



Leading learning and skills

Professional and Career Development Loans

Briefing session

26 November 2009

Agenda



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10.00: Welcome and introduction

10.05: Setting the context for change

10.25: What are Professional and Career Development Loans?

10.40: Refreshments and networking

11.00: How can we raise awareness of the programme with learners?

11.15: Table discussions

11.35: Next steps

11.45: Questions and answers

12.00: Lunch

Objectives for today



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- Introduce the Learning and Skills Council
- Provide background for the Professional and Career Development Loans Programme
- Provide an overview of key benefits and basic eligibility criteria
- Explain how learners get more information and how they apply for a PCDL
- Clarify your role in raising awareness of the programme
- Update you regarding the current marketing plan

Introducing the Learning and Skills Council



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- The LSC is a non-departmental public body which was set up in 2001.
- Responsible for planning and funding high quality education and training for everyone in England other than those in universities.
- Key priorities include:
 - increasing adult demand for learning
 - raising skills levels for national competitiveness
 - equalising opportunities through better access to learning
- England only: except PCDLs which cover England, Scotland, Wales and Northern Ireland.
- Administration of the old Career Development Loans Programme was transferred to LSC in April 2005. Administration of PCDLs will transfer to YPLA in April 2010

Professional and Career Development Loans: the policy context for change



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New Opportunities White Paper - Fair Chances for the Future (Jan 2009):

- Focused on the UK Government's plans to both improve social mobility and tackle the economic downturn in the UK
- Highlights the UK Government's need to do more to enable people to invest in their own future – to enable them to move up the skills ladder
- Professional and Career Development Loans available for Northern Ireland learners since July 2009
- Reach the audience at the right point on their learning journey.

Career Development Loans – the history



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- Over 260,000 people have benefited from CDLs since they were first introduced in 1988.
- CDLs have been used to fund a huge variety of courses at different skill levels – from technical qualifications to postgraduate university study.
- Around a quarter of learners would not have participated in learning without CDLs.
- 85% would recommend CDLs to others.
- Re-branded as PCDLs in July this year.

What is a Professional and Career Development Loan?



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A deferred repayment **bank loan** set at a competitive **fixed interest rate** that can be used to help learners aged **18 years or over** pay for learning or training that enhances their **job skills** or **career prospects**.

How have CDLs changed?



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Change

Reason for change

1 Re-named Professional and Career Development Loans

Re-energise the product

2 Proactive approach to marketing and promotional activity

Raise awareness of the programme
Improve support and information for learners

3 Increase in the loan amount from a maximum of £8000 to £10,000

Reflects increasing cost of living and learning

4 Is now available for learners in Northern Ireland

Learners across the whole of the UK will be able to benefit from the programme

5 Learners with savings of up to £16K, will be eligible to apply

Reflects current economic climate and redundancy packages

6 More competitive fixed interest rate for repayment

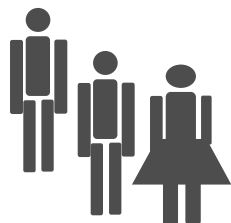
Learners benefit from a lower rate of interest for repaying the loan

Who are the loans aimed at?



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Individuals aged **18 years or over**, who are **'settled' in the UK** and have been ordinarily resident in the UK for at least the three years prior to the start of learning and are **intending to work in the UK**, the EU or the EEA when the course finishes



Unemployed

Recently made redundant and looking to re-skill or start their own business

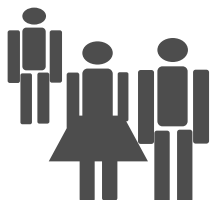
Long term unemployed and on benefits



Employed

Full/part-time employed looking to advance their career/increase salary prospects

Full/part-time employed looking for a change in career



Students

Students looking to undertake an additional degree, postgraduate course or professional qualification

Students looking for work but with a skills gap

What are the benefits of the loans?



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Interest free period

- Learners enjoy an interest free period while they're in learning so they can focus on their course and building their career
- Interest rate for repayment set at a fixed rate that is competitive compared to many commercial unsecured loans

Choice

- Learners choose the course they want to study – as long as it enhances their job skills or career prospects
- Learners choose where they want to study – as long as the learning provider is on or applying to go on the register*
- Learners choose how much they are prepared to borrow – anything from £300 to £10,000

Flexibility

- Can be used to support course fees, other course costs including books, childcare and travel and even living expenses
- Can be used to top up other forms of support for learning, e.g. bursaries, grants etc.
- Learners who wouldn't normally qualify for a personal bank loan are able to apply

* In order for a learner to be able to be supported in their learning by a Professional and Career Development Loan, their chosen Learning Provider must be registered or willing to be registered with the Programme. Learners should call **0845 000 0045** for more information on this.

Learners who have already benefited from CDLs



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““ The CDL enabled me to pursue a career in interior design and land my dream job at a boutique design agency. ””

A former learner at the KLC School of Design, London

““ Taking out a CDL to fund a sound engineering course put me in touch with the industry. Now I run my own company and am working with world famous artists, like Radiohead and Coldplay ””

A former learner at the School of Sound Recording, Manchester

““ The CDL gave me the opportunity I would not have otherwise had, without it I would have been unable to secure a training contract at a leading City law firm. The only other avenue available to me was a standard bank loan, but this would have been a far more expensive option ””

Current learner at the University of Cambridge

The loans can be used for a whole range of courses with different learning providers.....



