent) stated they were charging the maximum course fee allowed for any of their courses at Level 3 or 4.

11.1 Learner Volumes

How the introduction of 24+ Advanced Loans had impacted on overall learner volumes was a key theme explored in the qualitative phases of fieldwork. Providers had mixed responses on this subject. In some cases, providers believed it was simply too early to tell what the impact the introduction of the loans would have on learner enrolment. However a number of providers interviewed during the qualitative phases stated that they were not concerned about learner volumes. In fact, a number of colleges had used up all their loan facility and had successfully secured an increase by the time of their qualitative interviews. This was reported to be the case across provider types and initial loan facility amounts.

Several providers felt that reactions of (potential) learners had been largely positive – particularly once they had been given more information about the loans and understood what they would mean for them.

'Once it is explained to them [students] I think they see it more as a positive rather than a negative thing'.

(FE and specialist Colleges / 6th Form / HE, £1m+)

'We have had some people come back and decide not to go forward with the loans, but I think, generally speaking, certainly with Access courses as the example, there have been an awful lot of people who have been 24 and over who have gone down the Loan route'.

(FE and specialist Colleges / 6th Form / HE, £1m+)

'On the whole it has been fairly positive ... people were a bit hesitant to start with but it is about reinforcing the detail and how it works and being able to come over positive (especially with Access students) ... it is like with anything, it has to gain momentum to get confidence from students because it is a new initiative and everyone is a bit sceptical so we have had to remain positive and confident and know what we are talking about'.

(FE and specialist Colleges / 6th Form / HE, £250,000 - £999,999)

On the other hand, a number of providers interviewed for the site visits stated that they were concerned about learner numbers. At the time of the initial qualitative interviews, Intermediate and Advanced Apprenticeships were still covered by 24+ Advanced Learning Loans and providers offering these courses expressed the strongest concerns about learner numbers. However as well as Apprenticeships, providers were concerned about low levels of take-up on other Level 3 and Level 4 courses facilitated by employers. Providers felt that employers found the concept of requiring their staff to take out loans for training that was work-related to be extremely difficult to position (but at the same time these employers sometimes did not have the resources to fully fund courses that had previously been covered by grants).

'Our population of 24+ people undertaking learning activities has reduced dramatically, so where people have been used to doing workplace learning but more likely apprenticeships, then our number has greatly reduced because they spent the time

being ineligible. They were not replaced by those undertaking loans. To date they're down 50 per cent, and that will only increase'.

(Private sector / voluntary, £250,000 - £999,999)

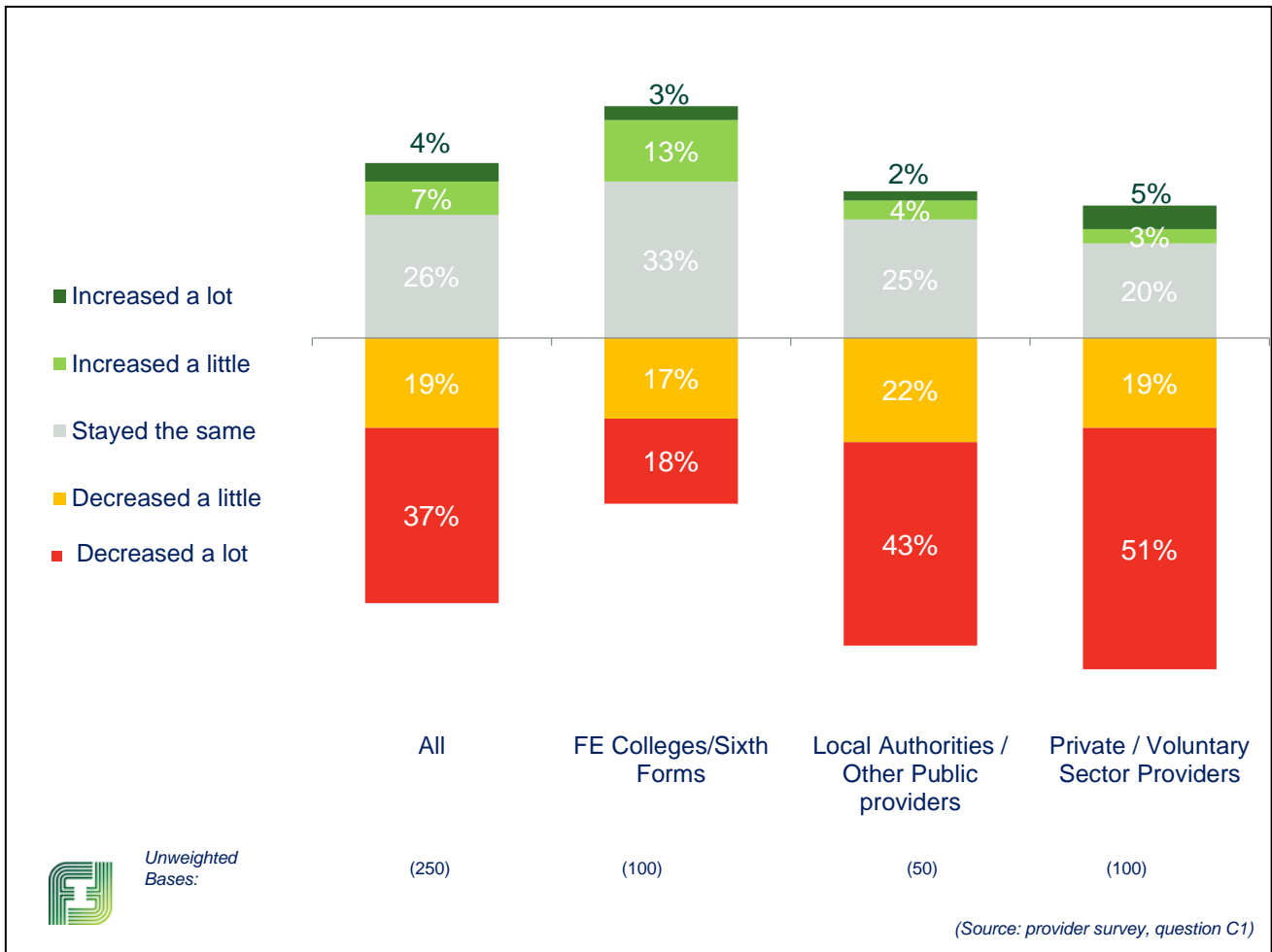
More generally, a few providers felt that their learner base was generally averse to the prospect of debt or the idea of taking out a loan.

'Some have immediately thought it a good idea and have shown interest but then have looked into it and decided not to go ahead because of their financial situation and financial worries going forward. Then there has been immediate reaction from some who just don't want to take out a loan and get into debt'.

(Local Authority / Other public sector body, <£50,000)

During the quantitative survey providers were asked whether the number of Level 3 or 4 learners aged 24 or over enrolled at their institution had increased or decreased in comparison to the same point in the previous academic year (November 2012). Figure 11.1 outlines these findings broken down by provider type (percentages do not sum to 100 per cent as don't know responses are not shown in the figure.)

Figure 11.1: Changes to the number of Level 3 or 4 learners aged 24 or over by the time of research compared with the 2012/13 academic year²⁹



Overall a quarter of providers reported no change in the level of enrolment of Loans learners on loans-eligible courses and one in ten (11 per cent) reported an increase. However, over half (55 per cent) of providers stated that the number of these learners had decreased compared with the same period last year. Of this group, 37 per cent reported a large decrease and 19 per cent a small decrease.

Private / voluntary training providers and Local Authorities / other public sector providers were both more likely (than Colleges / Sixth Forms) to report a decrease in the number of learners (70 per cent and 65 per cent respectively, in comparison to 35 per cent of Colleges / Sixth Forms) and that numbers decreased a lot (51 per cent and 43 per cent respectively vs. 18 per cent). Interestingly Colleges / Sixth Forms were actually less likely to report a decrease than to say numbers had remained the same or increased.

²⁹ Caution should be taken when interpreting findings relating to local authorities / other public sector providers as unweighted base size is less than 50.

This finding could be driven by the type of qualifications that the provider offered. Those institutions that offered AS/A2/A Levels, QAA Access to HE Diplomas and/or HE qualifications were least likely to report a decrease in learner numbers (41 per cent, 40 per cent and 40 per cent respectively). Private / Voluntary sector providers were least likely to offer each of these qualification types. A small minority (2 per cent) of Private / Voluntary providers offered AS/A2/A Levels, whereas just under one fifth (18 per cent) of Local Authorities / other public sector providers and just over three fifths (62 per cent) of Colleges / Sixth Forms offered them. Similarly, just over three quarters (77 per cent) of Colleges / Sixth Forms and 16 per cent of Local Authorities / other public sector bodies offered QAA Access to HE Diplomas – proportions far higher than the 1 per cent of Private / Voluntary providers who did so.

Institutions that reported any change, either an increase or decrease in numbers, were asked the extent to which this change could be attributed to the introduction of 24+ Advanced Learning Loans. Three fifths (60 per cent) of providers that had reported a change attributed the change to the introduction of the loans (45 per cent to a large extent and 15 per cent to some extent). The vast majority (95 per cent) of those who had reported that their number of learners had decreased, thought that this was a consequence of the introduction of 24+ Advanced Learning Loans.

Mirroring the fact that more of these providers had reported a decrease, private and voluntary training providers were more likely than Colleges / Sixth Forms and Local Authorities / other public sector bodies to say that the introduction of loans had a large impact on the changes in learner numbers that they had observed (61 per cent in comparison to 28 per cent and 41 per cent respectively).

