A whole organisation risk management approach to 24+ Advanced Learning Loans

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Aims for the session

- **Update participants on the latest policy context for advanced learning loans**
- **Provide an opportunity to explore how risk can be assessed, managed and mitigated**
- **Learn about opportunities for maximising learner recruitment**
- **Explore strategies for driving workforce change**

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Policy Update – what do we know now (June 2013)

- You cannot see loans in isolation from other policy
- The policy is still very new and its impact upon practice is still uncertain
- Demand-led approaches are unpredictable
- An unknown future requires a strategic approach and consideration of impact on the whole organisation

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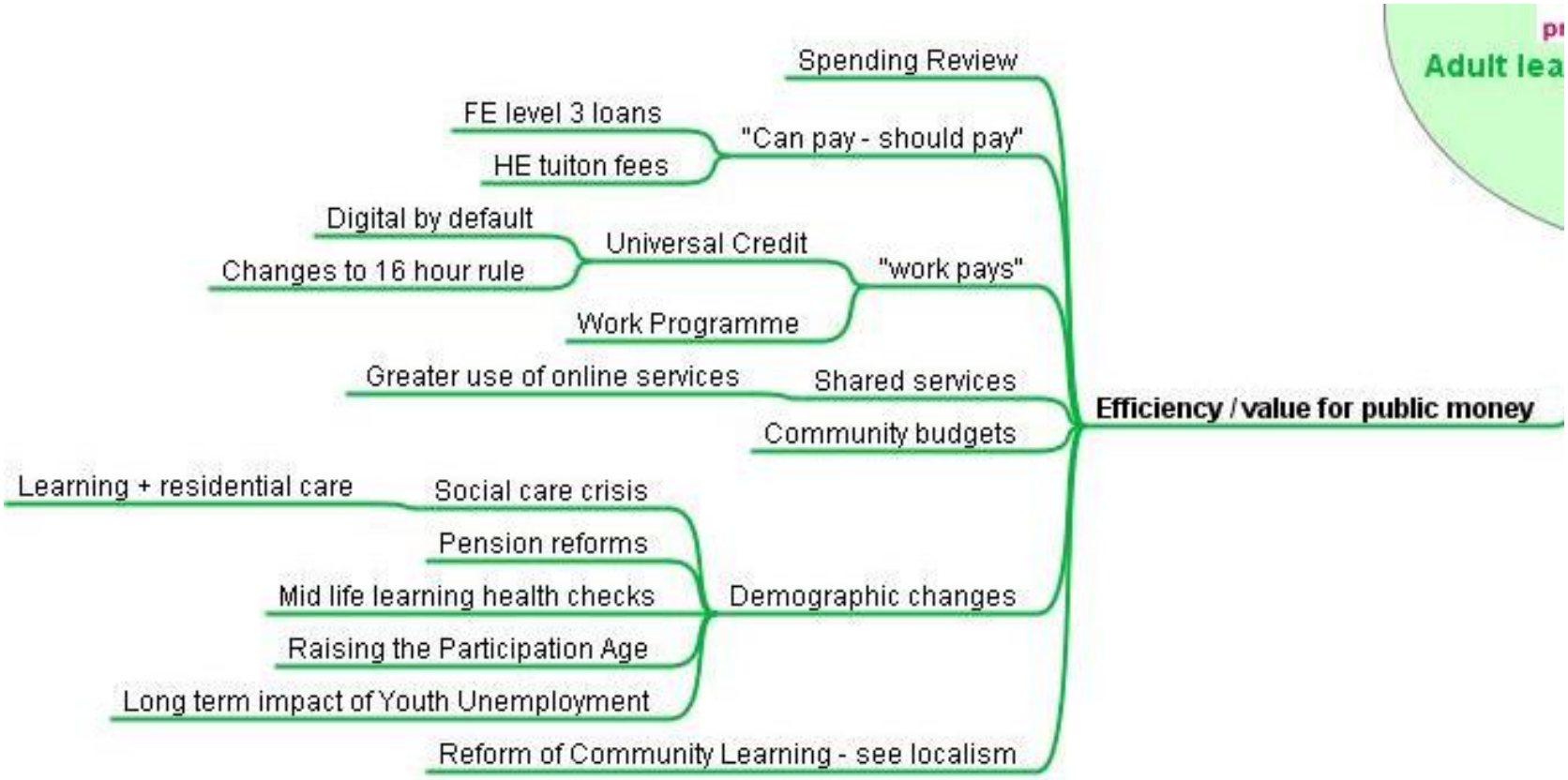
Efficiency/value for public money



