



Department
for Education

Lifelong Loan Entitlement: Government Response

Equality Analysis

March 2023

The Lifelong Loan Entitlement (LLE)

The government's plan for a post-16 education system seeks to ensure that everyone, no matter where they live or their background, can gain the skills they need to progress in work at any stage of their working life.

In May 2019, the Independent Panel that reported to the Review of Post-18 Education and Funding (also known as the Augar Panel) made a number of recommendations about the future of tertiary education, which this government considered. Flexibility was a core tenet of this report, which recommended 'the introduction of a lifelong learning loan allowance to be used at higher technical and degree level at any stage of an adult's career for full and part time students'.

In September 2020, the UK government announced its intention to introduce a Lifelong Loan Entitlement (LLE). This would provide individuals with a loan entitlement of up to four years of post-18 education to use over their lifetime, and available for both full courses at higher technical and degree levels (levels 4, 5 and 6) and new modular funding, regardless of whether courses are provided in colleges or universities.

The LLE will deliver a major transformation in Further Education (FE) and Higher Education (HE). It seeks to create a more streamlined funding system across levels 4 to 6, making it easier for students to navigate the options available. The ambition is for the LLE to have a transformative impact on post-18 study; supporting increased access to high-quality technical qualifications, bringing greater parity of access across technical and academic education, and in turn bringing courses offered by FE and HE providers closer together in funding terms.

The government consultation and response

In February 2022, the government consulted on the key design principles of the LLE, and proposed changes to the student finance system and regulatory environment to give reality to this entitlement. The consultation sought views on different aspects of LLE including its ambition, its strategic aims and objectives and scope, as well the proposals to support quality provision and flexible learning.

The consultation closed on the 6th of May 2022 with a total of 1,253 responses being received from respondents spanning FE and HE providers, awarding bodies and members of the public. The government response can be found here: [Government Response to the LLE Consultation](#).

Summary of Equality Impacts

Under the Equality Act 2010, the Department for Education (DfE), as a public authority, is legally obliged to give due regard to equality issues when making policy decisions – this is known as the *Public Sector Equality Duty* (PSED).

Accordingly, we have carried out an assessment of the potential impacts of the package of LLE reform proposals on groups who share particular protected characteristics. We welcome further views and evidence on any potential impact of these policies to help inform future decisions around the design and implementation of the LLE.

Based on the current level of detail in the consultation response, our assessment is that the proposed package of LLE measures will, overall, have a positive impact on learners who are female, older, pregnant or on maternity leave, have a known disability, or are from ethnic minority backgrounds.

Evidence (which is presented later in this equality analysis) shows that learners with these aforementioned protected characteristics are, at the moment, more likely to face greater barriers to learning than those who do not. This may be because they have work and family commitments which mean they cannot study full-time, they face financial constraints that limit their ability to pursue further study and training, or they face comparatively higher costs of study, for example because they require additional support. Accordingly, successful reform aimed at lowering the barriers to learning, such as the LLE proposes to do, is likely to benefit learners in those groups in particular.

Improved access to funding for short courses and modules, in the form of loan funding and maintenance and targeted grant support, will help lower the financial cost of study which can act as a significant barrier to learning for people with these particular protected characteristics. Learners in these groups are more likely to be debt averse, meaning that they are more easily discouraged from pursuing beneficial study and training if they deem it too costly to do so. The increased availability of financial support for flexible learning will therefore help lower the perceived and actual cost of studying short courses and modules.

The introduction of funding for short-course and modules, coupled with non-financial LLE measures such as the personal account and credit transfer, will give all learners greater choice and flexibility with regard to higher-learning opportunities. This will enable them to make better and more informed decisions about their learning, choosing those options and pathways which best meet their particular needs, ability and interests, resulting in better learning outcomes than would have previously been achievable given the wide-ranging and significant constraints and pressures that they may face.

We have considered the impacts of the proposed measures against the three pillars of the general equality duty. We have not identified any potential impacts under the first limb of the PSED. A core rationale for the measures is that they will make it easier for all learners

to pursue higher levels of learning on a flexible and lifelong basis and achieve the benefits that come from it.

Specifically, the LLE will make it easier for people to study flexibly throughout their working lives, including on a modular basis as the need arises, as opposed to taking full qualifications in one go, and it introduces a more advantageous student finance package, including the extension of maintenance support to those courses which are currently not eligible for loan funding.

At the same time, these measures could enable students who would otherwise be marginalised to make a greater contribution to public life. Evidence shows that higher education can have a positive effect on civic engagement, with graduates more likely to vote, volunteer and participate in public debates compared to people who have not gone to university¹.