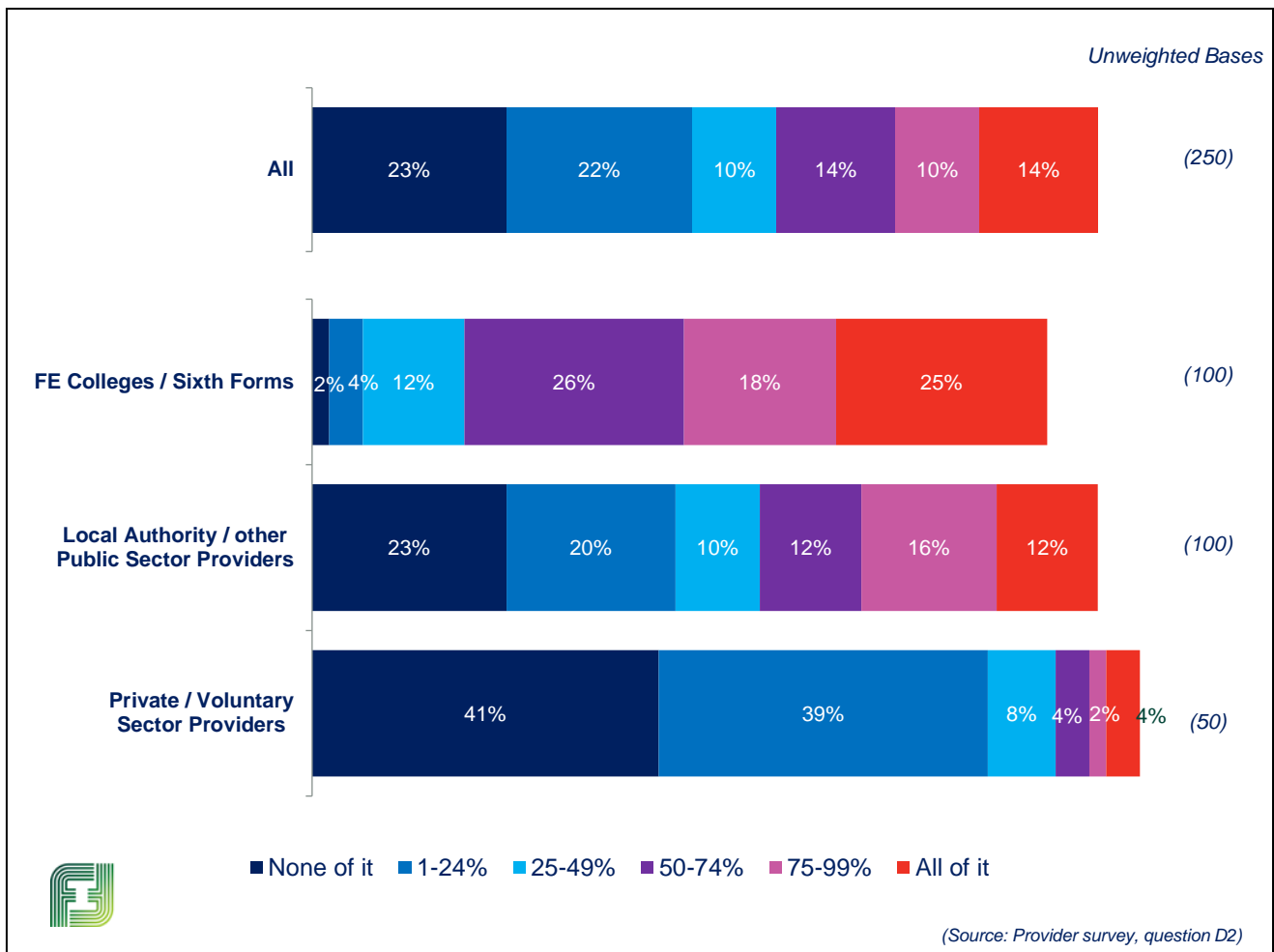
As well as the volume of enrolment, providers were asked if they had noticed any changes to when individuals might enrol. The majority, seven in ten providers (70 per cent), said that there had been no noticeable difference. Nine per cent stated that they felt their learners were enrolling earlier and 13 per cent that learners were enrolling later.

11.2 Level of use of loans facility

In total, 68 per cent of providers participating in the quantitative survey had committed at least some of their loan facility at the time of the survey. Figure 11.2 shows how providers split in terms of the proportion of their initial loan facility that had been committed.

There was considerable variation among providers in terms of what proportion of their facility they had used. Nearly two fifths (38 per cent) had committed at least half of their initial loan facility, just under a quarter (24 per cent) had used at least three quarters and a similar proportion (23 per cent) had not committed any of their loan facility at the time of the survey.

Figure 11.2: Initial loan facility committed at the time of interviewing³⁰



Note: Interviewing took place in November 2013 – January 2014; 3-5 months after 24+ Loan roll-out. Percentages may not add to 100% as ‘don’t knows’ are not shown.

FE colleges/ Sixth Forms who were more likely to offer all types of eligible qualifications were also more likely to have committed all of their loan (25 per cent), whereas private and voluntary providers (95 per cent of which offered Advanced Apprenticeships) were more likely to have not committed any of their initial loan facility (41 per cent).

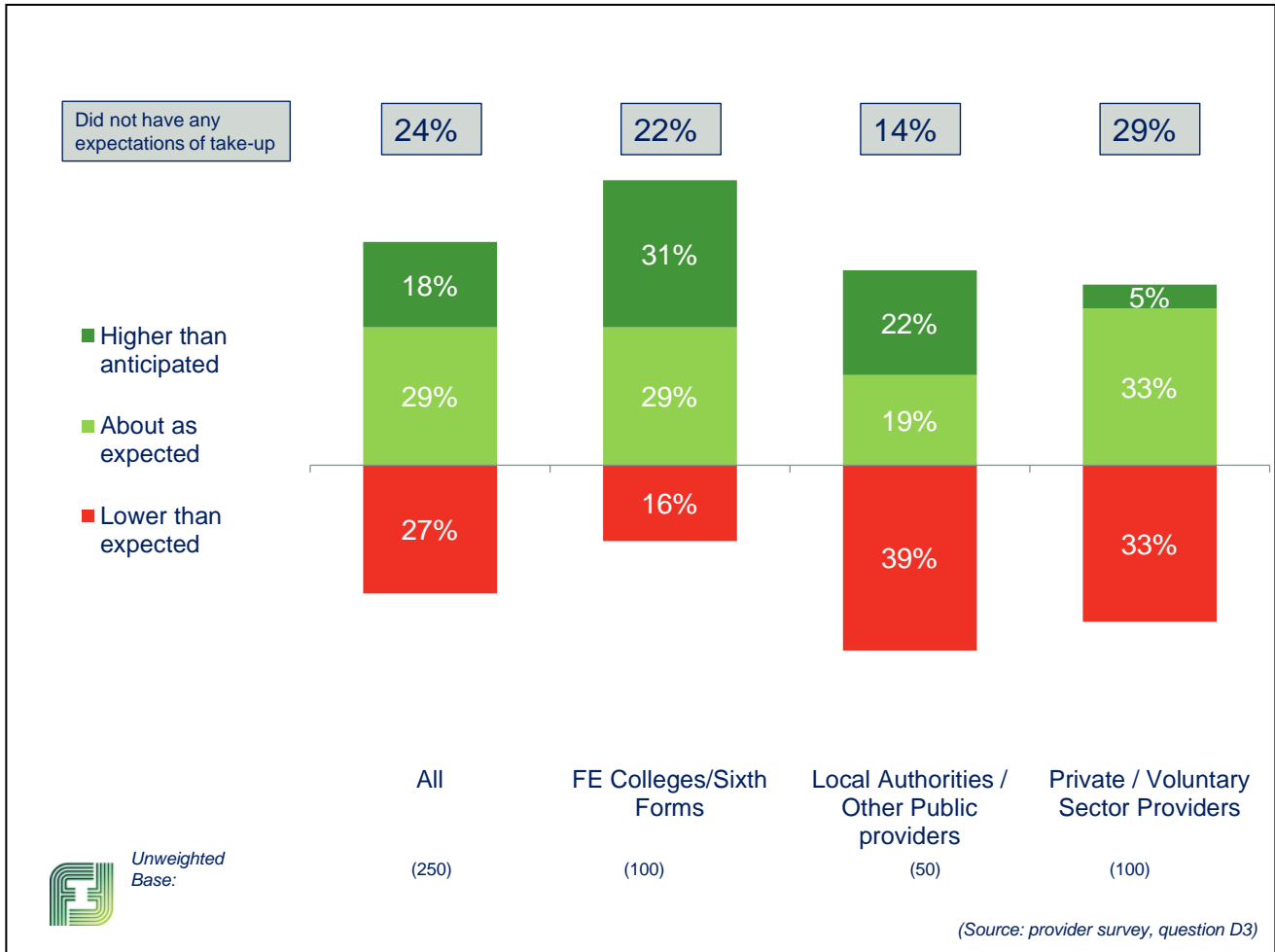
Additionally, providers offering QAA Access to HE Diplomas and/or Higher Education qualifications (both 26 per cent) were more likely to have committed all of their initial loans facility.

Providers with a facility of less than £50,000 and providers with fewer than 100 learners enrolled on Level 3 or 4 courses were more likely (than those with larger initial loan facilities and more learners enrolled) to say that they had used none of their initial loan facility at the time of interview (58 per cent and 54 per cent respectively).

³⁰ Caution should be taken when interpreting findings relating to private/voluntary sector providers due to small base size (unweighted base size is less than 50).

Providers were also asked whether the take-up of loans in their institution had matched their anticipated take-up. Their views are shown in Figure 11.3.

Figure 11.3: Whether take-up of loans had matched anticipated take-up³¹



As Figure 11.3 illustrates, overall views on the relationships between actual and anticipated take-up were quite mixed. Similar proportions of all providers thought that take-up had been as expected, had been lower than expected or had no expectations (29 per cent, 27 per cent and 24 per cent respectively) and a slightly lower proportion (18 per cent) thought that take-up was higher than expected.

Private / Voluntary providers were least likely to state that take-up had been higher than they initially expected (5 per cent) in comparison to Local Authorities / other public sector bodies (22 per cent) and Colleges / Sixth Forms (31 per cent). Both Private / Voluntary providers and Local Authorities / other public sector bodies (33 per cent and 39 per cent

³¹ Caution should be taken when interpreting findings relating to private/voluntary sector providers due to small base size (unweighted base size is less than 50).

respectively) were more likely than Colleges / Sixth Forms (16 per cent) to state that take-up had been lower than anticipated.

