



Department
for Education

Further Education Maintenance Loans

A summary of the consultation
responses

September 2016

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Introduction

This document provides summary of the responses to the consultation on whether we should provide maintenance loans for higher level learners studying technical education in the Further Education (FE) system. This follows a commitment to consult announced in the 2015 Spending Review.

The consultation was launched by the Department for Business Innovation and Skills on 24 March and closed on 16 June 2016. Since the Machinery of Government changes announced by the Prime Minister on 18 July responsibility for this policy moves to the Department for Education.

The central proposition in the consultation was to test whether there was support for the introduction of maintenance loans in FE on a par with the level of support available in Higher Education (HE); whether this support should be made available only to learners aged 19 plus undertaking level 4 to level 6 technical learning at specialist providers, including the new National Colleges, and longer term, at the emerging Institutes of Technology; and whether part-time learners should be supported.

We are going to take time to consider the responses to the consultation in light of the report by Lord Sainsbury, which has implications for higher level technical learning and how it should be delivered in the future. We will need to consider the value for money case and fiscal position before taking any decision on the case for FE maintenance loans.

We expect to make a statement in the autumn.

There were 33 responses to the consultation. We also held two focus groups to gather views from providers and interested bodies, as well as bilateral meetings with representative bodies. A list of respondents is included at Annex A.

Please note that a number of people who attended the focus groups also responded online and via email. A comment from the focus groups may also represent the views of a number of people. For this reason comments from the focus groups have not been counted in the breakdown of respondents. However, the comments themselves, along with feedback from the bilateral meetings, have been included in this summary.

Summary of responses received

There was strong support for introducing a maintenance loans offer in FE. Respondents felt that the introduction of a loans package would help achieve the objective of increasing the numbers learners undertaking technical and professional learning in key sectors that are important to the economy.

When taking the written responses and the strength of feeling in the focus groups, the majority believed that this offer should be made on the basis of the qualification studied rather than the institution where the learning took place. Respondents felt that focussing on National Colleges and Institutes of technology would be too narrow and would not deliver significant numbers of new learners.

A small majority of respondents thought that the maintenance loans offer should be flat-rate rather than means-tested. A flat-rate allowance was thought to be easier to understand and administer, though it was also thought means-testing would give more parity with HE.

Nearly three quarters of respondents thought that maintenance loans in FE should be available to part-time learners.

Very few respondents could provide data for predicted levels of take up of maintenance loans or evidence of the effect introducing a package of support would have on learner numbers.

Cross-cutting comments

There were three issues raised in the responses that were not specifically asked about in the consultation. However, there was a strength of response on each of these issues, either in the focus groups or by looking across responses to all questions rather than each question in isolation. These are set out in the following paragraphs.

Maintenance loans offer open to all providers

While supporting the introduction of a maintenance loans offer, 11 respondents (including General Further Education Colleges, sector representative bodies, awarding organisations and unions) and the two focus groups said that maintenance loans should be open to all providers, not just National Colleges and Institutes of Technology.

It was therefore suggested that it would be more appropriate to link the maintenance loans offer to skills that are needed to support the economy and where there are gaps in higher level vocational skills, not just through National Colleges and Institutes of Technology. Though there was caution that the skills need may change, so the system needs to be flexible enough to accommodate this.

Stronger information, advice and guidance

A number of respondents said that clearer information, advice and guidance needs to be available to learners to inform learners about the availability of maintenance loans if this proceeds. It would also be important for people to understand the value and benefits of study at the higher levels as part of this.

18 year olds

Two respondents (an awarding body and a union organisation) and workshop attendees raised the issue that Advanced Learner Loans (nor the consultation proposal) are not available to 18 year olds. This potentially creates a funding gap for those learners aged 18 who wish to follow a more vocational route, compared to HE.

Analysis of responses

Issue 1 – Introducing maintenance loans for technical learning

We asked for views on whether a maintenance loan product should be introduced in Further Education (FE); whether it would boost the number of learners taking higher technical courses; and how the maintenance loans might be focused to help key sectors meet their skills needs.