Evidence base on barriers to adult learning

As well as using the key sources of data on the protected characteristics of learners, we have drawn on the extensive literature currently available on the barriers faced by adults wishing to pursue high levels of learning.

Latest survey evidence shows that nearly 70% of respondents who have not pursued any learning for at least three years encountered a particular barrier to doing so². Among respondents who are currently learning or have recently done so, around two thirds indicated that they had experienced at least one challenge while learning³.

The literature on the challenges and obstacles encountered by people wishing to take up new learning opportunities distinguishes between three key types of barriers: situational, dispositional, and institutional⁴. Dispositional barriers are the most frequently cited barrier to participation (reported by 49% of adults that have not participated in the previous three

¹ [BIS research paper number 133 Things we know and don't know about the Wider Benefits of Higher Education: A review of the recent literature October 2013 \(publishing.service.gov.uk\)](#)

² [Adult Participation in Learning Survey 2022 - Learning and Work Institute](#)

³ Ibid

⁴ See for example: [Adult Participation in Learning Survey 2022 - Learning and Work Institute](#); [Barriers to learning for disadvantaged groups \(publishing.service.gov.uk\)](#); [\(Adult\) education, education, education - Social Market Foundation. \(smf.co.uk\) Insight 9 May 2021 Improving opportunity and choice for mature students \(officeforstudents.org.uk\)](#); [Post 18 Choice of Part-Time Study \(publishing.service.gov.uk\)](#); [Barriers to learning for disadvantaged groups \(publishing.service.gov.uk\)](#). [Lost learners \(universitiesuk.ac.uk\)](#)

years), followed by situational barriers (40%)⁵. The nature and severity of these barriers will vary across different demographic groups⁶.

Situational barriers

These barriers relate to an adult's personal circumstances. Adults may, for example, face significant financial constraints which means that they cannot afford the costs attached to learning. These barriers may be greater from adults who come from low-income households or do not have good access to available external sources of financial support.

Adults may also have competing priorities such as work, family, and broader responsibilities which means they do not have the time, or the flexibility to take on further commitments such as learning. These barriers can be greater for adults who do not have good access to childcare support or lack good quality digital infrastructure which makes on-line learning unfeasible. Situational barriers were more likely to be cited by female learners, people from ethnic minority backgrounds⁷ and adults of working age between 24-54.

Dispositional barriers

These barriers relate to an adult's personal attitudes and perceptions around learning. Some adults may have a fear of learning, particularly if they had bad experiences of studying in the past or they expect to be the oldest people in the class⁸.

Some older learners may experience a lack of self-confidence in their ability to benefit from further learning⁹. This may be because they have not engaged in new learning for many years, they do not believe they possess the necessary literacy, numeracy or digital skills, or because they have a disability or a mental or physical health condition which affects their ability to learn¹⁰. Adult learners may also be more sceptical that further learning will help improve their productivity in the workplace or lead to new job opportunities and further career development¹¹.

Dispositional barriers are more likely to be cited by adults in older age groups over 55, the unemployed and those in the lowest socio-economic groupings. Institutional barriers are most likely to be cited by women.

⁵ [Adult Participation in Learning Survey 2022 - Learning and Work Institute](#)

⁶ [Barriers to learning for disadvantaged groups \(publishing.service.gov.uk\)](#);

⁷ [Adult-Participation-in-Learning-Survey-2019.pdf \(learningandwork.org.uk\)](#)

⁸ [Adult-education-education-education-Nov-2020.pdf \(smf.co.uk\)](#) [Decisions of adult learners \(publishing.service.gov.uk\)](#);

⁹ [Adult-education-education-education-Nov-2020.pdf \(smf.co.uk\)](#)

¹⁰ [Barriers to learning for disadvantaged groups \(publishing.service.gov.uk\)](#);

¹¹ [Adult-education-education-education-Nov-2020.pdf \(smf.co.uk\)](#)

Institutional

These barriers typically relate to the unresponsiveness of education providers to offer appropriate provision which meets the specific needs and requirements of adult learners. For example, they may offer poor choice of courses in the subjects adults wish to study, and courses may not be delivered online and therefore inaccessible to those who cannot travel, or offered at atypical times that are more convenient for adult learners¹². Even if adults are aware of Information Advice and Guidance (IAG), they may be reluctant to access them because of past negative experiences in their youth or the stigma they perceive attached to seeking career advice later in life¹³.