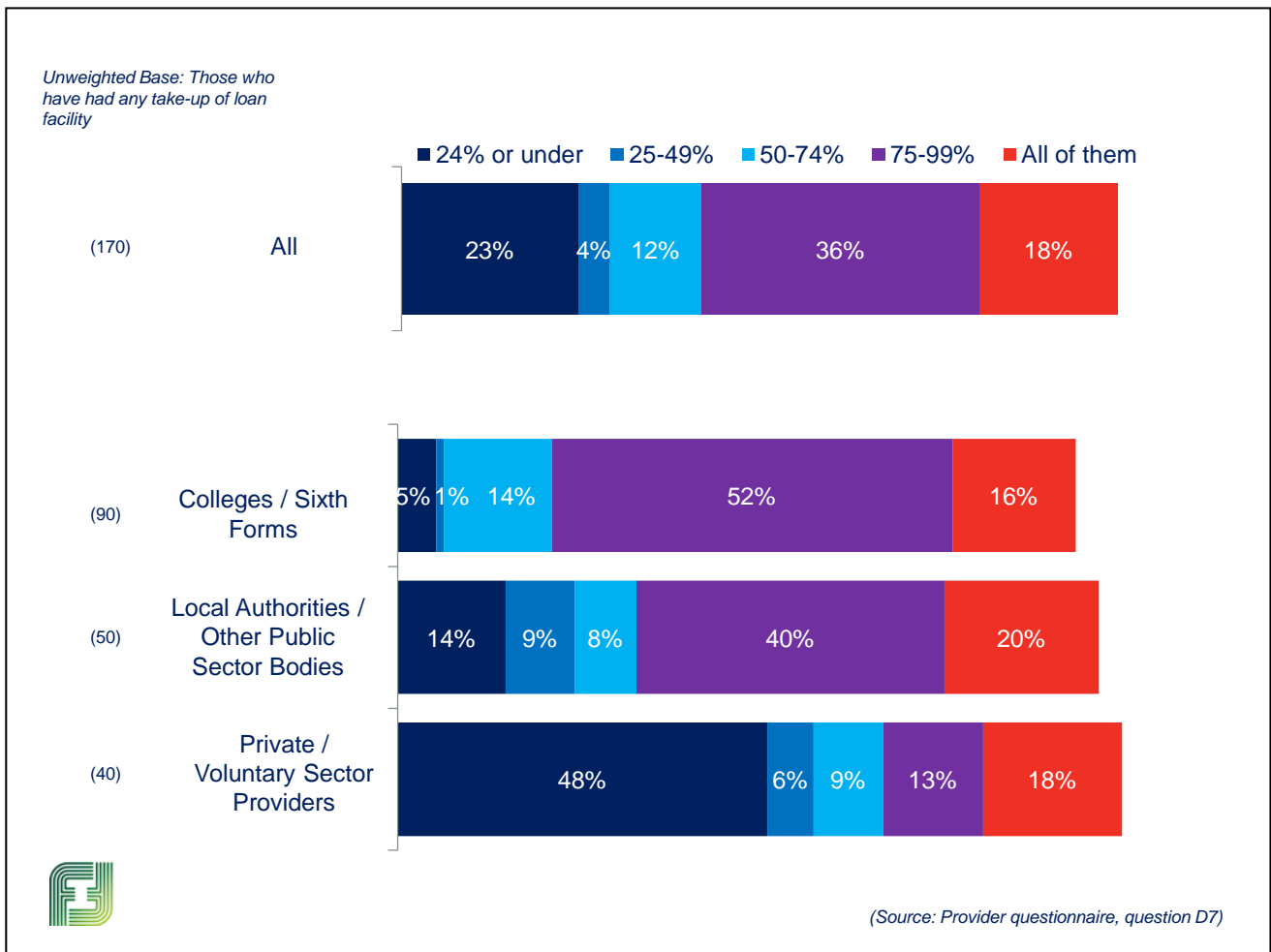
Perhaps unsurprisingly, those who had experienced high take-up of their loans facility were more likely to say that take-up had been higher than expected (67 per cent of those who had used all their loan facility stated that take-up had been higher than their expectations).

There were some differences in how take-up compared to expectations by types of courses offered (although this picture is complicated by the fact that most providers offered several different types of qualifications). A third (34 per cent) of those who offered QAA Access to HE Diplomas stated that take-up had been higher than they expected, significantly higher than those who offered QCF Level 3 Certificates (19 per cent), QCF Level 3 Diplomas (20 per cent), Advanced Apprenticeship Frameworks (19 per cent) and Higher Apprenticeship Frameworks (21 per cent).

Providers most likely to state that take-up had been lower than expected were those offering apprenticeships and level 3 and 4 certificates and diplomas.

Those providers who had any take-up of loans by the time of the survey were asked what proportion of students who were eligible for loans were actually using them. The results are shown in Figure 11.4.

Figure 11.4: Proportion of learners that are eligible for 24+ Advanced Learning Loans that have taken them up³²



Note: Percentages may not add to 100% as ‘don’t knows’ are not shown

Among those who had used their loans facility, just over half (54 per cent) stated that at least three-quarters of those eligible had taken out a loan (including 18 per cent who said that all those who were eligible were using a loan). One in eight (12 per cent) said that more than half but less than three quarters were using loans and around a quarter (26 per cent) stated loans had been taken out by less than half of those who were eligible.

Given the findings that Private / Voluntary providers are not experiencing strong levels of loan take-up it is predictable that they were more likely to state that fewer of their eligible learners were using 24+ Advanced Learning Loans. They were more likely to state that less than a quarter of those eligible were using the facility (48 per cent) when compared to Local Authorities / other public sector bides (14 per cent) and Colleges / Sixth Forms (5 per cent). Over two-thirds (68 per cent) of Colleges / Sixth Forms stated that more than three quarters of those eligible had taken out loans. Despite this variation, the proportion of

³² Caution should be taken when interpreting findings relating to private/voluntary sector providers due to small base size (unweighted base size is less than 50).

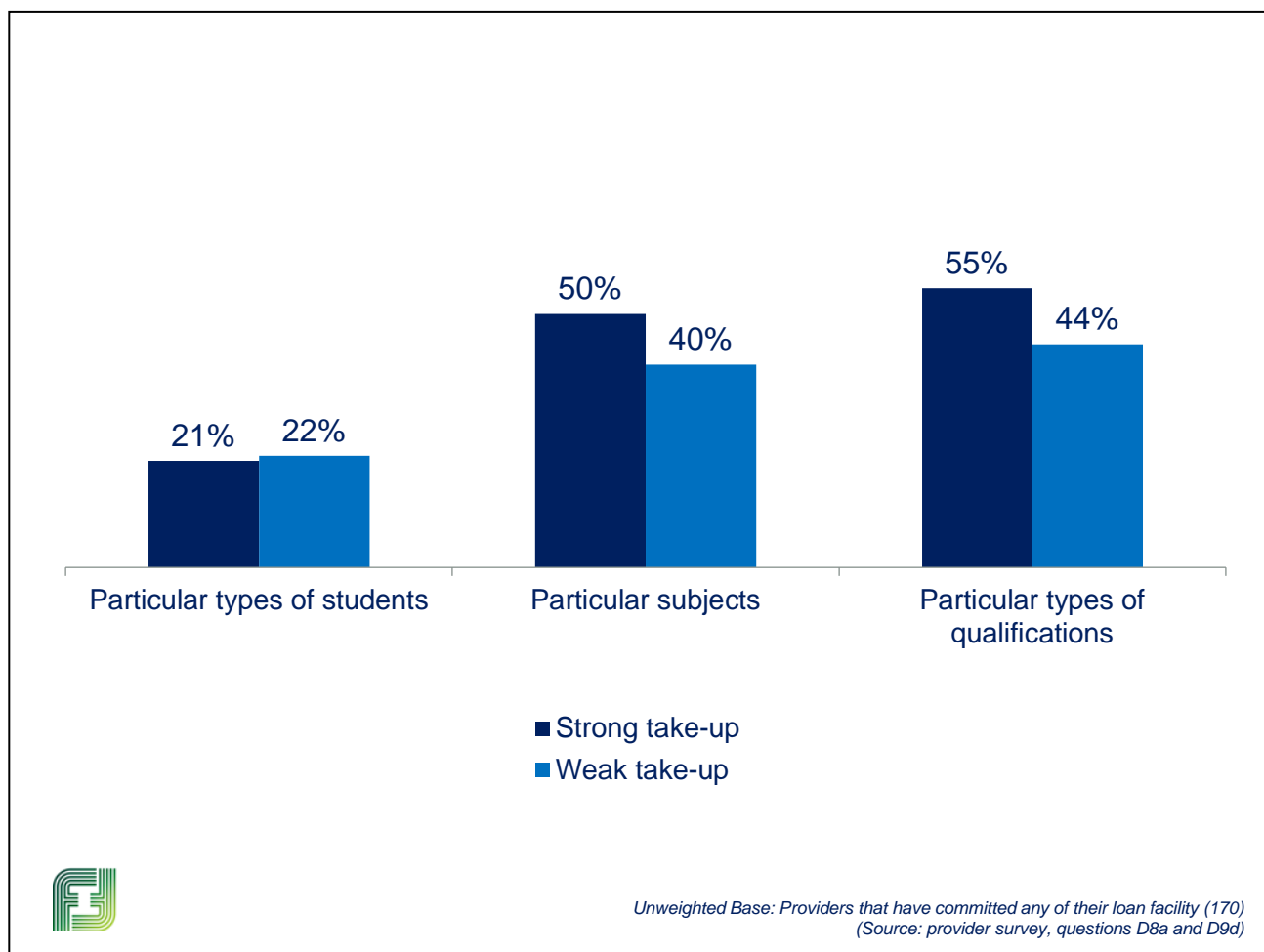
providers who said that all those eligible had taken up a loan represented a similar proportion across provider types.

Just over one-fifth (22 per cent) of providers had applied to secure an increase on their initial loan facility. This was particularly likely to be the case among those offering Access to HE Diplomas (43 per cent).

The majority of providers (85 per cent) that did apply for an increased loan facility said that they found this process to be straightforward. Of those who had not applied for an increased loan facility, 43 per cent said that they were definitely aware of how to do it if they needed to, 26 per cent thought they knew how to apply and 21 per cent were aware that their loan facility could be increased but were unsure how to do it. One in ten (10 per cent) stated that they were unaware that they could apply for the loan facility to be increased.

As well as examining the volumes of learners overall, providers were asked if there had been any noticeable trends concerning the take-up of the loan facility for different qualifications, subjects and types of students. The responses are shown in Figure 11.5.

