

# PROFESSIONAL AND CAREER DEVELOPMENT LOANS: REQUIREMENTS FOR REGISTRATION AS A LEARNING PROVIDER

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## Learning Provider Registration and Administration Forms,

which can be found at <http://pcdl.lsc.gov.uk/lprequirements/>

- A. Professional and Career Development Loans - Learning Provider registration form and declaration
- B. Professional and Career Development Loans - Change to Learning Provider registration details
- C. Professional and Career Development Loans – Update to list of registered courses
- D. Professional and Career Development Loans - Notification of early course completion
- E. Professional and Career Development Loans - Learning Provider declaration for reinstatement if lapsed

## **PROFESSIONAL AND CAREER DEVELOPMENT LOANS: REQUIREMENTS FOR REGISTRATION AS A LEARNING PROVIDER**

**Learning Providers must read this document prior to applying for registration. Any Learning Provider who applies for registration will be deemed to have accepted the requirements for registration set out in this document and any subsequent amendments. Failure to comply with the requirements of registration at any point will result in a Learning Provider's removal from the register.**

### **1. Introduction**

The White Paper *New Opportunities: Fair Chances for the Future* (January 2009) sets out the Government's intentions for investing to build up the capabilities of individuals throughout their lives. As a way of enabling people to help them get on in work, the White Paper set out a number of commitments to offering second, third and fourth chances to people who want to improve their skills, including improving access to support for lifelong learning through the creation of a more generous Career Development Loan product, re-branded as 'Professional and Career Development Loans'.

The purpose of the Professional and Career Development Loans Programme ('the Programme') is to support and encourage individuals to take responsibility for and to invest in their own learning. A Professional and Career Development Loan ('the Loan') is a commercial bank loan which can be used to pay for living costs, costs associated with learning (such as materials) and for course fees.

The Programme is run through a partnership arrangement between the Learning and Skills Council (LSC) and participating banks.

The Banks check that applicants satisfy the eligibility conditions and that they will be able to repay the Loan. All lending decisions are the responsibility of the Bank concerned and they have the right to refuse any Loan application. The LSC has no involvement in any of the lending decisions.

The LSC's role in the Loan application process is to check eligibility of the learner, learning and learning Provider for the Loan.

General information on the Programme can be found on DirectGov, the citizen-facing website:

[www.direct.gov.uk/adultlearning](http://www.direct.gov.uk/adultlearning)

## 2. Purpose of the document

This document is aimed at Learning Providers. It is intended to set out the role and responsibilities of Learning Providers who register to provide learning to individuals who use the Loan to fund their learning. It also provides details of how to register.

The LSC reserves the right to make changes to the requirements of registration and these will apply to all Learning Providers on the register. Updated versions of this document will be placed on the LSC's website. The LSC will notify Learning Providers via email when it makes any change to this document, but Learning Providers should review the requirements regularly to ensure that they are aware of the up to date requirements and are able to comply with the communication requirements described later in this document.

## 3. How do Professional and Career Development Loans work?

The Professional and Career Development Loan is a Loan arrangement made between one of the participating Banks and the individual learner.

The individual is responsible for choosing the Learning Provider and the course. Their chosen Learning Provider must be registered with the LSC for the programme or be willing to register.

The individual is responsible for determining whether they wish to take out a Loan.

Once an individual has identified and been accepted on a course, they can then apply to the Bank for a Loan.

The Bank and the LSC run checks to ensure the Loan application meets the programme regulations. When an application meets the requirements and is approved the Bank will make payment.

Payments for living costs and other costs are made direct to the individual; payments for course fees are made directly to the Learning Provider, upon proof that the individual has started the course.

**Please note:** Employees of a Programme-registered Learning Provider are not eligible for a loan to support a course with that Learning Provider. This exclusion also applies to those involved in the sale and delivery of training with the Learning Provider, parent company, subsidiaries or affiliates and the members of their immediate family or persons living in the same household.