Adult learners may also have comparatively poorer knowledge of, or access to, the student finance system¹⁴. Compared to young people, adult learners may be less well informed about the student finance system and what they are eligible to apply for¹⁵. There may also be significant gaps in the student finance system which means that student support may not be available for short, modular study or because the learner does not meet the necessary eligibility criteria.

Assessment of Equality Impacts by Measure

Measure 1: Eligibility for funding

Policy description

The government will replace existing entitlements for HESF and Advanced Learner Loans (ALLs) funding with a single flexible entitlement, which students will be able to use at will across their working lives on a range of designated courses and modules, as well as make available additional entitlement for priority subjects.

This entitlement will be available for all new eligible learners up to the age of 60. Eligible learners who have studied previously will have access to a “residual” entitlement, which will be based on prior government-funded learning¹⁶.

¹² [Adult Participation in Learning Survey 2022 - Learning and Work Institute;](#)

¹³ Ibid

¹⁴ Ibid

¹⁵ Ibid

¹⁶ For example, an individual who has previously completed a funded Bachelor degree could have access to a £9,250 residual entitlement (£37,000 entitlement minus £27,750 deduction (the current maximum fee limit for that form of study)).

The government will also introduce a robust compelling personal reasons (CPR) mechanism designed to ensure that students affected by circumstances beyond their control are not left unable to complete their studies. Further information and guidance on this will be provided before the LLE launches in 2025.

Impact on learners according to their protected characteristics

The introduction of a four-year loan entitlement, including a residual entitlement for learners who have studied previously, will give all learners greater flexibility to fund those short courses and modules which best meets their needs and ability.

Age

We expect this measure to have a positive impact on mature learners. Mature learners will benefit from the ability to use their entitlement for learning flexibly because they are more likely to have work, family and financial commitments which makes them more debt averse and sensitive to the overall cost of study¹⁷.

The introduction of an age cap could, however, have a negative impact on those aged 60 years and over. Learners in these age groups would not be able to benefit from improved access to funding and therefore able to take-up more flexible learning opportunities. The negative impact on older learners is justified by reduced likelihood of positive employment outcomes for study among older learners, and reduced rates of repayment among these groups given proximity to retirement.

We expect the impact to be limited as adults over 60 currently account for a small proportion of total learners. – in AY 2020/21 there were less than 3,500 fee loan recipients aged 60 or over.

Disability

We expect that this measure will have a positive impact on learners with a known disability. Recipients of Disabled Student Allowance (DSA) are significantly over-represented in the student population claiming part-time maintenance loan support and moderately over-represented in the student population claiming full-time maintenance loan support¹⁸. As such, disabled students (proxied by DSA recipients) are more likely to need, and therefore benefit from, student finance support.

Sex

We expect that this measure will have a positive impact on female learners. This is because female students are more likely to have family responsibilities¹⁹ which increases the cost of study and makes them more debt averse²⁰. We anticipate this measure will help lower the financial barriers to participation to HE that they are more likely to face.

Race (which includes nationality)

We expect that this measure will have a positive impact on learners from ethnic minority backgrounds. This is because students from these groups are more likely to be debt averse and sensitive to the cost of study²¹.

Pregnancy and maternity

We expect that this measure will have a positive impact on learners with this protected characteristic. This is because they are more likely to have caring responsibilities which increases the cost of study and limits their choice of learning options.

Other protected characteristics

We expect there to be a neutral impact on learners with regards to religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

Measure 2: Courses in Scope

Policy description

From 2025, the LLE will bring to together the different systems of level 4 to 6 student support. The LLE will provide funding for all courses formerly funded by HESF, as well as those formerly funded through Advanced Learner Loans (ALLs) at level 4 to 6 with evidence of learner demand and employment endorsement. The government will cease ALL funding for new learners on courses at levels 4 to 6 from 1st August 2025 onwards.

The government will remove existing restrictions on Equivalent or Lower Qualifications (ELQs) study. It will also make available additional entitlement to study a limited number of priority subjects, such as medicine.

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/932656/Final_Equality_Analysis_HE_Student_Finance_Regulations_2021.22_2_.pdf

¹⁸ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](#)

¹⁹ [Women shoulder the responsibility of 'unpaid work' - Office for National Statistics](#)

²⁰ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](#)

Impact on learners according to their protected characteristics

The introduction of new loan support will help lower the financial costs of study and training faced by learners wishing to choose short courses and modules, leading to improved access and take-up of available flexible learning opportunities.