Figure 11.5: Proportion of institutions that have seen a particularly strong and/or weak take-up of the loan facility among any qualifications, subjects and types of students



It is clear from this line of questioning that providers had seen variations in levels of take-up although they were much more likely to have observed trends in relation to types of courses (qualifications or subjects) than trends in relation to demographics.

Over half (55 per cent) of institutions reported a strong take up of loans in certain qualifications and half (50 per cent) a strong take up of loans for particular subjects. A much lower proportion, one fifth (21 per cent), stated that they had noticed a strong take up among particular types of learners. In all cases, similar proportions had witnessed weaker take-up among some types of qualifications, subjects or types of learners.

Among providers who had noticed strong take-up of loans for particular types of qualifications, the most commonly mentioned qualification types were QAA Access to HE Diplomas (49 per cent), QCF Level 3 Diplomas (42 per cent) and QCF Level 3 Certificates (35 per cent). On the other hand, two thirds (66 per cent) of those who had reported a weak take up in some qualifications said they had seen a weak take up of Advanced Apprenticeships.

Looking within subject area, two thirds (66 per cent) of the providers that reported a strong up-take in some subjects experienced a strong take up in Health, Public Services and Care. A third (34 per cent) said that they had seen a strong take up in Education and Training subjects and just over one fifth (22 per cent) saw a strong take up in Business, Administration and Law. On the other hand, 43 per cent of those who reported a weak take up in some subjects said that they had done so in Business, Administration and Law. Take up of loans was also reported to be fairly weak in Retail and Commercial Enterprise and Health, Public Services and Care and ICT (32 per cent, 28 per cent and 27 per cent of those reporting weak take-up, respectively).

Providers who stated that they had seen strong take-up among particular types of learners were more likely to mention increased take-up among female learners (87 per cent of those who reported a strong take up of particular types of learners). Over half (53 per cent) stated that they had noticed a strong take up among learners aged 24-39 and almost three in ten (28 per cent) noted strong take up of learners from low socio-economic backgrounds. On the other hand, providers that had seen a low take up by learner characteristics reported this to be the case among learners aged 40+ (45 per cent), those from low socio-economic backgrounds (41 per cent) and male learners (39 per cent).³³

Responses in the survey outlined above largely echoed those collated in the qualitative phase of the research. Again, Access to HE courses were highlighted as a qualification in which take-up of loans was particularly strong. In terms of subjects, the most commonly mentioned was childcare – others with strong up-take that were mentioned include accountancy, engineering and teaching support. As with the quantitative stage, however, some providers mentioned the same / similar subjects when discussing subjects with particularly weak take-up.

Similarly in the site visits, some providers perceived certain types of learners as being discouraged by the loans whereas other providers felt that these same groups embraced them. For example, some believed that the young are more concerned with the future financial repercussions of taking out a loan with very mature learners who on low incomes being more confident (being that they are unlikely never to hit the £21,000 income thresholds), others have witnessed positive reactions regardless of age whereas others reported a weaker take-up among older learners as they found them to be generally more risk averse. Others still found positive reactions across all learners regardless of age.

However, there was a relatively consistent view among providers that they had noticed a reduction in the number of queries and enrolments made by Muslim students whose religious beliefs/cultural background they felt discouraged them from using loans. This finding is not corroborated by the learner survey which showed that Muslim learners were not put off by loans (see chapter 4).

In short, responses from all phases of the research suggest that take-up in terms of subjects is quite mixed overall and that it varies between providers as the same subjects areas are reported to have both strong and weak take-ups. Within individual providers

³³ Note low base sizes. Thoughts on strong-take up of particular groups of learners are based on 35 providers who reported this to be the case and thoughts on weak take-up of particular groups of learners are based on 36 providers who reported this to be the case.

there is likely to be a relatively complex interaction between qualification types and subject areas (with few offering all qualifications in all subjects) and indeed between course types and learner demographics.

11.3 Bursary fund

In order to assist disadvantaged learners, a bursary fund was allocated to each provider with a 24+ Advanced Learning Loans allocation. Bursary fund awards can be used to help pay for things like:

- accommodation and travel
- course materials and equipment
- childcare
- classroom assistance for a disability or learning difficulty.

In most circumstances awards from the bursary fund would not have to be paid back.

Providers were asked for their experiences of take-up of the 24+ Advanced Learning Loans bursary fund, what funds that have been taken-up are being used for and any issues that they had encountered with their allocated bursary funds.

Around one third (34 per cent) of providers participating in the quantitative survey had accessed their bursary funds and, of these, around one third (32 per cent) had used their entire bursary fund by the time of interview (between three and five months after the introduction of the Loan and Bursary Fund). Over half (55 per cent) of providers were yet to commit any funds.

The majority (69 per cent) of Colleges / Sixth Forms had accessed funds from the 24+ Advanced Learning Loans Bursary Fund, whereas a quarter (26 per cent) of Local Authorities / other public sector bodies and 6 per cent of Private / Voluntary providers had done so.

Those with a higher initial loan facility were also more likely to have accessed bursary funds. Almost two thirds (65 per cent) of providers with a facility of £250,000 and a quarter (24 per cent) of providers with a facility of £50,000 - £249,999 had done so, whereas one in ten (10 per cent) of those with a facility of less than £50,000 had accessed bursary funds.

Providers were asked what proportion of learners with 24+ Advanced Learning Loans had accessed bursary funds. In line with findings from the survey of learners that indicated very low access rates, three fifths (60 per cent) reported that less than half of their students with loans had received a bursary and one fifth (21 per cent) said that half or more had. One fifth (20 per cent) did not know the proportion of 24+ Advanced Learning Loans students with a bursary.

The proportion of 24+ Advanced Learning Loans learners that had accessed bursary funds did not seem to differ in terms of provider type or size, or qualification.

Two thirds (66 per cent) of those providers where bursaries had been accessed stated that the money was being used to help learners with childcare costs. This could reflect the reportedly strong take up of loans among younger, female learners. Over half (51 per cent) stated that bursaries were being used to cover travel costs and three in ten (29 per cent) said that it helped learners with the cost of materials, equipment and other course costs.

In the initial site visits, some providers said that they had encountered or expected to encounter some issues as they thought that their bursary allocation would not be sufficient, with some saying they had to “dip into other pots”. As a result, they were worried that not everybody who needed help would be in receipt of bursary funds. Due to this, one provider had applied for their bursary allocation to be extended but this was denied.

‘The bursary fund is a bit of a pain... we have used half of it and only it’s October! It’s such a small pot of money and yet not everyone who is eligible is receiving it.’

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,999)

‘The challenge is that the bursary funds don’t replace the discretionary funds that have been lost. The type of the students that get through the college, are very much disadvantaged where there are very profound cases of barriers to learning; it is for these groups that the discretionary fund was used in the past. The bursary fund is more focussed on just the particular course and helping the student to achieve the course. There is less funding available to provide additional pastoral requirements that that person may have enjoyed under the discretionary fund.’

(Private / Voluntary Sector provider, <£50,000)

‘We could have issues with it because it is one pot that has to be fairly distributed at whichever point it is requested across potentially thousands of learners. We have tried to be clear about the criteria for application but it is on a first come first served basis so once that bursary fund has gone that’s where I see the issues’.

(Private / Voluntary sector provider, £1m+)

‘We only had £96,000...we could have allocated that amount three times over.’ The bursary fund has been “topped up” by the learner support fund. The majority of learners accessing the 24+ loans have needed support for transport and/or childcare’.

(FE/Sixth Form College, £250,000+)

11.4 Changes to provider offers

It was hoped that one of the positive outcomes of the introduction of 24+ Advanced Learning Loans might be for provider offers to adjust to more closely meet the needs of learners and their employers. The timing of this research was very soon after the introduction of loans and hence potentially too early to be picking up changes in provider offers that responded to learner demand. However the research explored whether any adjustments had been made either in anticipation of the introduction of loans or in response to very early demand.

During the initial stage of qualitative research (conducted in October - December 2013), most of the providers stated that they had not changed their student offering following the introduction of 24+ Advanced Learning Loans. A few during the first phase stated that they had made some changes to their provision but that these would have been implemented regardless of the loans. Some providers mentioned during this first qualitative stage that they planned to make changes to what they offered in the future. By the time of the second phase of site visits (in March-April 2014), some (although still a minority of) providers had concrete plans to introduce change. The most common type of change discussed was an increase in resources allocated to Access to HE courses with some providers also discussing scaling back their Level 3 provision and introducing single qualifications, rather than packages.