#### **4. The Professional and Career Development Loans Learning Provider Register**

Given the high level of autonomy and responsibility held by Loan-assisted learners (set out in section 3) the LSC does not approve or monitor Learning Providers for the purposes of this programme, i.e. as it might those Learning Providers it contracts with or funds directly.

However, because the Programme is supported by public funds the LSC has a responsibility to ensure that the Programme is operated with due propriety to protect public funds and with consideration to the needs of learners. As such, it maintains the Professional and Career Development Loans Learning Provider Register.

The register:

- is maintained for administrative purposes. There is no intention whatsoever on the part of the LSC to enter into a contract or any other binding legal relationship with any Learning Provider on the register. The LSC is not liable for any loss suffered by a Learning Provider as a result of a decision to refuse registration or to remove a Learning Provider from the register or as a result of any decision by the Banks not to approve an application for a Loan;
- is intended to give some measure of protection to learners about the financial stability of a Learning Provider, thereby minimising the risk of learners not receiving the learning they have paid for and/or of learners defaulting on their Loan repayments as a result of issues relating to the delivery of the learning.

**The register does not imply or infer in any way that the LSC has quality assured the Learning Providers on it.**

Acceptance onto the register is subject to certain checks undertaken by the LSC on receipt of the Learning Provider's application. The LSC will also ensure compliance with the requirements on an ongoing basis through monitoring and/or investigation of allegations made by third parties, such as Banks or learners.

Learning Providers must be registered with the LSC in order for learners to undertake a learning opportunity with them funded using the Loan.

A Learning Provider cannot apply for registration on a speculative basis but must have been approached by an individual who wishes to undertake a

course with them and requires a Loan. Any speculative applications will be declined by the LSC.

## 5. How to register

To register, the Learning Provider must complete a Learning Provider Registration Form (Form A) and provide the information to accompany the form that is set out below and restated in detail at Form A.

The form requires the Learning Provider to confirm that it has read and agrees to adhere to this guidance and the Learning Provider **must** sign the Learning Provider Declaration at the end of the form to confirm this. The form may be completed electronically but it requires a wet signature and therefore must be submitted in hard copy.

The LSC will respond to requests for registration within 30 working days.

## 6. Conditions for registration

**This section sets out the conditions for registration. A Learning Provider must comply with all of the conditions in order to be accepted on the register.**

a) Learning Providers must have operated for at least one year as a Learning Provider and have provided the course(s) that will be eligible for Loan support for no less than one year. Applications to the LSC's Register of Learning Providers need to be from the Learning Provider that is actually delivering the learning. Applications will be declined if they are from an organisation that intends to subcontract training delivery to another provider.

b) Learning Providers must confirm that their business will not be dependent on income derived from this Programme, i.e. that if their income from Loan support was removed, they would still be financially viable.

c) The Learning Provider must submit all the evidence/information set out in Form A. The following provides more detail on some of these requirements:

- Details about the courses offered. Registration will only cover advertised courses that have been offered by the Learning Provider for at least one year. Learning Providers already registered for the programme will not be permitted to offer different courses from those for which they originally registered until they have successfully offered the new course(s) for 12 months;

- details of the refund policy - this must be fair, transparent and reasonable;
- a copy of a model learning agreement - this should include, as a minimum the learner's details, agreed course details and costs, course start and anticipated finish dates, terms and conditions and be signed by both the learner and a Learning Provider representative;
- a copy of the procedure for dealing with learner complaints – again, this must be fair, transparent and reasonable;
- a declaration from the directors (if a limited company) and/or other senior managers in the Learning Provider's organisation that they have not previously been a director or senior manager of any organisation that has ceased trading with the result that Loan-supported learners with that organisation have been unable to complete their learning.

## **7. How your application will be assessed**

As part of their assessment of the Learning Provider's application, the LSC will check to see whether a Learning Provider which is receiving LSC funding has a satisfactory financial record.

The LSC may carry out a credit check on the Learning Provider through an appropriate agency to provide additional assurance of financial viability. A Learning Provider will not be registered if the credit report is unsatisfactory; however, they are welcome to apply for registration in six months from the date of the letter sent advising them of their declined application. Should a Learning Provider's credit report or application be unsatisfactory for three consecutive applications, any further applications will be declined automatically.