The removal of existing ELQ restrictions will mean that learners will have access to a greater choice of flexible options enabling them to choose those short courses and modules which best suits their particular needs and ability.

Age

We expect the consolidation of the HESF and ALL systems to have a neutral impact on mature learners. The removal of existing restrictions on ELQs should have a positive impact on mature learners. Mature students are more likely to have studied previously and want to take up further study later in life. They are also more likely to study part-time or flexibly because they are more likely to have personal, work, or financial commitments which limits their learning options.

Disability

We expect the consolidation of the HESF and ALL systems to have a neutral impact on people with a known disability. The removal of existing restrictions on ELQs should have a positive impact on students with a known disability. This is because disabled students will have particular learning requirements which mean they are more likely to want to learn part-time or flexibly.

Sex

We expect the consolidation of the HESF and ALL systems to have a neutral impact on female students. The removal of existing restrictions on ELQs should have a positive impact on female learners. Female learners are more likely to study part-time or flexibly because they are more likely to have caring or other family commitments.

Race (which includes nationality)

We expect the consolidation of the HESF and ALL systems to have a neutral impact on people from ethnic minority backgrounds. The removal of existing restriction on ELQs should have a neutral impact on people from ethnic minority backgrounds.

Pregnancy and maternity

We expect the consolidation of the HESF and ALL systems to have a neutral impact on people with this protected characteristic. The removal of restrictions on ELQs is expected to have a positive impact on people with this protected characteristic as they will likely require greater flexibility and choice of learning opportunities which they can take up and balance alongside their new or additional childcare responsibilities.

Other protected characteristics

We expect there to be a neutral impact on learners with regard to religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

Measures 3: Modules

Policy description

The government will take a phased approach to providing funding for modules.

On launch of the LLE, modular funding will only be provided for modules of HTQs, and some technical qualifications at level 4 and 5 currently funded through the ALL system where there is a clear line of sight to an occupation map and evidence of employer demand. Modules will need to meet certain criteria in order to attract funding²²

The government intends to open further modular funding to wider level 4, 5 and 6 provision in AY27/28 where we can be confident of positive outcomes for learners – the details of which will be set out in a technical consultation next year.

Impact on learners according to their protected characteristics

The introduction of funding for modules will help lower the financial costs of study and training. This should in turn bring about greater take-up of available flexible opportunities, particularly amongst those learners who may face comparatively higher financial barriers to learning because of their personal and financial circumstances which makes them more debt averse and sensitive to the cost of study.

Age

The introduction of modular funding should have a positive impact on mature learners. This is because they are more likely to have work and family commitments which makes them more debt averse and sensitive to the cost of study.

²² Modules will need to be a) part of a designated full course ('parent course') so that modules can be stacked towards full qualifications; b) have a single qualification level and credit value which is the same as when the module appears in the full course; c) have a minimum of 30 credits (which may be achieved by 'bundling' smaller modules together). Modules will also be assessed and come with a standardised transcript on completion.

Disability

These measures should have a positive impact on learners with a known disability. This is because students will have particular learning requirements which means they are more likely to benefit from the additional flexibility offered by extending funding to modules.

Sex

These measures should have a positive impact for all generally. It is expected that female students will particularly benefit as they are more likely to have family or wider caring responsibilities²³. This measure will increase opportunities for women to access HE and FE by giving them more options to study part-time or flexibly.

Race (which includes nationality)

There will be a benefit from the introduction of modular funding generally, but we have not identified any additional positive impacts that are likely to vary based on this protected characteristic as a result.

Pregnancy and maternity

The measures to introduce funding for modules are expected to have a positive impact on people with this protected characteristic. This is because of the higher costs associated with new or additional caring responsibilities.

Additionally, we expect at least a small positive impact as a result of the increased flexibility in access to learning. This is because there are existing issues in the current system that mean it can be difficult for those with childcare responsibilities to access flexible training.

Religion or other belief

We expect the impact to be largely neutral but have identified a small indirect positive impact for people who cannot take student loans for reasons of religion or belief, on the basis that modular courses would be more affordable and accessible than full courses.

Other protected characteristics

We expect there to be a neutral impact with regard to gender re-assignment, marriage or civil partnership or sexual orientation. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

²³ [Women shoulder the responsibility of 'unpaid work' - Office for National Statistics](#)

Measure 4: Supporting Quality

Policy description

The government is committed to ensuring robust controls on access to public funding. As the LLE will be the single mechanism to provide finance to students at level 4 to 6, we want to ensure consistent oversight and regulation of providers, and work towards regulatory convergence.