Question 1: Do you support the idea of introducing maintenance loans into the FE system for technical learning?

	Total	Percent
Yes	28	85%
No	3	9%
Not answered	2	6%

Most respondents agreed that the introduction of maintenance loans would support professionalisation of skills in the UK. Around half of them thought that it would balance the perception of the importance of vocational learning versus academic learning. Three respondents thought that the maintenance loans offer should be extended to include apprentices.

Question 2: Overall do you think that the introduction of maintenance loans will help boost the number of technical learners?

There was a general view that the introduction of maintenance loans would encourage people to participate in higher level courses through removing the financial barrier. There were seven respondents who said the offer should be wider than just National Colleges and Institutes of Technology, and should focus on the qualification in order to be effective and create increased take-up of higher technical education.

	Total	Percent
Yes	26	79%
No	3	9%
Not answered	4	12%

Question 3: How might Government target maintenance loans to help key industry sectors to meet their skills needs?

Sixteen respondents thought that maintenance loans should be targeted on meeting economic needs. Though one respondent cautioned that economic factors change as does the demand for skills and, therefore, a system based on current priorities may be too rigid.

Issue 2 – Eligibility for maintenance loans

Question 4: Should any future maintenance loans be means-tested or flat-rate?

	Total	Percent
Means-tested	10	30%
Flat-rate	13	40%
Not answered	10	30%

Respondents supporting a flat-rate offer thought this would be simpler to understand and administer. It was suggested that it would potentially be more inclusive because it would be easier for all to access. Respondents also noted that if the intention was to restrict the maintenance offer to a small group of learners a flat-rate could be more cost effective.

Respondents supporting a means-tested offer thought that it would give greater parity with HE. They also suggested that this method targets funding on those with most need and is therefore potentially offers better value for money.

Question 5: What effect do you estimate that means-testing would have on the take-up of higher level courses?

There were twenty responses to this question. Of these, eight respondents thought means-testing would encourage those from lower income households to take up higher technical skills by removing the financial burden. However, two respondents were concerned that a complicated process might put people off.

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

	Total	Percent
Yes	14	43%
No	8	24%

	Total	Percent
Not answered	11	33%

There was general recognition that those who have to study on a residential basis or travel for their learning are more likely to need maintenance loan support. However, the majority of responses also suggested that all learners are likely to need financial support for travel.

Question 7: Should part-time learners also be eligible for maintenance loans?

The majority of respondents thought that part-time learners are more likely to be mature and already juggling family and work, so it is important to have flexible options for studying, which could be enabled by a maintenance loan.

Two respondents suggested that maintenance loans for part-time learners could be on a pro-rata basis.

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

Fifteen respondents thought the Student Loans Company should administer a maintenance loans product, as they have experience of this doing this. It also gives parity with HE and would not add another body to the landscape.

Issue 3 – About your organisation and how the proposed introduction of maintenance loans might influence future take-up of technical learning

Question 9: What courses do you currently offer at level 4-6, that do not currently attract Higher Education (HE) funding?

There were 17 responses to this question. The majority of courses listed were level 4, though specialist providers in particular had some level 5 provision and one had level 6 courses. Not all courses listed were full qualifications, so would be unlikely to be eligible for an Advanced Learner Loan. Some respondents included foundation degrees and Higher National Diplomas.

Question 10: How many learners did you get on these courses last year, and how were they funded?

There were 12 responses to this question. The number of learners on these courses last year ranged from around 20 to 300 and most were a mixture of self-funded and employer

funded learners at levels 5 and 6. Tuition fee for Level 4 learning is funded through an Advanced Learner Loan which had recently been expanded include levels 5 and 6.

Question 11: What percentage of these learners are full-time and part-time?

Of the 11 responses received to this question, 7 said all learners were part-time. A further respondent said that 98% are part-time and the 2% that were full-time were also undertaking an HE course. One responded that all learners were full-time.

The other two respondents had mainly part-time learners, at 83% and 89% of their total number of learners at this level.