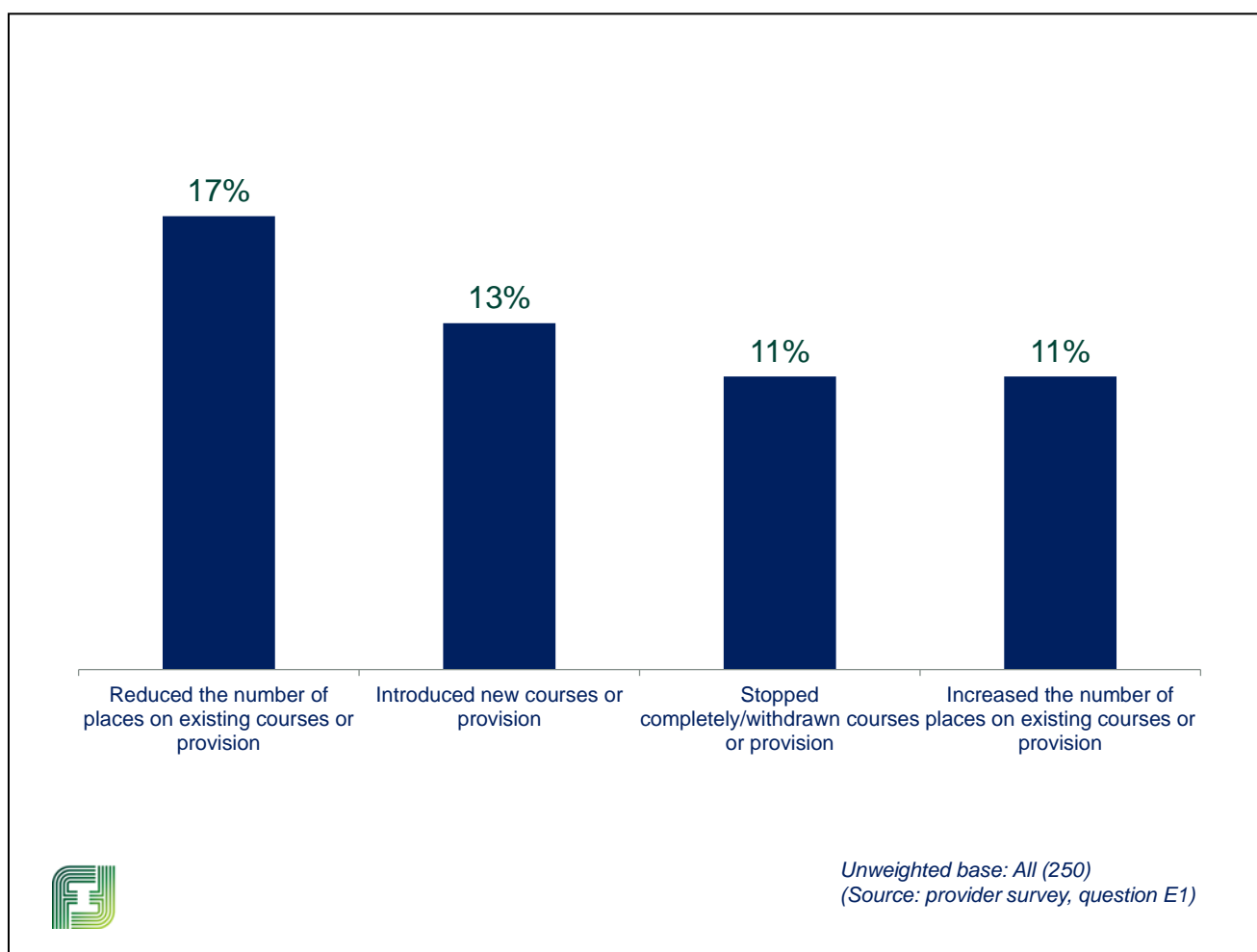
'We set up a fourth group this year because there was a need for that provision ... at the minute we have Access to Health Professions and Access to Combined Studies and I think we are looking to split Combined Studies to look at different routes or pathways because Combined Studies isn't a big seller as a title'.

(FE College / Sixth Form, £250,000-£999,000)

In the quantitative survey, a sizeable proportion of providers stated that they had made changes to their provision. Around two-fifths (39 per cent) stated that they had made some changes to their offering as a direct result of the introduction of 24+ Advanced Learning Loans. There were no significant differences across provider type as to whether changes had been made.

However, those with a lower facility were less likely to have made changes to their provision. Only around a quarter (24 per cent) of those with a facility of less than £50,000 had made changes compared with 46 per cent of those with a facility higher than this.

Figure 11.6: Changes that have been made to what providers offer as a result of the introduction of 24+ Advanced Learning Loans



As shown in Figure 11.6, a range of different changes had been implemented – 17 per cent of providers stated they had reduced the number of places on existing courses or provision and 11 per cent had increased the number of places on existing courses or provision. Similarly, 13 per cent of providers stated that they had introduced new courses or provision, whereas 11 per cent stated that they had withdrawn courses or dropped provision altogether.

Overall, 23 per cent of providers had either reduced places or withdrawn provision. Similar numbers (21 per cent) had either introduced new provision or increased places on their courses. As 39 per cent had made any changes, some providers had both introduced and withdrawn provision.

Those with higher loan facilities (of £250,000 or more) were more likely to have increased provision (32 per cent) than those with lower facilities (11 per cent of those with a facility of less than £50,000 and 19 per cent of those with a facility of between £50,000 and £249,000).

Those that had introduced new courses / provision were asked what types of qualifications this had been the case for. Over three quarters (77 per cent) stated that they had increased provision of QCF Level 3 qualifications (QCF Level 3 Certificates amounted to 52 per cent of these and QCF Level 3 Diplomas, 25 per cent). Despite the fact that providers had witnessed the strongest take-up of loans for QAA Access to HE Diplomas, only fourteen percent of providers stated that they had increased the provision of this type of qualification One in twenty (5 per cent) said that they had increased the provision of Level 4 qualifications and only 3 per cent increased the provision of Higher Education courses.

Those who stated that they had increased the number of places on existing courses or training courses cited QAA Access to HE Diplomas, QCF Level 3 Certificates and QCF Level 3 Diplomas as the most common types of qualifications where this would be the case (51 per cent, 34 per cent and 23 per cent respectively).

Reflecting the reportedly poor uptake of that type of qualification - almost half (46 per cent) of providers that said they reduced the number of places said that they did so on Advanced Apprenticeships. Two-fifths (40 per cent) said that they reduced numbers / provision on QCF Level 3 Diplomas and a quarter (25 per cent) for QCF Level 3 Certificates.

The providers, who stated they had stopped / withdrawn provision, reported that this had most commonly been the case for QCF Level 3 Diplomas (40 per cent), Advanced Apprenticeships (36 per cent) and QCF Level 3 Certificates (27 per cent).

As has been shown elsewhere, there was a bit of a mixed picture in terms of provider experiences with some reducing/withdrawing courses for qualifications that others were expanding. Most notable was that of Level 3 qualifications; the most common type of provision to be both increased and withdrawn. This may be related to the fact that Level 3 provision is typically larger than other types of provision and therefore more likely to be changed. Among the providers that had a loan facility, 81 per cent offered Level 3 certificates and 81 per cent offered Level 3 diplomas which compared to less than of those half that offered Level 4 certificates (47 per cent), Level 4 diplomas (46 per cent), Access to HE (33 per cent) and A Levels (28 per cent).

In terms of subject areas, Health, Public Services and Care courses; Business, Administration and Law courses, along with Education and Training Courses were the most common subjects that providers had introduced provisions in (44 per cent, 31 per cent and 27 per cent of those who had introduced new courses or provision, respectively). Similarly, they were the most common subjects where there had been increased places (53 per cent, 10 per cent and 18 per cent of those who had increased the number of places of existing courses, respectively).

On the other hand, half (49 per cent of those who had reduced places) had done so in Business, Administration and Law and a third (32 per cent) in Health, Public Services and Care. Further, a quarter (25 per cent of those who withdrew courses completely) stopped Business, Administration and Law subjects.

11.5 Changes in fees

During both the qualitative and quantitative stages of the research, providers were asked about the impact the introduction of the loans has had on course fees. In the qualitative stages, most providers stated that they reviewed course fees on an annual basis and that they had not yet made any adaptations to reflect the introduction of 24+ Advanced Learning Loans. However some colleges stated that they had increased their fees on some courses to meet the maximum loan value. Some other providers stated that they had decided to keep their fees as they were to ensure they remained competitive in relation to what other providers nearby were offering.

Some private providers were concerned about the impact that the introduction of loans might have on their ability to compete because of issues relating to VAT. For private providers, the maximum loan amounts would need to include VAT which colleges do not need to pay. Hence they felt that they might have to reduce fees rates to account for this difference in order to remain competitive.

Providers who took part in the quantitative survey were also asked about changes made in relation to their fee structure as a result of the introduction of 24+ Advanced Learning Loans. Roughly equal proportions stated that they had either increased their fees (33 per cent) for Level 3 courses and above, or not changed their fee structure at all (34 per cent). One in ten (10 per cent) had brought down fees and a slightly higher proportion (15 per cent) had changed their fees in a variety of ways.

Private and voluntary providers were almost twice as likely to have reduced course fees (18 per cent compared to 10 per cent overall). This may have been in response to the reduction in the number of Level 3 or 4 learners aged 24 or over (which was more likely to be reported by this provider type) and/or, as discussed above, the fact that they have to take account on VAT when setting fees.

More than half of providers (55 per cent) stated that they were charging the maximum course fees for all or some of their Level 3 and Level 4 courses in the light of the introduction of 24+ Advanced Learning Loans, whilst one third (34 per cent) were not charging maximum course fees for any course at Level 3 and Level 4.

A few private providers stated in their qualitative interviews that drop-out levels were a major concern under the new system. They stated that high drop-out levels could potentially have negative financial implications. They were worried that if a number of students dropped out, the loan payments to the college would cease and courses might have to be withdrawn as a result since the viability of programmes are calculated in accordance with the number of participating students. This concern resulted in a number of providers creating a contract with students that states that the learner has to provide the remaining course fee balance should they withdraw from the course.

11.6 Take up of the 24+ Loans by offenders

In addition to the two stages of site visits to providers with a loan facility an additional discussion about the administration and take-up of the 24+ Advanced Learning Loan was held with the Offenders' Learning and Skills Service (OLASS). OLASS provides education

and training to offenders in custody and is delivered through four separate organisations across England all of which are funded by the Skills Funding Agency. With the introduction of the 24+ Advanced Learning Loan all OLASS providers were allocated a loan facility.

Representatives of OLASS providers reported that there had been minimal take-up of 24+ Advanced Learning Loans with the number of loans totalling fewer than ten across England by May 2014.

11.6.1 Offender awareness and understanding of 24+ Advanced Learning Loans

Information about the 24+ Advanced Learning Loan is made available to offenders at their prison induction and via posters on noticeboards. Providers stated that they had taken the standard literature around 24+ Advanced Learning Loans and tailored it for distribution among offender learners. Any further information is generally sought out by the offender typically, by asking a tutor. Within each prison, an FE Loans Coordinator is responsible for administering 24+ Advanced Learning Loans and ensures that the necessary information is cascaded downwards so that all staff are aware of and have some understanding of 24+ Advanced Learning Loans should offenders approach them for information. Should offenders require financial advice specifically, they are signposted to a dedicated telephone helpline. Overall OLASS providers did not consider a lack of awareness and / or understanding on the part of offenders to be a barrier to take-up.

11.6.2 Application process

To apply for 24+ Advanced Learning Loans, offenders generally make an initial request to a tutor at the prison which is then progressed with the FE Loans Coordinator. With the help of the FE Loans Coordinator, the offender completes a paper-based version of the standard Loan application form which must also be accompanied by a letter from the prison governor that states their consent for the offender to study. The governor does not give consent based on whether an offender is suitable candidate to take out a loan per se but rather whether the course for which they are applying is appropriate taking into consideration the reason for the offender's conviction. Overall OLASS providers believed the application process to be straightforward and not a reason for the low level of take-up.