The LSC will undertake a value for money assessment to check the course fee against those for courses with similar content and delivery to ensure fees are reasonable.

Once the initial assessment has been undertaken and the Learning Provider accepted onto the Register, the LSC may periodically review course content and course costs charged by Learning Providers to ensure these are reasonable and continue to comply with the programme requirements. They will also investigate any specific complaints raised in relation to the Learning Provider.

## 8. Reasons for declining applications

Applications to register as a Learning Provider will be declined if any of the above conditions are not met and/or if the checks undertaken by the LSC do not yield satisfactory results. Reasons for declining applications include:

- a Learning Provider has less than one year's trading experience in delivering the relevant learning;
- courses are ineligible for support;
- accounts are overdue at Companies House;
- other discrepancies at Companies House give rise to reasonable concern that the provider is not bona fide or cannot deliver the learning outlined in the application;
- any partner, director or owner of a learning provider has previously owned, managed or worked for a Learning Provider which has previously been deregistered;
- applications are from organisations that have previously ceased trading leaving funded individuals with incomplete learning or where the directors or senior managers were previously involved in such an organisation;
- applications are from organisations which are not properly constituted as legal entities. All companies must be registered in their own right even where a parent or subsidiary company is already registered;
- courses are not designed to equip learners to progress either into new employment or within their current job.
- the courses delivered overseas by a non-UK or EEC Learning Provider are equivalent to courses available from a provider based in the UK or EEC.

Learning Providers should also refer to section 12 'Relationship between Learning Providers and Learners'.

**The LSC reserves the right at its absolute discretion to refuse to register a Learning Provider.**

## 9. The Learning Provider Registration Number

Once a Learning Provider has been accepted onto the register, the LSC will allocate it a registration number. Only the number allocated by the LSC will be valid and the Learning Provider must quote it accurately to the learner.

The registration number only applies to the Learning Provider that is to deliver the learning. It cannot be transferred to any other Learning Provider including any subcontracted delivery provider.

The registration number must be quoted on the written confirmation to the bank that an individual has started their course.

Any loan applications from learners or confirmation of starts on learning that quote an incorrect number will be rejected. Persistent inaccurate reporting of the number to learners may be deemed sufficient grounds to revoke registration of the Learning Provider. Similarly, if an unregistered Learning Provider creates a registration number independently, this may lead to the refusal of that Provider's application for Registration.

As stated in Section 4 above, registration as a Learning Provider for the purposes of the Programme does not in any way indicate approval or accreditation by the LSC of that Learning Provider or of any course the Provider offers. As such, the fact that a Learning Provider is registered or any suggestion of LSC approval in relation to the registration should not be included in any marketing material the provider publishes.

## **10. Re-registration and lapsed registration**

The LSC reserves the right to require Learning Providers to re-register as a Learning Provider.

Registration will be deemed to have lapsed if a provider does not meet communication requirements (see paragraph 13 'Information and Compliance Monitoring'). In particular, if the Learning Provider does not acknowledge agreement to updates or changes to this Guidance, or if direct communications to the Learning Provider do not yield a response within a reasonable time.

The LSC may also lapse registration if it receives reports of the insolvency or business closure of a Learning Provider while it investigates whether the Learning Provider is continuing to trade.

In all instances, the LSC will inform the Learning Provider that their registration has lapsed and the reason(s) why.

The Learning Provider may apply for re-instatement within 3 months of the date of notification of the lapse by using the form at Form E. If more than 3 months has elapsed since the date of notification, the Learning Provider will be removed from the register and will need to complete a new application for registration.

## 11. Administration

The Bank will pay course fees for individuals direct to the Learning Provider chosen by the individual once they have received written confirmation from the learning provider that the individual has started their course.

The mechanism for confirming the start is the Course Start Notification Form. The Course Start Notification Form is given to the individual by the Bank. The individual completes one part of the form before passing it to the Learning Provider upon starting their course. The Learning Provider should complete the second part of the form **ONLY** once they can confirm that the learner has started learning. They should submit the completed form to the Bank. Upon receipt of the completed form, the Bank will initiate payment.