The government has asked the OfS to progress work to develop a new, permanent third registration category for the start of AY25/26 which will cover providers currently offering ALLs. The OfS will be publishing a consultation on the initial and ongoing conditions of this third category.

Impact on learners according to their protected characteristics

The creation of a unified regulatory system will help to support a simpler and consistent approach to regulation of providers offering LLE funded provision – a key theme in consultation responses. By extension this is likely to protect learner interest, as providers will be assessed and regulated on, for example, quality and student outcomes on a consistent basis. The creation of a third category, though subject to further policy design, may better suit the needs of FE providers and encourage further investment in wider HE and FE provision, improving the breadth of offers for learners.

Subject to ongoing policy design, there are potential negative impacts, such as providers choosing to drop out of the system for higher level provision, for example, if ongoing registration criteria is too burdensome. However, alongside the OfS, we plan to engage with the sector throughout the process of developing new initial and ongoing conditions to ensure their concerns and priorities are considered, mitigating against potential negative impacts.

The impacts on protected groups will be kept under review as policy is developed on the third registration category. To reduce the risk of negative impacts, we will consult and engage closely with providers on the development of the policy, re-assessing the risks, mitigations, and equalities impact as data becomes readily available.

Measure 5: Maintenance and Targeted Grants

Policy description

The government plans to provide loans for living costs and targeted grants for all designated courses and modules under the LLE that require attendance, including those currently funded by ALLs and those studied part-time. As per the current system, distance learning courses will continue to be out of scope for maintenance support, but the existing exemptions will roll over.

The award of loans for living costs and targeted grants will be subject to qualifying conditions and entitlement criteria, which will be set out in regulations.

Impacts on learners according to their protected characteristics

The expansion of maintenance and targeted grant funding will help lower the financial costs of study and training, especially for those who face significantly higher financial barriers to learning. These measures will make flexible learning more accessible and attractive to those learners who are more debt averse and sensitive to the cost of study because they have family or financial commitments.

Age

These measures should have a positive impact on mature learners. This is because they are more likely to have family or financial commitments which make it more difficult and costly to access available learning opportunities. In addition, older learners tend to be more debt averse, which means that the expansion of grant products is more likely to reduce barriers for mature students.

Disability

These measures should have a positive impact on learners with disabilities. This is because they face greater financial barriers to learning because of the additional costs incurred acquiring the relevant specialist equipment, non-medical help or broader disability related support that they may need. Making Disabled Students Allowance available to a broader set of courses will increase the breadth of support for learners with disabilities and the choices available to them.

Sex

These measures should have a positive impact on female learners. This is because they are more likely than men to have family commitments, which makes it more difficult and costly to access available learning opportunities. Female learners are much more likely than men to take out existing targeted grants and therefore the expansion of these products will likely have a positive impact on this group²⁴.

Pregnancy and maternity

These measures should have a positive impact on people with this protected characteristic. This is because they are more likely to have new or additional child or family commitments, which makes it more difficult and costly to access available learning opportunities. The expansion of the grants on offer, including the Childcare Grant and Parents Learning Allowance will have a positive impact on this group by mitigating against the increased costs they face as a result of having children or increased family commitments.

Other protected characteristics

We expect there to be a neutral impact with regards race (including nationality), religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

Measure 6: Fee limits

Policy description

The government has introduced legislation through the [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) granting it new powers to set fee limits on a consistent and proportionate basis across all LLE provision, including modules, short courses, and traditional longer courses.

The government will use credits to set fee limits as previously announced, although the ability to alternatively set fee limits on annual basis will also be retained.

Impacts on learners according their protected characteristics

The introduction of proportionate fee limits for shorter periods of study will ensure that the cost of study does not act as a financial barrier to those learners who wish to study short courses or modules. This should have the effect of removing what would otherwise be a

²⁴ [Higher education student finance 2022 to 2023 - equality analysis \(publishing.service.gov.uk\)](#)

barrier to access and take-up of flexible learning opportunities, especially for those learner groups are who more debt averse and sensitive to the cost of study²⁵.

Age

This measure should have a positive impact on mature learners as they are more likely to have family and financial commitments which makes them more debt averse and sensitive to the cost of study²⁶.

Disability

This measure should have a positive impact on learners with a known disability. This is because they are more likely to face comparatively higher costs of study and therefore be more debt averse and sensitive to the cost of study ^{27 28}.

Sex

This measure should have a positive impact on female learners. Evidence suggest that women are more likely to have family commitments and therefore be more debt averse and sensitive to the cost of study²⁹.