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

There were 8 responses to this question. One said all who would be eligible would be interested and another thought a maintenance loan offer would have encouraged more students to enrol.

Of the 6 that gave percentages, they thought younger people and those who are full-time were in the higher range (eg 85-199%). They thought older learners and part-time learners would have been less willing to take a maintenance loan. A couple of respondents thought it might still have been over 50% of their learners.

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

Information was provided by 8 respondents. Where numbers were given, these were quite low. Percentages indicated that numbers could be doubled for younger, full-time learners and increased significantly for older and/or part-time learners.

Question 14: If maintenance loans were made available, in what subject areas and level of qualification would you mostly expect to see provision growth or development? Please indicate timeframe (ie when such course would become available); and what do you think would be the additional level of interest in such qualifications both in terms of your own institution and more widely?

There were 13 responses to this question. Four were specialist institutions and so suggested that higher level qualifications in their subject area should be included. One respondent suggested that the offer should focus on science, technology, engineering and mathematics subject areas which might see an increase as a result. Other suggested more broad areas such as teaching, health care services and management. Some of the qualifications suggested are outside scope of the Advanced Learner Loan eg not full level qualifications or HE qualifications.

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

Anecdotal evidence from discussions with learners and Local Enterprise Partnerships were the basis for most of the 10 responses received. There was no evidence given.

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

There were only 3 answers to this question, and of those, 2 gave estimates. These are shown in the table below.

Age group	Response 1 Full time	Response 1 Part-time	Response 2 All part-time
19-23	100%	100%	200
24-39	100%	90%	2,000
40-59	80%	60%	500
60+	10%	20%	0

Issue 4 – Your views and recommendations

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

There were 23 responses to this question. Some of these have been captured in the cross-cutting comments section on page 4. Below is a list of other single points raised.

- Specialist childcare vouchers should be made available.
- Need to understand what might put people off applying for a maintenance loan.
- Need a marketing approach that is maintenance loans focussed if they are introduced.
- Include childcare grants, Parent Learning Allowance, DSA and dependent grant/allowance.
- Write-off for all level 3 Advanced Learner Loans and maintenance on completion of successive courses.
- Need similar oversight as in HE eg Office for the Independent Adjudicator for HE.
- Payments should be monthly not termly.

- Providers offering maintenance loans should be required to have a Widening Participation policy.

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

	Total	Percent
Yes	26	79%
No	4	12%
Not answered	3	9%

Next steps

We are going to take time to consider the responses to the consultation in light of the report by Lord Sainsbury, which has implications for higher level technical learning and how it should be delivered in the future. We will need to consider the value for money case and fiscal position before taking any decision on the case for FE maintenance loans.

We expect to make a statement in the autumn.

Annex A: List of organisations that responded to the consultation

Respondents

Ada, the National College for Digital Skills

Association of Colleges

Association of School and College Leaders

Association of Teachers and Lecturers

Bedford College

Blackpool and the Fylde College

Bridgwater College

Calderdale College

Central College of Animal Studies

Creative & Cultural Skills

Federation of Awarding Bodies

Halesowen College

Hartpury College

Isle of Wight College

Kent County Council

Landex

Learning and Work Institute

Leicester College

LTE Group (trading name for Manchester College)

Mixed Economy Group of Colleges (MEG)

National Union of Students

NCFE

NESCOT

Pearson

Retired FE/HE lecturer

Somerset College

South Essex College

Thames Valley Berkshire LEP Ltd

The Chartered Institute of Building

University and College Union

Walthamstow Village Montessori Day Nursery

Workshop attendees

Ada, the National College for Digital Skills

Birmingham Area Review

Birmingham Metropolitan College

Blackburn College

Bromley College

City of Islington College

Harlow College

LTE Group

Mixed Economy Group

National College for Creative and Cultural Industries

National College for High Speed Rail

NCFE

New Economy Manchester

Royal Academy of Engineering

Warwickshire Group of Colleges

Bilateral meetings

157 Group

Association of Colleges

Campaign for Learning

National Union of Students



Department
for Education

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