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Where we are now

- **Funding £129m (2013-14), £398m (2014-15)**
- **Or £232m for academic year 2013/14**
- **Based on modeling from previous annual delivery**
- **Loans 'facility' for each current provider based on current spend & *proportions* of spend**
- **Development fund distributed to providers on a pro rata basis linked to loan 'facility'**

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Who does what

- **End of January 2013: Learning and funding rates distributed to providers (SFA)**
- **April 2013 on: contract management (SFA)**
- **Learner information on contract changes (SFA)**
- **Data sent to SFA (Data Service / SLC)**
- **Interventions updates (SFA to SLC)**

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So what?

- New processes run by agencies doing new things (need to be aware of these risks)
- Local relationship management is crucial
- Importance of the Learning and Funding letter
- Changes to funding will happen in year
- The focus is currently on funding, numbers, processes, courses, not the type of learner
- The learner journey is central to government thinking

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Anticipated information and actions along the journey (SLC slide)

Information received

FACTSHEET: Paper from provider

FAQs: online signposted in FACTSHEET and COURSE OFFER

COURSE OFFER: Paper from provider

LOAN CONFIRMED: Paper from SFE

INITIAL TRIGGER → RESEARCH COURSES → CHOOSE COURSE → FUNDING OPTIONS → APPLYING → GETTING ACCEPTED → COURSE & FUNDING CONFIRMED

Break between information and application

Action taken

LOAN APPLICATION: Online and postal completion modes from SFE

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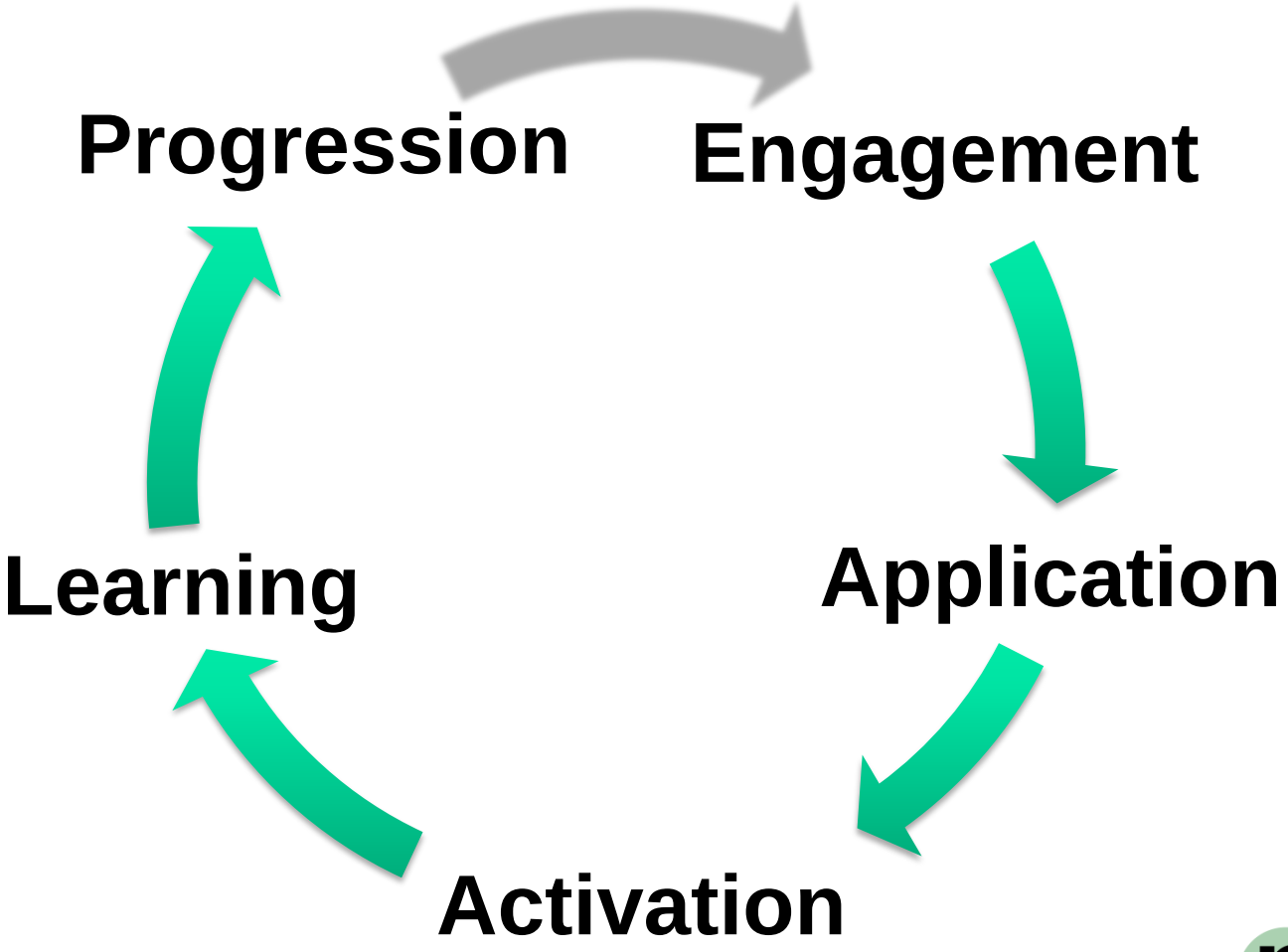
The Learner Journey