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MSc in Environmental Management at University to help become a technical engineer

Part-time course in Acupuncture at a private college while setting up an acupuncture clinic.

Level 4 Higher Professional Diploma in Early Years at College

Diploma in professional cookery at a private cookery school

Boat building maintenance and support course

Postgraduate in Business Studies by distance learning

MBA at Open University for a manager looking to move up the career ladder

National Vocational Qualification Level 3 in Health and Social Care

What should learners consider before applying?



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1 Have they considered all learning support options available?

Remember, a loan is just one of a range of support on offer for taking part in learning. Visit www.direct.gov.uk/adultlearning

2 Have they thought about how much money they need to borrow?

Do they need money for course fees only or for other course costs such as books, travel and even living expenses?

3 Have they checked how much their monthly repayments would be and how they would meet them?

Are they confident their course will lead to a job that will enable them to repay the loan over an agreed fixed period?

4 Have they thought about committing to the course?

Remember if they fail to complete their course, they will still be responsible for repaying the full amount to the bank.

Learners must repay the loan



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- This is not a Student Loan
- Like any loan, learners must repay the money they borrow
- To help learners calculate their likely monthly repayments, they should speak to their chosen bank or use the loan calculator on the FSA Money Made Clear website

www.moneymadeclear.fsa.gov.uk/tools.aspx?Tool=loan_calculator

Example scenario



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- Jenny applies for a Diploma in Secretarial Administration at a private provider
- The course is part-time for six months and costs £1500 (inc VAT)
- Jenny can cover her rent, the cost of travel and any books etc through her part-time job but she needs support to help pay for the course fees.
- When speaking to the College Careers Adviser, she finds out that she may be able to get a Professional and Career Development Loan to support her course costs. The adviser gives Jenny a leaflet with more information on the loans.
- Jenny is nervous about taking out a bank loan and wants to know more about how much her monthly repayments will be. After calling the loan helpline and reading the application pack, Jenny seeks some impartial financial advice using the FSA's Money Made Clear website.

Example scenario – using the FSA loan calculator



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Loan calculator

You can use this loan calculator to work out what your monthly repayments might be for various loan amounts, repayment periods and annual percentage rates (APRs). This could help decide whether you can afford the repayments, and help you compare different loans.

Enter your figures into the top section, then click 'Calculate'. If you want to try different figures you can 'Clear' the form.

Enter loan details

Loan amount (£)

Repayment period in years

APR (%)

Number of payments per year

Calculate >

Clear >

Results

Amount per repayment (£)

Total paid over the life of the loan (£)

Total interest paid during loan (£)

Currently, banks offer the loans at a reduced customer rate of 9.9% per annum, equivalent to a typical APR of 5-6% over the lifetime of the loan. However, interest rates may vary from bank to bank. For further information, consult the participating banks.

The LSC pay the interest on the loan while you are studying so the amount per repayment and total interest paid will be less than the amount quoted here.

How do learners apply?



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1 Check you meet the eligibility criteria

2 Choose a course

3 Choose a learning provider

4 Ask your learning provider if they are registered or willing to be registered with the programme

5 Choose how much money you need to borrow

6 Choose a participating bank to apply to

7 Complete and submit application form to chosen bank

For advice and to request an application pack, call the Professional and Career Development Loan helpline on

0800 585 505

When should learners apply?



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- Application forms are available from our helpline – learners should get an application pack ASAP
- Worth bearing in mind that not all learning providers are registered – **learners should contact them to make sure** as the registration process can take time
- The length of time it takes to process applications may vary from bank to bank but can take anything from **six weeks to three months**
- Learners looking to benefit from a loan for courses starting from **January 2010 should apply NOW**
- Learners can only apply to one participating bank at a time.

What do learners need to be made aware of when applying for a PCDL?

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How can you help raise awareness of the programme with learners?

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What can we do to support you?

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Your role in raising awareness of the programme



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Advisers/Providers of IAG

- Provide impartial advice about courses and funding options
- Hand out leaflets on the programme
- Provide advice on what to consider before applying
- Signpost learners to call 0800 585 505 or visit www.direct.gov.uk/pcdl

Learning Providers

- Provide advice to learners about specific courses and fees
- Provide information to learners about whether you are registered or willing to be registered with the programme
- Hand out leaflets on the programme
- Signpost learners to call 0800 585 505 or visit www.direct.gov.uk/pcdl

How can you help raise awareness of the loans with learners?



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Since July 2009 there has been an ongoing national marketing campaign to raise awareness of the loans with learners – including PR and online advertising activities.

1 Leaflets

2 Posters

3 Business Cards

To order, call the
Professional and Career
Development Loan
helpline on

0800 585 505

4 www.direct.gov.uk/pcdl

Stakeholders

- For further information, you can visit our LSC website on <http://pcdl.lsc.gov.uk/>
- Sign up to our quarterly e-bulletin to receive updates for general advice – email pcdladvice@lsc.gov.uk
- For leaflets, posters and business cards call **0800 585 505**

Learners

- For an application pack or for general advice call our Learner Helpline on **0800 585 505** or email us at pcdlinfo@lsc.gov.uk
- Programme information is available at www.direct.gov.uk/pcdl

Questions