Where course costs are over £2,000 and over 3 months in duration, staged payments will apply. The payments will be divided equally over set intervals throughout the course duration and are set based upon the length of the course. The first payment will be initiated at the start of learning upon the banks receiving the learner's completed Course Start Notification Form.

The start date is the date the individual actually commences the training course. For distance learning it is the date the individual receives the course materials. This date must be on the Course Start Notification Form. The Course Start Notification form must **NOT** be completed before that date i.e. before the individual has commenced the course.

Learning Providers upon receipt of Loan funding, must refund any money advanced by an individual as a deposit no later than one calendar month after Loan funds have been received. However, when staged payments have been implemented, Learning Providers must not demand 'upfront' payments of the total course fees from the learner.

If the Learning Provider receives fees for course costs that are greater than the true cost of the course the remainder must be paid back to the Bank. Under no circumstances should a learning provider give any surplus amount to the individual.

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\* A course that lasts over 3 months and less than 12 would be drawn down in 2 stages and the payments would be in equal instalments.

For courses that last 12 months the payments will be made in 3 equal instalments in month 1, month 6 and month 9.

For courses lasting 24 months and over, the loan would be drawn down in 4 equal stages - the first payment would be made upon receipt of the Course Start Notification Form in the first month, the second in month 6, the third in month 12 and the final payment in month 18.

Employed applicants may only borrow up to 80% of course fees; applicants who have been unemployed for at least 3 months may borrow up to 100%. Under no circumstances should Learning Providers charge a notionally higher rate to employed applicants, thereby enabling the '80% rule' to be circumvented. If any evidence of this is found, the Learning Provider will be removed from the register

If an individual completes or leaves the course early the Learning Provider must notify the relevant Bank and the LSC within four weeks of the individual leaving. The form is included at Form D. Alternatively, the Learning Provider can contact the LSC by e-mail at the following address: [PCDLproviders@lsc.gov.uk](mailto:PCDLproviders@lsc.gov.uk). If the Learning Provider has received payment as part of the individual's course fees directly from the Bank, refunds that may be due must be repaid to the Bank.

## 12. Relationship between Learning Providers and Learners

**Learning Providers must act responsibly in helping individuals choose learning relevant to their needs and abilities. In particular Learning Providers must:**

- provide clear explanation of:
  - any accreditation held (in respect of course, qualification or provider);
  - the qualification to which a course leads;
  - the awarding body responsible for the qualification;
- make available any public inspection reports upon request;
- encourage use of Government supported information, advice and guidance services;
- provide clear and consistent information to individuals and LSC on course length, fees payable, complaints procedure and the conditions under which refunds are payable. This would normally form part of the learning agreement. Learning Providers must not change course start and end dates without prior agreement with the Learner, particularly as this may affect the terms of the Learner's agreement with the Bank;
- have in place a robust process for assessing an individual's suitability for the course being offered;
- repay, upon demand, any funds that are paid in circumstances that do not comply with the rules of the programme, or where a refund may be due because an individual has failed to complete the course;
- abide by the Data Protection Act 1998 when handling data on individual learners.

Learners who approach a registered Learning Provider regarding Professional and Career Development Loans should be directed to

[www.direct.gov.uk/adultlearning](http://www.direct.gov.uk/adultlearning) or the Careers Advice Service on 0800 100 900.

**Learning Providers must not use the Programme as an inducement to encourage learners to enrol on their courses, in particular Learning Providers must not:**