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Risk assessment tool

Provider Risk	Gross Risk Rating			Mitigating action	Retained Risk Rating		
	Likelihood	Impact	Total		Likelihood	Impact	Total
For example... Failure to develop effective marketing strategy for 24+ ALL leads to a fall in student numbers and funding in 2013/14.							

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Assessing implications for providers

Activity:

Working in groups of 2-3

Each group to focus on a different stage in the learner journey

Step 1: Identify a small number of risks, for you as a provider, associated with this stage of the learner journey

Step 2: Choose a risk that is important to your setting and think about how you will mitigate that risk

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The whole organisation approach – risk mitigation & opportunities

- Develop a whole organisation approach
- Deliver effective change management
- Fully utilise the Development Fund
- Attract new cohorts of learners
- Win market share
- Engage with employers in new ways
- Embed excellence across your organisation
- Actively manage risks

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Who needs to be Aware?

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Customer perspectives

"*I paid £1500 at the start of the year over three months. I was only making about £500 a month with my job. So if you take into account my normal bills, I was paying out more than what I was making. If I had the option of loan, I would have taken it out in a heartbeat".*

"At my college, if you're paying by instalments you literally have to work crazy amounts of hours... What sort of impact is that going to have on your academic life."

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Perspectives on engagement

"I have children that are going on to Uni. They'll be looking at student loans. I couldn't consider loans myself so it does put you off a bit."

"If people are told they'll have to get a loan to do an apprenticeship they might think 'well that's the reason I didn't go to university'"

"If a person is in receipt of income support and that's all they've got to survive on, you're getting these people to sign up for a loan. I know they won't start paying it back until they've got a job but its still very scary for someone on a low income to take out a loan"

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Perspectives on process

"Things like APR, payment term dates... technical jargon which a lot of people don't know about until they have to know about it... It would make people apprehensive and the application process in that sense may be very daunting."

One of the biggest problems is the presumption is that everybody has got a computer whereas in reality that is not the case at all."

I wouldn't want to say 'yes I really want to do this course' go back to sign up for it or hand in my application form and then they start talking about loans and finances. You need to have all the information to make an informed decision."

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Perspectives on people

"Some people aren't confident enough to just walk up to a college and start talking to somebody about it. Finance is a barrier in any way, shape or form, so a person who got close to a tutor they've been working with for a year will be a lot more comfortable talking to a tutor about finance that what they will be talking to a stranger".

"All information you need should be in the prospectus and all the teachers and reception staff should know it point for point."