11.6.3 Barriers to take-up

All OLASS representatives were in agreement that the main barrier to a greater level of take-up centred on the practical and financial limitations around implementing 24+ Advanced Learning Loans specifically within the prison environment. The key consideration mentioned by OLASS providers was that any course they run must be financially viable but the nature of the prison population does not easily allow for this. Providers stated that they cannot afford to bring a tutor in to deliver a course unless sufficient numbers of offenders are recruited and that this would require a minimum number of learners signing up to the same course, all agreeing to take out a 24+ Advanced Learning Loan and are due to remain in custody at that institution for the full duration of the course. As such any training that had been funded through 24+ Advanced Learning Loans at the time of research was delivered through distance learning as this was the only financially viable method of doing so.

The non-static nature of the prison population was also expected to cause further problems should the number of offenders taking 24+ Advanced Learning Loans increase. Although not a problem at the time of research due to the low level of take-up, the process of transferring offender loans either to another prison or to an outside provider after release from custody was expected to be very complicated. In instances where an offender transfers to another prison, there is no guarantee that they will be able to continue with their original course at their next establishment. Additionally, even where it would be possible for an offender to continue with the same or a comparable course at another institution, it may be the case that the OLASS provider used is different. This would therefore require the offender to withdraw from the original course and withdraw from their existing 24+ Advanced Learning Loan and apply for a new one. In this situation the two OLASS providers involved would need to work together to provide continuity in the offender's learning programme. Current advice from the Skills Funding Agency³⁴ recommends that governors should avoid transferring offenders in Loan-funded learning where possible.

The other main barrier to increased take-up according to OLASS providers at the time of research was the perceived appropriateness of the Loan for offender learners. The view was that offenders are deterred by the term 'loan' particularly as they are already likely to have a poor credit rating and are unsure about their longer term prospects. As such it was felt that offenders would be unwilling to commit themselves in this way financially without knowing when exactly they will be released from prison, what their living situation will be and whether they will be in work in the longer-term.

³⁴ <https://www.gov.uk/sfa-funding-rules-2014-to-2015-v2-section-3-part-5-programmes-24-advanced-learning-loans> (Date accessed: August 2014).

12. Provider Views: Administration process and procedures

This chapter of the report examines how providers administered 24+ Advanced Learning Loans, how it affected their existing procedures and any problems that were faced by providers.

Chapter Summary

The majority of providers (90 per cent) reported an increase in workloads since the introduction of the loans and whereas over half felt this increase was manageable; one-third (35 per cent) felt that this had been difficult to manage. Furthermore, the majority believed that the increased workload was likely to be ongoing.

For the most part, providers had not experienced any major administrative issues in relation to 24+ Advanced Learning Loans, some experienced problems with some of the Student Loans Company's procedures. For example, 33 per cent experienced issues receiving payments from them and 31 per cent reported problems uploading data on student attendance, although more providers than not felt these issues to be minor. The qualitative research suggests that this could be linked to some of the issues providers have experienced using the portal, with some suggestion that it is somewhat unwieldy and limits their ability to keep track of loan applications and to provide assistance to students.

The 68 per cent of providers that had committed any of their loan facility at the point of the quantitative survey were asked about the introduction of 24+ Advanced Learning Loans had impacted upon their administration procedures.

The vast majority (90 per cent) of these providers said that their workloads had increased as a result of the introduction of loans. Of the providers that felt this way, 55 per cent stated that this increased workload had been manageable and the remaining 35 per cent felt that it had been difficult to manage.

Colleges / Sixth Forms were more likely to say that their increased workload had been difficult to manage (45 per cent) when compared with private and voluntary providers (25 per cent) and Local Authorities / other public sector bodies (26 per cent). This is likely to reflect the previously noted fact that Colleges / Sixth Forms were, in general, less likely to report a decrease in enrolments in comparison to the other types of providers.

Type of course also seemed to influence the changes to workload. Those who offered Advanced and Higher Apprenticeship Frameworks (11 per cent and 13 per cent respectively) were more likely to report no noticeable increased workload when compared to those who offered AS/A2/A Levels (2 per cent) and QAA Access to HE Diplomas (no colleges who offered these types of qualifications and had committed any of their loan reported no noticeable change in their workload).

Almost two thirds (65 per cent) of those whose workloads had increased thought that this was likely to be ongoing, whereas only six per cent thought that the increased workload was likely to be temporary. Just under three in ten (28 per cent) thought that it was too early, at the time of the interview, to gauge whether the increased workloads would be temporary or on-going.

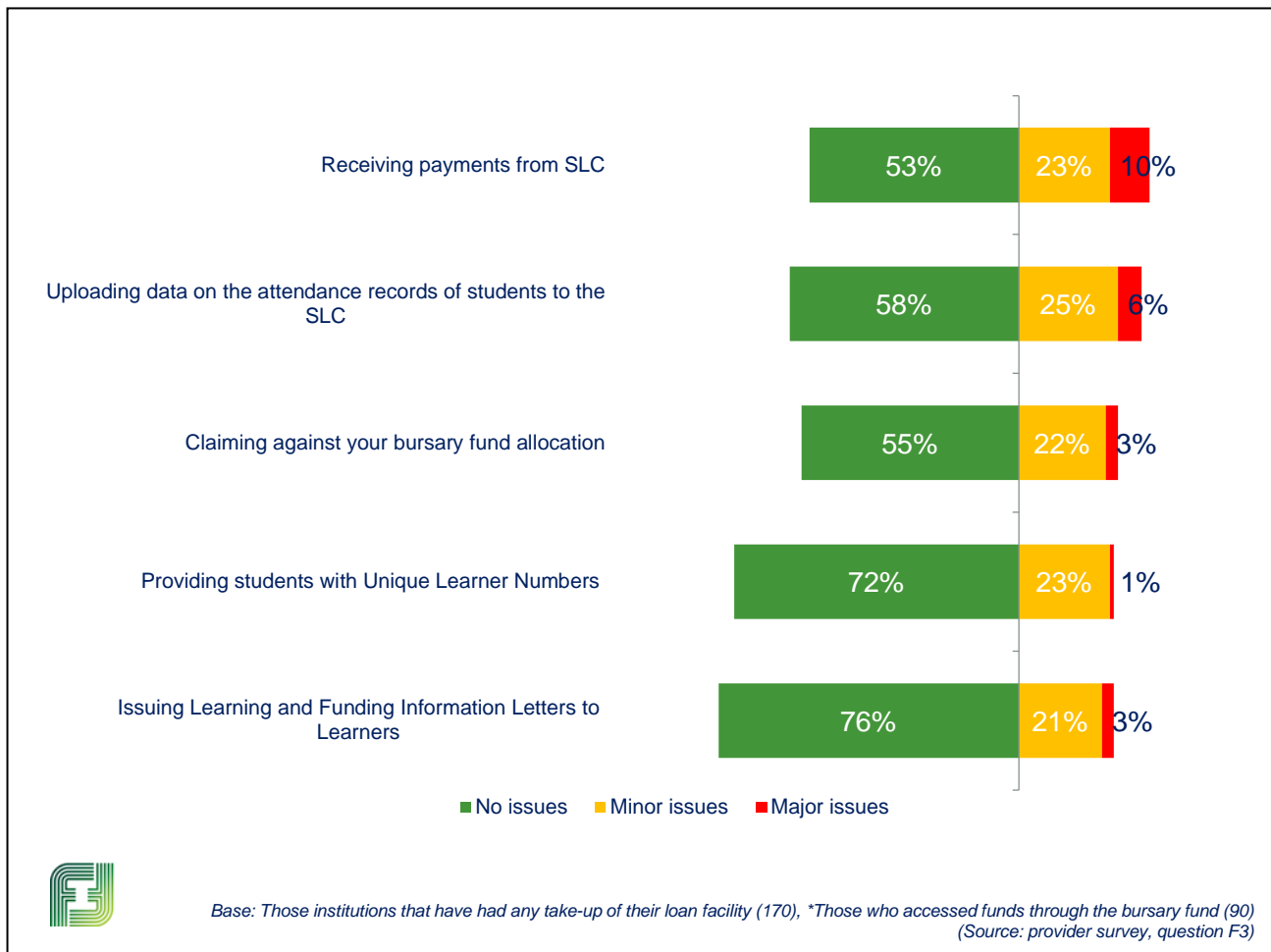
The types of tasks that increased as a result of 24+ Advanced Learning Loans were discussed by providers in greater detail during the qualitative interviews. Extra tasks that were highlighted included:

- Staff Training
- Extra administration duties
- Tailoring information given to students to cover 24+ Advanced Learning Loans.

As mentioned previously, a number of providers stated in the qualitative stage that they had managed to secure an increase on their original loan allocation. However, one provider said that although they had exceeded their allocation and had the educational capacity to expand, they opted not to do so as they would have struggled with the increased administrative burden that this would have caused. Similarly, one provider said that they had secured more funding but were struggling with the increased administration that followed.

During the quantitative stage, the providers that had committed at least some of their loan facility were also asked whether they had experienced any issues or difficulties with specific aspects of the administration of 24+ Advanced Learning Loans. As Figure 12.1 illustrates, providers were generally positive.

Figure 12.1: Difficulties / issues faced by institutions that have had any take-up of 24+ Advanced Learning Loans



Note: Row percentages may not add to 100% as 'don't knows' are not shown

Parts of the administration process that seemed to cause the most difficulties were those relating to interaction with the Students Loans Company (SLC). One third (33 per cent) of institutions with any loans take up had encountered issues when it came to receiving payments from the SLC. However, only one in ten (10 per cent) of these providers saw the problems they faced as major issues. A similar proportion (31 per cent) said that uploading data on the attendance records of students to the SLC also proved problematic. But again, only a small proportion (6 per cent) saw these issues as being major.

Colleges / Sixth Forms were more likely to report any issue, minor or major, with regard to aspects of administration that involved the SLC. Just over two-fifths (43 per cent) had issues with receiving payments from the SLC, whereas just under a quarter of private / voluntary providers (24 per cent) and Local Authorities /other public sector bodies (23 per cent) had.