- refer directly or indirectly to Professional and Career Development Loans in printed or on-line course advertisements. An example of an indirect reference is where the provider or course publicity material refers to loans or support, where this in fact means Professional and Career Development Loans (see section 13 regarding programme information that can be placed on a Learning Provider's website and/or prospectus);
- recommend any particular Bank to learners or contact the Banks on learners' behalf. As stated above, Learning Providers must refer learners who require information on Professional and Career Development Loans to [www.direct.gov.uk/adultlearning](http://www.direct.gov.uk/adultlearning) or the Careers Advice Service on 0800 100 900;
- aid or encourage individuals to apply for or obtain Professional and Career Development Loans by deception;
- attempt to obtain Professional and Career Development Loan application packs. One 'sample' copy will be supplied upon registration, to be held for information only;
- assist learners in completing Professional and Career Development Loan application forms. In particular, Learning Providers must not complete any part of the application form on behalf of learners. Only the Learning Provider's endorsement should be completed by the Learning Provider. If a Bank believes that any part of the application form has been completed by someone other than the applicant, the bank may refuse to approve that loan and subsequent loans for learning with that Provider;
- offer 'cash back', or other inducements, where that is offered from the proceeds of Professional and Career Development Loan funding.

### **13. Website and prospectus programme information**

As stated in section 12 above, direct or indirect reference to Professional and Career Development Loans is not permitted in any printed or on-line advertisements. Reference to Professional and Career Development Loans is permitted on Learning Provider websites and/or within their prospectuses as long as it forms part of a suite of information relating to possible sources of funding support for learners. However, only the following statement should be used:

**'Professional and Career Development Loans** are bank loans that can be used to help pay for work related learning. You can borrow between £300 and £10,000 to help support the cost of up to two years of learning (or three years if it includes one year's relevant unpaid practical work). The Learning and Skills Council will pay the interest on the loan while you are learning and for one month afterwards. The loan can be used to pay course fees or other costs such as travel and living expenses. You can also use the loan to supplement other forms of support such as grants or bursaries. Because the Professional and Career Development Loan is a commercial loan product, they should only be considered as an option once all other student funding options have been investigated. For further information on financial assistance to support your learning, please visit [www.direct.gov.uk/adultlearning](http://www.direct.gov.uk/adultlearning) or contact Careers Advice on 0800 100 900. Our learning provider registration number is: *<insert number here>*.'

**Please note that any failure to apply the correct wording could result in de-registration.**

#### **14. Promotional Materials**

An individual marketing materials pack is available upon request, to help raise awareness of the Programme. To order this pack, please call the Professional and Career Development Loans Helpline on **0800 585 505**.

#### **15. Information and Compliance Monitoring**

- Learning Providers must respond accurately and within 2 weeks, unless otherwise agreed, to requests from the LSC for information.
- Learning Providers must confirm acceptance of changes to this guidance to maintain registration. If confirmation is not received as requested, registration will lapse.
- Learning Providers must advise the LSC promptly of any changes to the registration details and/or course details, no later than one calendar month after the change. Form B should be used for changes to registration details and Form C should be used for changes to course details.
- Learning Providers must maintain records of individuals and learning supported by the Programme and make these available upon request to the LSC.
- Learning Providers must notify the LSC within four weeks of an individual's last day of attendance on the course if the individual completes or leaves the course early, using Form D.

The LSC will undertake a programme of compliance monitoring to ensure that Providers are adhering to the Requirements for Registration. Learning Providers are required to co-operate with any investigation carried out by the LSC into any allegation that there has been a breach of any of the Requirements.

The LSC may also contact Learning Providers to obtain their views on programme administration or policy development, or to undertake case studies of Loan-supported learners. In registering as a Learning Provider Learning Providers agree to allow the LSC reasonable access to undertake these functions.

The LSC may share information about Learning Providers with the Banks, companies contracted to the LSC for the purposes of research and evaluation, the Department for Business, Innovation and Skills, the National Audit Office and any other Government Department as necessary. The LSC is required to comply with the Freedom of Information Act and may provide information about Learning Providers in response to requests from the public.

The LSC will respond to requests for information from Learning Providers within 20 working days of receipt, in line with the requirements of the Freedom of Information Act.

## **16. The role of the participating Banks**

The Professional and Career Development Loan is a Loan agreement between the Bank and the Learner. The LSC checks eligibility for the Programme but the final decision on whether to provide a Loan is a commercial lending decision for the Banks. If the Banks have concerns about applications for Loans in respect of courses run by a particular Learning Provider the Banks may suspend or refuse to approve such applications. The LSC does not influence any decision that may be made by a bank.