Race (which includes nationality)

This measure should have a positive impact on people from ethnic minority backgrounds, as they are comparatively more debt averse³⁰.

Pregnancy and maternity

This measure should have a positive impact on people with this protected characteristic. This is because they are more likely to have financial pressures associated with new or additional childcaring responsibilities which makes them more debt averse.

Other protected characteristics

We expect there to be a neutral impact with regards religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation. We will continue to review

²⁵ [The determinants of student loan take-up in England \(springer.com\)](https://www.springer.com)

²⁶ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

²⁷ DSA recipients are significantly over-represented in the part-time loan for living costs population and modestly over-represented in the full-time maintenance population. As such, disabled students (proxied by DSA recipients) are more likely to need student finance support.

²⁸ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

²⁹ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

³⁰ [Equality Analysis for HE Student Support Regulations 2019 to 2020 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

the impact of the LLE as it develops and will consider any new data that becomes available.

Measure 7: Credit Transfer

Policy description

The government plans to facilitate credit transfer by introducing the requirement for modules to come with standardised transcripts on completion (Measure 3). It will also be looking at the role that a Personal Account (Measure 9) can play in further supporting more effective credit transfer through its functionalities.

Impacts on learners according to their protected characteristics

The measures set out above will help lower the barriers that can make credit transfer difficult or costly for learners. This will particularly benefit learners who have more need for greater choice and flexible study options due to disability, childcare, or other personal or professional commitments. Learners who use credit transfer currently are primarily people who have had a change of circumstances, which can disproportionately affect those groups with protected characteristics.

Age

We expect this measure to have a positive impact on mature learners as data shows that they are more likely to study part time than younger learners³¹. This suggests they may also be likely to benefit from other flexible study options such as modular study that utilise credit transfer. Older learners are also more likely to have existing credits that could be transferred towards another course or module and would benefit from features in the Personal Account that help them to navigate this process.

Disability

We expect this measure will particularly benefit learners with a disability, who require greater choice and more flexible and tailored study options.

Sex

We expect this measure to have a positive impact on female learners, as they are more likely to require flexible study options due to childcare or other personal commitments.

³¹ HESA Student Record, Personal characteristics [Who's studying in HE? | HESA](#)

Pregnancy and maternity

We expect this measure to have a positive impact on people with this protected characteristic as they are more likely to require flexible study options due to childcare and other personal commitments.

Other protected characteristics

We expect there to be a neutral impact with regards race (including nationality), religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation of higher level learners. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

Measure 8: Repayment

Policy description

The government plans to apply Plan 5 repayment terms and conditions to LLE funded courses and modules taken outside of a full-course (with loans taken out prior to the LLE being repaid the terms and conditions they were taken out under).

The government also intends to ensure the cancellation of loans for modules will be treated in the same way as loans for full courses and qualifications.

Impact on learners according to their protected characteristics

Applying Plan 5 terms and conditions to LLE loan funding will help ensure that learners wishing to study or train flexibly are able to access affordable finance to cover the costs of their learning. In this way, access to finance should become less of a financial barrier to flexible learning.

The impacts on Plan 5 borrowers with particular protected characteristics are set out in the equality analysis which was published alongside the Higher Education policy statement in February 2022. This can be found at: [Higher education policy statement & reform consultation equality analysis \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107212/higher-education-policy-statement-2022-equality-analysis.pdf).

Measure 9: Personal Account

Policy description

The government intends to introduce a Personal Account which will show learners their indicative loan balance and allow them to apply for loans and grants for fees, maintenance, and additional support that their chosen form of study attracts. This account will also signpost them to clear Information, Advice and Guidance (IAG) on the designated courses and modules they can use their loan entitlement on, as well as services to help them decide on the right course or module to spend their entitlement on.

Impact on learners according to their protected characteristics

The introduction of a Personal Account will enable learners to make more informed decisions about their learning, choosing courses and pathways which better reflect their needs and ability, are affordable given their financial constraints, and represent value for money to the learner.

The Personal Account will clearly outline an individual's entitlement, how much entitlement they have used and how much entitlement they still have available. Learners will also be able to search the SLC course database and then apply for funding for their chosen level 4 to 6 course. It will highlight LLE IAG resources which may be available to support the learner in using their account. How the account looks and its wider functionality, such as the ability to record a learner's record of achievement, will be subject to extensive user research and testing, ensuring that the account is user friendly and simple to use.