The Student Loan Company Portal was highlighted as one aspect of the administration process that seemed to be causing some issues for some providers who took part in the qualitative phase of the research. The main issue raised was the fact that the SLC will only discuss any issues with an application with the learner directly, despite the fact that many

of them have had problems with completing the application form and have come to the provider for assistance. Providers stated that it would be helpful to have permission to be able access student applications on their behalf and have more information on how to complete the application form readily available to help learners. One provider highlighted a few instances when problems with the portal prevented some learners from successfully completing the application because they became too frustrated with it.

'As applications are managed by individuals rather than the college, there is the difficulty in guiding students to resolve whatever the blockage in the application process is'

(FE and specialist Colleges / 6th Form / HE, £1m+)

Although some providers praised the portal for being straightforward, robust and easy to use, several expressed the view that the portal was not user-friendly at all, too difficult to navigate and time-consuming to use. Some providers found it particularly difficult to export data from the portal. A few said that they had difficulties with partially completed applications. They said that although the portal alerted them to the fact that information required to complete the application was missing, it did not tell them exactly what this information was and that it was hard to progress as a result.

A number of providers stated they had encountered issues with applications that were lying dormant in the system, one provider, for instance, had 46 applications on the system which were *'missing, incomplete or in some sort of hiatus for a whole range of different reasons'*. Providers commented on the lack of updates from SLC about the status of applications and that confirmation of successful applications would be useful going forward.

In addition, one provider said that they would like to be able to access a top level report that enabled them to see a list of learners and their application status, rather than having to look into the assessment history of each specific learner as they had to do at the time of their interview – they stated that this could be very time-consuming.

In additional, several providers mentioned issues with the lack of flexibility regarding the documentation that had to be provided by those making an application. They stated that some students found it difficult to find someone who had known them for over 2 years and some were discouraged by having to pay for a birth certificate to be sent as part of the application. Providers also stated that some students were worried about sending original paperwork as copies were not accepted.

Providers had mixed views on the speed of the application process. A few providers were critical of SLC being too slow when dealing with any issues that arose. One provider stated that they had encountered issues surrounding residency and the impact of this on the speed of processing applications.

'The main concern I have is the residency issue – like European students who may have lived here for 2-3 years. For example, we have a lot of people that do have a European passport but are not necessarily European. They acquired a passport through marriage or ancestry but they see themselves as European but they will not meet the criteria for this. For example, if somebody is from Brazil a lot of them have Spanish/European passports but have never lived in Spain/Italy/UK for 3 years and would therefore fail to qualify. The argument with that is that it makes their application process a lot longer – there are students that have applied in June/August but are still waiting. That is my main concern, they can enrol but meeting the criteria to enrol doesn't mean that you can meet the criteria of 24+ loans. They would have to pay or they would have to leave the course.'

(FE and specialist Colleges / 6th Form / HE, £1m+)

Other aspects of administration seemed to be less problematic. As figure 12.1 shows, nearly three-quarters (72 per cent) of providers who had committed any of their loan facility encountered no issues with providing students with Unique Learner Numbers. Similar proportions (76 per cent) experienced no problems issuing Learning and Funding Information Letters to learners. Issues relating to claiming against bursary fund allocations were lower still with only 14 per cent encountering any issues.

The fact that the majority of issues providers faced were considered to be minor suggests that initial problems encountered were likely to be teething problems as the new administration system bedded in.

During the qualitative stages of the research only a few providers mentioned difficulties with issuing students with unique learner references for loan application. A few providers stated that they had some issues with students who may have multiple ULNs. However, this was not felt to be an issue specific to administering 24+ Advanced Learning Loans. In addition, one provider spoke of issues with those who had been approved but not yet enrolled.

'Attendance ... it is a bit confusing because you can't confirm attendance without a ULN... I only put the ULN in when the student is enrolled so it will say you have attendances to confirm but I haven't because the student hasn't enrolled.'

(FE/Sixth Form College, £50,000 - £249,999)

One provider stated that they had a number of students who found it difficult to apply as they could no longer remember their original Student Finance customer reference numbers. These students had been out of education for a prolonged period of time and providers were critical of Student Finance's lack of flexibility with regards to this.

How providers issued a Learning and Funding Information letter (or the equivalent) was a topic discussed in more detail in the qualitative phase of fieldwork. Most of the providers interviewed stated that they issued this letter upon an offer being made, so that the learner had all the information needed to apply for a loan once they have secured a place on a course. Some providers, however, issued a letter containing this information earlier,

whether it was at the point at which the individual applies for a course or when the individual is interviewed for a place on the course.

Almost all of the providers who took part in the qualitative phase of the research stated that they had used the Skills Funding Agency's template to create the letter but most stated that they tailored it to make it specific to their institution. In some cases they added course-specific information such as the work schedule. Generally these letters contained information about the loans, options for payments, course fees, and information on additional support that is available to help with learning costs and how to apply for a loan.

In the qualitative phases, the majority of providers stated that they had no difficulty in issuing the letter as the course codes, funding information and course values could all be mail merged. Providers sent these letters via email, post or gave them to the learner face-to-face. In all, issuing the funding and information letters was said to involve very little extra work as they were sent out with other information about the course that was sent out anyway – before the introduction of 24+ Advanced Learning Loans.

As well as exploring specific aspects of administration, the research examined how providers viewed the overall traits of the administration of loans. In terms of their views on how bureaucratic the process was, views were mixed. Just over two fifths (43 per cent) of those who had committed any of their loan facility thought that the overall administration of the loans was overly bureaucratic and only one in ten (10 per cent) disagreed. Forty five percent, however, stated that they neither agreed nor disagreed that the administration of the loans was overly bureaucratic.

However, positively, over half (52 per cent) of those who had any take up of loan facility thought that the financial management of the loans system was working effectively and only 15 per cent disagreed.

Around a quarter (27 per cent) of those who had committed any of their loans facility had also activated the loans flag in the NCS course directory. Just under a fifth (19 per cent) were not sure about what the NCS course directory was and a similar proportion (17 per cent) said that they had not activated the loans flag. Thirty seven percent did not know whether they had activated the loans flag in the NCS course directory, which perhaps indicates the need for raising awareness on this process.

Of those who did activate the flag, just under half (46 per cent) thought that it was easy to do, with only one in ten (10 per cent) found it difficult. The most common response, however, was that the process was neither difficult nor easy (44 per cent).

Those who took part in the qualitative interviews were asked how confident they were, overall, with the loans application process in terms of the way the application process functions and learners engagement with it. Most of the providers stated that they were confident. To add to this, a number stated that they felt that they were already comfortable dealing with most issues and that any application in the next academic year would be managed with greater ease and efficiency.

'They [the application processes] are straightforward, very confident. We will learn from the problems encountered this year and expect them to be ironed out before using the process next year'.

(Local Authority / other public sector body, <£50,000)

'There's always room for improvement. I'm getting more confident. I think I might be better next year'.

(Local Authority / other public sector body, <£50,000)

'I'm confident now I've seen that students have got through the process and we know the information that we need to provide them with; none of our applicants should have any issues in future years unless the process changes; again its relatively straightforward'.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,000)

13. Providers: Overall perceptions

This section of the report looks at providers' overall views on the introduction of 24+ Advanced Learning Loans, how it has impacted them and how it may impact upon them further in the future.

Chapter Summary

Three-quarters of providers believed that 24+ Advanced Learning Loans had the potential to change the whole further education landscape.

Providers were divided in terms of whether they perceived that 24+ Advanced Learning Loans had caused problems for their organisation - 37 per cent believed they had and 41 per cent felt they had not. Similarly, views on whether they were a threat or an opportunity were also relatively split with the highest portion of providers remaining neutral on the issue (44 per cent). Around a quarter believed them to be an opportunity and 31 per cent a threat, largely driven by private and voluntary sector providers.

One of the possible outcomes from the introduction of 24+ Advanced Learning Loans could be that learners become more informed consumers as they are paying for the qualification and have a vested interest in ensuring they get good value.

In the qualitative stage, most providers stated that they had not noticed any difference until their interview. During the qualitative stages, a number of providers stated that it was too early to get a sense of the attitudes of learners and some others stated that there had been no notable changes. However, a number of providers suggested that it would improve retention as students would be less likely to drop-out if they had taken out a loan to fund their course. A few providers thought that students would demand more in terms of quality of provision as they were conscious that they were making a personal investment. A number of providers also stated that they were concerned that the loans could have a negative impact on the stress-levels of their learners.