If the majority of the Banks decide not to approve any further Loans for courses delivered by a particular Learning Provider, then the LSC will remove that Learning Provider from the register.

The LSC will share any information it holds about a Learning Provider with all the Banks.

## **17. Programme Reputation**

The LSC has a responsibility to maintain the reputation of the Programme and to ensure that public funds are seen to be disbursed appropriately. If the

actions of a Learning Provider applying to go on the register provide poor value for money or may bring the programme into disrepute, the LSC will refuse to register that Learning Provider.

If the LSC believes that the actions of a Learning Provider already on the register provide poor value for money or may bring the programme into disrepute, it will investigate under the procedure described below. Instances of bringing the programme into disrepute might include advertisements that guarantee jobs or salaries where these claims are misleading.

## **18. Complaints about Learning Providers**

Learning Providers must have in place a procedure for dealing with complaints from learners and must provide evidence of this to the LSC as part of the registration process (see Section 6, 'Conditions for registration').

As the LSC does not contract with Learning Providers or fund them directly via the loans programme, the LSC does not routinely carry out detailed investigations of complaints brought by learners. However, if the LSC receives complaints about a Learning Provider on the register, and initial investigation indicates there is a risk of bringing the Programme into disrepute, the LSC reserves the right to remove that Learning Provider from the register.

## **19. Complaints Procedure and Removal of Learning Providers from the Register**

If the LSC receives information that a Learning Provider is in breach of the requirements of registration set out in this document, the LSC will write to the Learning Provider setting out clearly the details of the alleged breach. Processing of Loan applications relating to learning with that Learning Provider may be suspended at that point, pending the outcome of investigations.

The Learning Provider will be given the opportunity to respond with any representations as to why they should not be removed from the register. The response must be in writing and be received by the LSC within 10 working days from the date of the letter detailing the allegations. The LSC will then consider any representation made and inform the Learning Provider of the outcome. Possible outcomes include:

- removal of the Learning Provider from the Register;
- requiring the Learning Provider to take specific action as a condition of their continued registration; or

- taking no further action.

If the Learning Provider is removed from the Register, any new applications for Loans to support learning with that Learning Provider will not be approved with effect from the date of the removal (or from the date of suspension, if that is then followed by removal from the Register).

If a Learning Provider remains dissatisfied with the way in which they have been dealt with by the LSC it can complain under LSC's complaints procedure. This is set out on the LSC's website at:

<http://readingroom.lsc.gov.uk/lsc/2005/externalrelations/complaintlsc/procedure-for-dealing-with-complaints-about-the-lsc.pdf>.

LSC staff will endeavour to assist Learning Providers with any queries or concerns they have in relation to their registration. Learning Providers are reminded that they should be professional in their dealings with the LSC at all times and should respect the right of LSC staff not to be subjected to abusive telephone calls or correspondence. Where a Learning Provider or its agents or employees persistently subject LSC staff to abuse, the LSC may consider removing that Learning Provider from the register or refusing registration.

## 20. Useful numbers and addresses

### About the programme:

#### *Learning Providers:*

Email: [PCDLproviders@lsc.gov.uk](mailto:PCDLproviders@lsc.gov.uk)  
Helpline: 0845 000 0045  
Learning Provider Guidance website: <http://pcdl.lsc.gov.uk/>

#### *Learners:*

Information Line: 0800 585 505  
Guidance website: [www.direct.gov.uk/adultlearning](http://www.direct.gov.uk/adultlearning)

### About these requirements:

Any queries on the content of this document should be sent to:

Email: [PCDLproviders@lsc.gov.uk](mailto:PCDLproviders@lsc.gov.uk)

This document is only available online at:  
<http://pcdl.lsc.gov.uk/lprequirements>

Hard copies are not available, with the exception of Welsh language and Braille versions which can be obtained from:

Email: [PCDLproviders@lsc.gov.uk](mailto:PCDLproviders@lsc.gov.uk) or  
Telephone: 0845 000 0045