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What learners want to know

- Clear eligibility criteria
- Full cost of programmes and what the loan will cover
- How loans fit with other funding such as learner support, HE loans etc
- Details on the process of applying for a loan
- Information on available support for completing a loan application
- Expected timescales for processing an application
- Terms and conditions of the loan, including expected interest accrued
- Repayment details
- Details of complaints procedure – about both the loan and quality of provision
- List of FAQs
- Wider information – full range of options for financing learning, wider implications of taking out a loan, evidence on returns to learning, local labour market information, signposting for further information or support

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How learners want to be informed

- Accurate and up-to-date information
- Clear, easy to use and understandable – no jargon
- Consistent
- Impartial and honest
- Timely
- Tailored to mature students
- Paper and web-based support materials
- Face-to-face communication
- A co-ordinated approach

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Exploring opportunities

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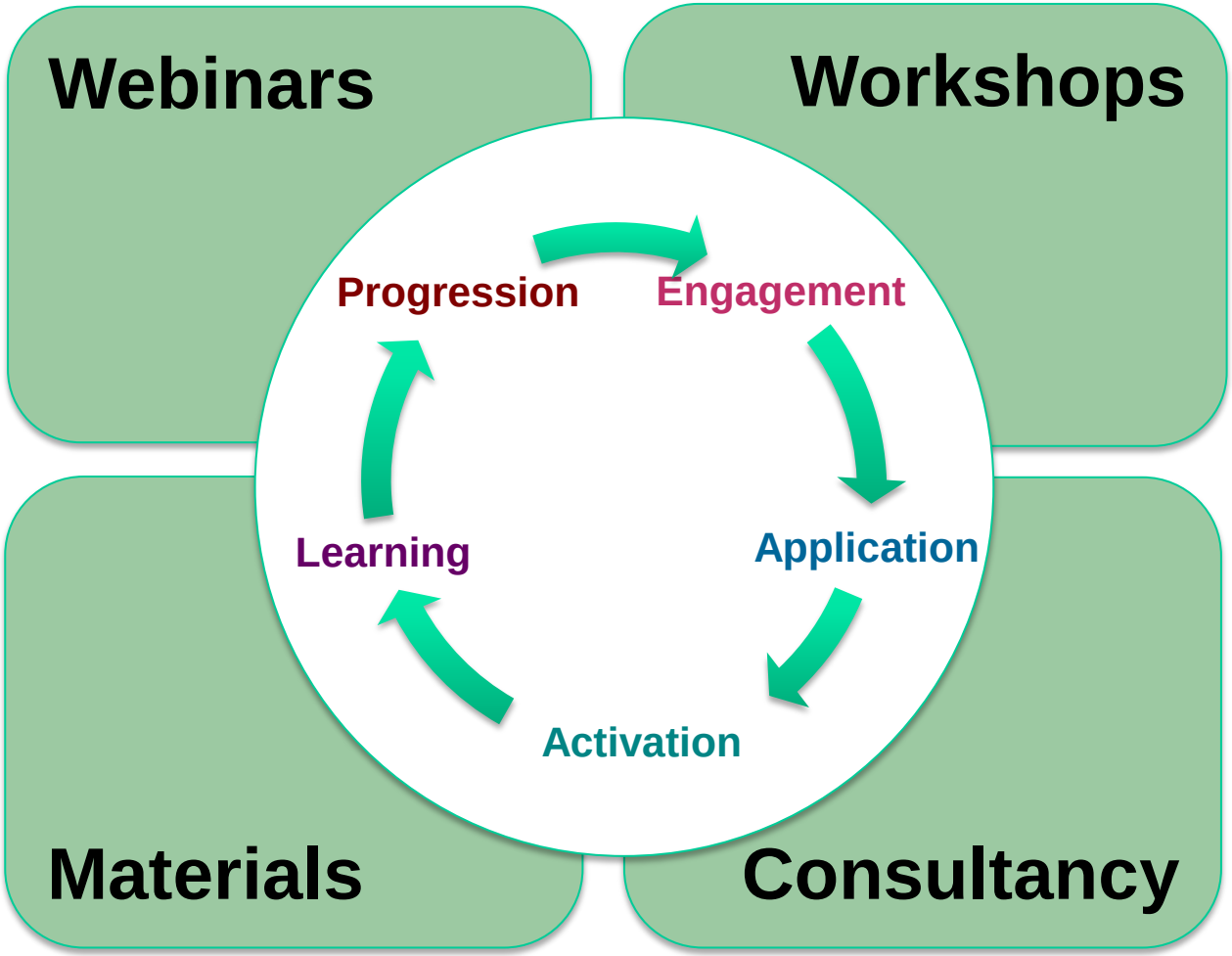
Support available from NIACE



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