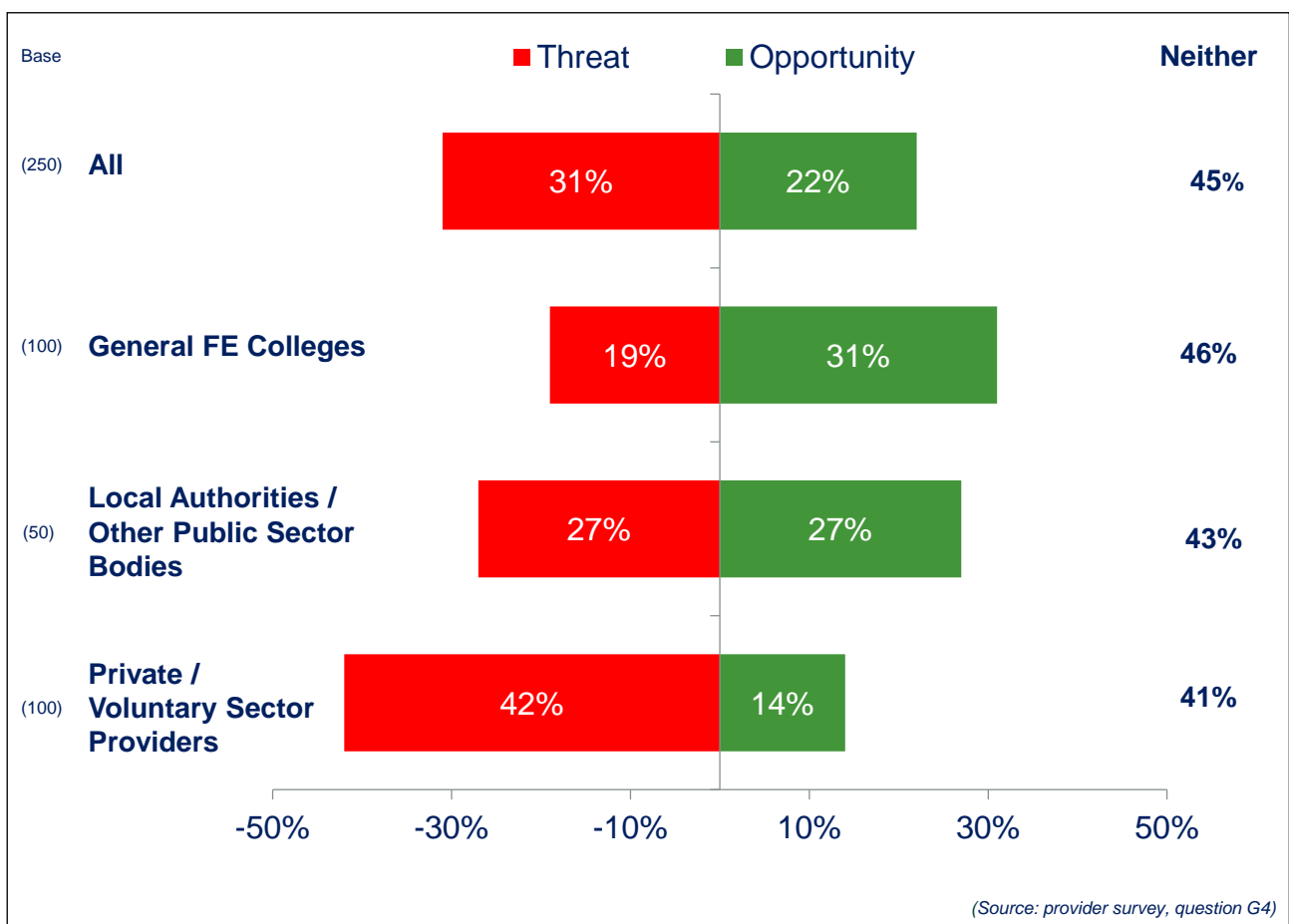
In the quantitative survey, those who had committed any of their loan facility were asked whether the overall implementation of 24+ Advanced Learning Loans had caused any significant problems to their institution. This polarised the opinions of providers. Just over a third (37 per cent) of providers agreed that the loans were causing them significant problems and a slightly higher proportion (41 per cent) disagreed that they were. Just over one fifth (22 per cent) did not express an opinion either way. Private and voluntary sector providers were more than twice as likely as colleges and sixth forms to strongly agree that the loans were causing them issues (24 per cent vs. 10 per cent respectively).

When asked whether the introduction of 24+ Advanced Learning Loans was changing the whole Further Education landscape, three quarters (76 per cent of those who had any take-up of loan facility) thought that it was of which 49 per cent strongly agreed that it was. Fifteen percent of providers with any take-up of loans disagreed and a small proportion (6 per cent) neither agreed nor disagreed.

Colleges / Sixth Forms were more likely than the other provider types to disagree with the view that the introduction of 24+ Advanced Learning Loans was changing the whole Further Education landscape. Around one fifth (22 per cent) disagreed, a proportion significantly higher than private and voluntary sector providers (8 per cent) and Local Authority / other public sector body providers that thought the same (12 per cent).

Providers were relatively split in terms of whether they perceived the introduction of 24+ Advanced Learning Loans to present a considerable threat or opportunity to their business as figure 13.1 indicates.

Figure 13.1: Whether providers perceived the introduction of 24+ Advanced Learning Loans to present a threat or opportunity to their business³⁵



Overall, just less than one third (31 per cent) considered loans to be a threat and around a quarter (23 per cent) an opportunity, but 44 per cent of providers were neutral, at this stage.

Around two fifths (42 per cent) of those who considered 24+ Advanced Learning Loans as threat were Private / Voluntary providers, whereas only one fifth (19 per cent) were

³⁵ Caution should be taken when interpreting findings relating to private/voluntary sector providers due to small base size (unweighted base size is less than 50).

Colleges / Sixth Forms. Colleges / Sixth Forms were more likely (31 per cent) to consider loans to be an opportunity.

Predictably, levels of take up also seemed to influence views on whether 24+ Advanced Learning Loans presented a threat or an opportunity. Those with no up-take at the time of interview were more likely to see them as a threat (24 per cent) than an opportunity (4 per cent). Similarly, those with take-up but who had committed less than half of their initial loan facility were more likely to perceive loans to be a threat (49 per cent) than an opportunity (30 per cent).

Just under two fifths (39 per cent) of those who offered AS/A2/A Levels saw loans as an opportunity, whereas a much smaller proportion (19 per cent) saw them as a threat. Of those who offered QAA Access to HE Diplomas, the same views were expressed by similar proportions – 40 per cent saw loans as an opportunity compared to 21 per cent, a threat. On the other hand, over half (53 per cent) of those offering Higher Apprenticeship Framework perceived loans to be a threat, whereas it presented an opportunity to just over a third (35 per cent).

Results from the qualitative phase of the research offer some insights into why some providers perceived the introduction of 24+ Advanced Learning Loans to be a threat or an opportunity. Overall, responses were quite mixed – with most providers providing a fairly balanced view, understanding and highlighting both the positive and negative aspects of the loans.

Some providers also saw it as an opportunity for their institution as they welcomed any type of funding mechanism at a time when their grants were being reduced. A few providers saw it as an opportunity as it allowed some individuals to take-up learning which would have previously been inaccessible to them due to their inability to pay course fees in advance. Those taking Access to HE courses were highlighted as a group for which loans was a definite opportunity, as students loans could be potentially written-off.

However, the potential drawbacks of the Access to HE offer were also highlighted. Some were concerned about taking on learners who might not make it on to and complete an HE course. However, they felt that they had properly explained the risks to learners who were interested in going through this route. A few providers were also critical of the Access to HE offer because they thought that it wrongly promoted university education as the best route available to learners and that the high take-up of this type of qualification could be detrimental to others.

'It's a problem because the 24+ loans is part of our whole adult skills budget it's not a separate budget line or anything extra... You have to remember that the whole point of running Level 3 (courses) is to progress people into employment... and we're creating obstacles for people now doing that'.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,000)

'It's really had an adverse effect – that's the most important message we want to get across and it's going to make big

obstacles for people to progress into employment which has an impact on the economy, socially and funding’.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,000)

‘If they have that offer for Access courses why not have the same offer for other courses?’

(FE and specialist Colleges / 6th Form / HE, £1m+)

Providers (in the first wave of interviews) also highlighted other potential negatives of the new system, such as increased pressure on administration processes. In addition, providers expressed concerns that loans would result in a reduction of learners enrolled at their institution and that the loans provided a barrier to particular groups of students. Providers held different opinions in terms of which groups of learners they thought would be vulnerable as a result of the introduction of 24+ Advanced Learning Loans, though those most commonly mentioned were Muslims, those who were unemployed and those from low socio-economic backgrounds.

Further, a number were worried about the progression of their existing students who had previously planned to progress to Level 3 upon completing a Level 2 course.

‘I did a survey last year about this time with all of my Level 2 learners about the introduction of the Loan; how did they feel about it and what had they heard about it. They were quite negative about putting themselves down for a loan. A lot of them said they would prefer to either fund it themselves or wait until they could fund it themselves rather than taking out a loan. We’ve been through quite a vast academic crisis. People are worried about job security and paying their bills and how bills have increased, so to add this potentially to their future costs was not something they were prepared to consider’.

(Local Authority/Public Body, £50,000-£249,999)

Some providers were worried that the new loans could be expanded in the future to encompass Level 2 courses and/or younger learners – those that expressed this concern predicted that this would have major negative implications on their institution if this was to happen.

‘An informed person who knows they are going to be in debt at the end of the learning programme might just think they will sit it out at their existing job/role because they don’t want the debt hanging round their neck’.

(FE and specialist Colleges / 6th Form / HE, <£50,000)

‘It’s had a negative impact. As for positives, we haven’t seen any yet. We’ve had a reduction in learners taking up the offer, potentially a funding claw back, if people don’t take up Level 3 they’re going to be less employable’.

(FE and specialist Colleges / 6th Form / HE, £50,000 - £249,000)

During the second qualitative phase, providers were asked a number of additional questions relating to examples of good practice and the advice they would pass on to other institutions thinking about adopting a loan facility based on their experience.

Advice to others and examples of good practice generally revolved around the following:

- “Do your homework”
- “Plan early”
- “Know your learner”

A number of providers highlighted the importance of reading all the guidance and obtaining a really good understanding of the loans system before promoting them. It was felt by some that when the loans were introduced, there wasn't a great deal of time to become fully knowledgeable about them and the learning process was very much “as you go”. Now it was felt that all the necessary information was in circulation and so new providers coming into the system had the opportunity to fully furnish themselves with knowledge before beginning the journey and ensure that relevant staff were positive and knowledgeable about them.

‘Last year we were learning on the go. There really wasn't enough time to absorb that knowledge to be able to confidently speak about it so we were collating information as we went along. What I would advise someone is sit down with all that information and fully understand it before you even try to start to market it or run it’.

(General FE, £50,000 - £249,999)

In addition, early, transparent communication about the loans to students was felt to be paramount.

Similarly, providers would advise others to ensure they have planned well in advance and that appropriate organisational and intelligence process are in place. This enables the detection of any issues early on and ensures that administration runs smoothly.

‘Get your act together in terms of organisational processes. Have an advisor role, even if it is only part-time. It really helps to pull things together and do the proactive monitoring of application status, which is fundamental, and also payment status once the courses start because you have to keep on top of it’.

(Local Authority/Public Body, £50,000-£249,999)

Finally, providers recommended that others really make the effort to understand their learners. A number felt that it was extremely important to get their assessment of learners correct to ensure they are right for the course in the first instance and then consider funding implications thereafter. There is a danger that if too much focus is given to the Loan it may distract learners from choosing the most appropriate course, or at worse deter learners from undertaking learning.

'Funding and loans must be secondary to learning need. My advice would be with anything that involves a fee of any kind, to check with learners first 'What would you like to do; what are your needs; what is your starting point?' I come from a background of widening participation and working with disengaged and hard to reach groups and it is easy for people to put finance as a barrier and not do something. My advice to an organization would be not let the loan put people off but look at the benefits of the course and qualification and then look at the practicalities of the loan.'

(Specialist FE, £50,000-£249,999)

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