Age

We expect that this measure will have a positive impact on mature learners. This is because they may have comparatively less awareness of available sources of IAG on further and higher education options and pathways or lack confidence accessing them.

Disability

We expect there to be a positive impact on learners with disabilities. The Personal Account will be designed to be accessible and user-friendly, and having all IAG in one place may make it easier for learners with a disability to understand what courses and modules are available to study, and how they can fund them. For those who are not able to access their account online, the SLC is already taking mitigating actions where necessary, providing an alternative service to those cannot access online³².

Other protected characteristics

We expect there to be a neutral impact based on sex, race (including nationality), religion or belief, gender re-assignment, marriage or civil partnership or sexual orientation of higher level learners. We will continue to review the impact of the LLE as it develops and will consider any new data that becomes available.

Alternative Student Finance

Policy description

The government remains committed to delivering an Alternative Student Finance (ASF) product which is compatible with Islamic finance principles. The Government is procuring advice from experts in Islamic finance and will be working with the Student Loans Company (SLC) to better understand timescales for delivery of an ASF product under the LLE. Our aim is that learners will be able to access ASF as part of the LLE as soon as possible after 2025. An update on ASF will be provided by late 2023.

Impact on learners according to their protected characteristics

This measure would improve access to student finance for certain groups of learners who may be discouraged from applying because they are not compatible for religious reasons. This measure will advance equality of opportunity, by minimising the disadvantage to those who, for religious reasons, are opposed to the payment of interest and should increase participation in HE. The introduction of Sharia compliant finance should help encourage greater take-up of beneficial higher and more flexible learning opportunities for those learners who would prefer access to Sharia compliant student finance.

The potential impacts of introducing Alternative Student Finance on protected groups were set out in Annex A of the impact assessment that was published alongside the LLE consultation in February 2022. We reproduce the equality analysis below, updating figures where possible to reflect the latest available official statistics.

HESA data³³ shows that around 12% of the total undergraduate student population in England in the 2021/22 academic year were known to identify as Muslim. In the same year, 195,910 undergraduates in England across all modes of study and all years identified as Muslim, an increase of 16,290 on the previous year. More widely, the ONS census³⁴ shows that around 6.5% of the population in England and Wales described themselves as Muslim in 2021.

DfE's analysis of HESA's 'Student' and 'Alternative Student' records for 2019/20 academic year (where religion is known) shows that Muslim students were just as likely as other religious groups to have their tuition fees funded by the Student Loans Company (SLC) through the tuition fee loan facility. Around 87% of Muslim students funded their studies this way which is the same as Christian and higher than Buddhist (85%), Hindu (82%) and Jewish (76%) students³⁵.

Muslim students also choose not to fund their studies through loans from the SLC in similar proportions to other religious groups at 12%. For Christian students this is 11%, for Buddhist, Hindu, and Jewish students it is higher at 14%, 17% and 23% respectively. This analysis is from a sample size of nearly 1 million students where religion was known in which Muslim students made up 12% of the student population³⁶.

While that remains the case, we are considering how a Sharia compliant student finance solution could be delivered as part of the LLE, as we have identified the following potential impacts of an absence of a sharia-complaint loan product:

- i. Low income: The absence of a Sharia compliant student loan product could have a negative impact on people from low-income households. Evidence shows that Muslim families are over-represented in lower economic households³⁷ ONS analysis of the of economic activity by religion ³⁸ also shows that Muslims were one of the groups with the lowest levels of economic activity. It is therefore reasonable to assume that the introduction of ASF would have a greater positive impact on students from lower income backgrounds to support access to HE than on the general student population.
- ii. Sex: We do not have data that shows that the absence of an ASF product has a discriminatory effect by sex. However, the targeted student finance grants that are most likely to benefit female students, i.e., those for childcare support and caring responsibilities, are available to all students eligible for student loans, whether or not a loan is taken out, and these grants do not bear interest. The absence of a Sharia compliant student loan product is not, therefore, a barrier to accessing these grants providing the student is able to enter HE.
- iii. Ethnicity: The absence of a Sharia compliant student loan product principally has a negative impact on Muslims, and could therefore potentially be leading to a less diverse student population than if a Sharia compliant product was in place. ONS data³⁹ shows that 43% of Asians are Muslim, so it reasonable to assume that a proportion of students of Asian ethnicity will continue to be deterred from accessing HE by the absence of an ASF product.
- iv. Disability: We do not hold sufficient data to assess the impact of the lack of a Sharia compliant student loan product on students with a disability. However, Disabled Student's Allowance (DSA) is available to all students eligible for student loans, whether or not a loan is taken out, and DSA does not bear interest. The absence of ASF is not, therefore, a barrier to accessing this support providing the student is able to enter HE.

