

Research Briefing

12 March 2024

By Joe Lewis,  
Paul Bolton

# The Lifelong Learning Entitlement



## Summary

- 1 Background
- 2 The Lifelong Learning Entitlement
- 3 Related legislation
- 4 Reaction
- 5 Commentary

### Image Credits

CC0 1.0 Universal (CC0 1.0) Public Domain Dedication (no copyright required)

### Disclaimer

The Commons Library does not intend the information in our research publications and briefings to address the specific circumstances of any particular individual. We have published it to support the work of MPs. You should not rely upon it as legal or professional advice, or as a substitute for it. We do not accept any liability whatsoever for any errors, omissions or misstatements contained herein. You should consult a suitably qualified professional if you require specific advice or information. Read our briefing [‘Legal help: where to go and how to pay’](#) for further information about sources of legal advice and help. This information is provided subject to the conditions of the Open Parliament Licence.

### Sources and subscriptions for MPs and staff

We try to use sources in our research that everyone can access, but sometimes only information that exists behind a paywall or via a subscription is available. We provide access to many online subscriptions to MPs and parliamentary staff, please contact [hoclibraryonline@parliament.uk](mailto:hoclibraryonline@parliament.uk) or visit [commonslibrary.parliament.uk/resources](https://commonslibrary.parliament.uk/resources) for more information.

### Feedback

Every effort is made to ensure that the information contained in these publicly available briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated to reflect subsequent changes.

If you have any comments on our briefings please email [papers@parliament.uk](mailto:papers@parliament.uk). Please note that authors are not always able to engage in discussions with members of the public who express opinions about the content of our research, although we will carefully consider and correct any factual errors.

You can read our feedback and complaints policy and our editorial policy at [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk). If you have general questions about the work of the House of Commons email [hcenquiries@parliament.uk](mailto:hcenquiries@parliament.uk).

# Contents

<b>Summary</b>	<b>4</b>
<b>1 Background</b>	<b>7</b>
1.1 The current student loans system	7
1.2 Sub-degree, short course, and part-time student numbers	10
1.3 Review of post-18 education and funding	13
1.4 Skills for Jobs white paper	16
1.5 2022 consultation	17
<b>2 The Lifelong Learning Entitlement</b>	<b>20</b>
2.1 Summary	20
2.2 Eligibility and entitlement	22
2.3 Personal accounts and loan repayments	25
2.4 Credits	27
2.5 Regulatory approach to providers and modules	28
<b>3 Related legislation</b>	<b>31</b>
3.1 Lifelong Learning (Higher Education Fee Limits) Act 2023	31
3.2 Skills and Post-16 Education Act 2022	34
<b>4 Reaction</b>	<b>35</b>
4.1 Education sector	35
<b>5 Commentary</b>	<b>39</b>
5.1 Impact assessment and equality analysis	39
5.2 Demand for the LLE	42
5.3 Regulatory and administrative burden	46
5.4 Cost to providers	47
5.5 Communication of the LLE	50
5.6 Further reading	51

## Summary

### What is the Lifelong Learning Entitlement?

From 2025, the [Lifelong Learning Entitlement](#) (LLE – previously known as the Lifelong Loan Entitlement) will start to replace the two existing systems of publicly funded higher education student finance loans and Advanced Learner Loans in England. The Government believes the introduction of the LLE will deliver a “[radical shift](#)” in the tertiary education system, by unifying the student finance systems for further and higher education courses at [levels 4, 5, and 6](#).

The LLE will provide all new learners with a tuition fee loan entitlement to the equivalent of four years of post-18 education to use up to the age of 60. This would be £37,000 in current fees. Additional entitlement will be available for priority subjects, such as medicine. A “[residual entitlement](#)” will also be available to returning eligible learners who have already received publicly funded student finance.

For all courses and modules the LLE funds, eligible learners will also be able to access maintenance loans towards their living costs, as well as targeted grants depending on their personal circumstances. Learners will have an online personal account they can access throughout their life that will display their student finance LLE ‘balance’ as well as information, guidance, and details of eligible courses the LLE will fund.