³³ [Who's studying in HE? | HESA](#)

³⁴ [Religion, England and Wales - Office for National Statistics \(ons.gov.uk\)](#)

³⁵ [Higher education policy statement & reform consultation equality analysis \(publishing.service.gov.uk\)](#)

³⁶ [Higher education policy statement & reform consultation equality analysis \(publishing.service.gov.uk\)](#)

³⁷ [Income distribution - GOV.UK Ethnicity facts and figures \(ethnicity-facts-figures.service.gov.uk\)](#)

³⁸ [Economic activity status and sector of workers, by ethnicity, disability, marital status and religion, UK: 2021 to 2022 - Office for National Statistics \(ons.gov.uk\)](#)

³⁹ [Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](#)

- v. Religion: The lack of a Sharia compliant student loan product has a negative impact on some prospective students of Islamic faith. While we know that a number of students are being prevented from undertaking HE due to the lack of a Sharia-compliant funding mechanism, it is not possible to provide a quantitative estimate of the numbers affected. However, a survey conducted by Muslim Census has suggested that around 6,000 potential Muslim students per year may be in this position⁴⁰.

⁴⁰ A survey by Muslim Census estimated that 'more than 6,000 potential students per annum are forgoing a university education, and close to 6,000 forced to self fund'. Source: [Levelling Up Unequal Access to University Education \(muslimcensus.co.uk\)](https://www.muslimcensus.co.uk/leveling-up-unequal-access-to-university-education)

Annex A: Protected characteristics of Level 4 to 6 Learners by level and mode of study

Table A1: L4-L6 number of entrants across all modes of study

2020/21 TOTAL STUDENT COHORT (L4-L6 all modes of study). N = 607,000 new entrants		
	L4/L5 Entrants (142,000)	L6 Entrants (465,000)
Mode of Study		
<i>PT</i>	27%	13%
<i>FT</i>	31%	83%
<i>Apprenticeships</i>	41%	4%
Age Group		
<i>18 and under</i>	9%	39%
<i>19-20 years</i>	10%	22%
<i>21-24 years</i>	14%	12%
<i>25-29 years</i>	16%	8%
<i>30 years and over</i>	52%	19%
<i>Unknown</i>	0%	0%
Disability		
<i>No known disability</i>	87%	83%
<i>Self-Reported Disability</i>	13%	17%
Sex		
<i>Female</i>	60%	59%
<i>Male</i>	40%	41%
Ethnicity		
<i>Asian</i>	8%	14%
<i>Black</i>	6%	10%
<i>Mixed</i>	3%	5%
<i>Other</i>	1%	2%
<i>Unknown</i>	2%	2%
<i>White</i>	79%	68%

Source: Higher Level Learners data⁴¹

⁴¹ Entrants are defined as the total number on students on a level 4 to 6 qualification who are in their first year of study. [Higher Level Learners in England, Academic Year 2020/21 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)

Table A2: L4-L6 number of entrants across all part-time study

2020/21 PART-TIME STUDENT COHORT		
	L4/L5 Entrants	L6 Entrants
Age Group		
<i>18 and under</i>	8%	3%
<i>19-20 years</i>	9%	7%
<i>21-24 years</i>	13%	19%
<i>25-29 years</i>	15%	21%
<i>30 years and over</i>	55%	50%
Disability		
<i>No known disability</i>	86%	82%
<i>Self-Reported Disability</i>	14%	18%
Sex		
<i>Female</i>	62%	66%
<i>Male</i>	38%	34%
Ethnicity		
<i>Asian</i>	9%	7%
<i>Black</i>	5%	6%
<i>Mixed</i>	3%	4%
<i>Other</i>	1%	1%
<i>Unknown</i>	3%	3%
<i>White</i>	79%	81%

Source: Higher Level Learners data⁴²

Note: % figures correspond to the percentage of learners within a particular sub-category of the relevant protected characteristics as a percentage of the total cohort, i.e., 14% of all level 4 and 5 entrants for 2020/21 have a self-reported disability.

⁴² Entrants are defined as the total number on students on a level 4 to 6 qualification who are in their first year of study. [Higher Level Learners in England, Academic Year 2020/21 – Explore education statistics – GOV.UK \(explore-education-statistics.service.gov.uk\)](https://www.gov.uk/explore-education-statistics)



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