The LLE is intended to be used flexibly, for full-time or part-time study of modules (comprising of at least [30 credits](#), whether individual or bundled together) or full qualifications at [levels 4 to 6](#) in colleges or universities. Through provisions in the [Lifelong Learning \(Higher Education Fee Limits\) Act 2023](#), traditional degree courses, short courses, and modules will be priced consistently according to their respective amount of learning.

To increase flexibility for people using their LLE to retrain, current restrictions on receiving funding for most courses at an equivalent or lower level to a qualification a student already holds will be removed.

## Background to the Lifelong Learning Entitlement

On 29 September 2020, the then-Prime Minister, Boris Johnson, gave a [speech at Exeter College in which he announced a new Lifetime Skills Guarantee](#) that would give people the opportunity to train and retrain throughout their lives.

More detail on this guarantee was included in chapter three of the Government white paper [Skills for jobs: Lifelong learning for opportunity and growth](#), which was published in January 2021. The white paper set out reforms to post-16 technical education and training that the Government hoped would support people to develop the skills needed to get good jobs and improve national productivity.

On 24 February 2022, the Government [concluded a review of post-18 education and funding](#). Alongside policies and proposals for consultation relating to student finance and student loan repayment terms, the Government launched a [consultation on what was then referred to as the Lifelong Loan Entitlement](#).

The Government [published its response to the consultation](#) in March 2023, setting out how the LLE will work in practice and outlining next steps ahead of its roll-out from 2025. It also published an [impact assessment, equalities analysis](#), and a [written ministerial statement](#). Since then it has published a new [policy paper on the LLE](#).

## Reaction

The planned removal of ELQ restrictions and the expansion of maintenance support for living costs to [level 4 and 5 qualifications](#) was welcomed by many across the education and employment sectors as an important way to ensure learners could access funding to retrain, develop their careers, and fill skills gaps in the economy.

The Chief Executive of the Association of Colleges (AoC), David Hughes, [welcomed the LLE as a potential “game changer”](#). However, he argued modular learning needs to become more mainstream, and the LLE alone would not change the behaviours and priorities of most learners focussed on achieving a traditional undergraduate degree.

The decision to cap eligibility for the LLE at age 60 has been [described as an “ageist strategy”](#), while there have been [calls for more funding](#) to ensure learners can stay in their studies and not leave because of financial reasons and so providers can adapt courses for modular learning.

## Commentary

According to the [impact assessment](#) published alongside the Government's consultation response, it is not possible to develop a fully quantified assessment of the LLE because of current uncertainty around the likely response of learners and providers, and because some policy decisions have yet to be made. The Government has said a more detailed assessment will be published when it has laid the secondary legislation needed to implement the LLE fully.

There have been questions asked about how much demand there is for lifelong learning and the principle of funding it through government-backed tuition fee loans. [Polling by Public First](#), a public policy and data consultancy, found older workers and people outside of London would be less likely than other groups to want to take out a student loan to cover tuition fees.

In December 2021, the Office for Students and the Department for Education [announced a trial to test demand for short courses](#) and to assess what impact the availability of loan funding would have on participation. While it was intended that just over 100 courses were to be available to more than 2,000 students during the 2022-23 academic year, [only 17 courses were ultimately launched because of insufficient demand](#). There was a total of 125 student enrolments, with just 41 taking out a new student loan to fund their course.

# 1 Background

## 1.1 The current student loans system

The [Teaching and Higher Education Act 1998](#) gave the Secretary of State the power to make regulations about student support and issue loans and grants to further and higher education students.<sup>1</sup>

The current higher education student finance system is mainly designed with three-year undergraduate degrees in mind, for which tuition fee and maintenance loans are available. Advanced Learner Loans are also available towards the tuition fees of courses not covered by student finance.

### Higher education student finance

Currently, students enrolled on ‘designated courses’ at levels 4 to 6 can access higher education student finance. Courses are designated under regulations 5 or 139 and Schedule 2 of the [Education \(Student Support\) Regulations 2011](#), which are made under the [Teaching and Higher Education Act 1998](#).<sup>2</sup>

#### What are qualification levels?

Most qualifications in England have a difficulty level. The higher the level, the more difficult the qualification is. Higher education qualifications begin at level 4 and run to level 8.

Below are some examples of different higher education qualifications and their level:

- Level 4: Higher National Certificate (HNC)
- Level 5: Higher National Diploma (HND), Diploma of Higher Education (DipHE)
- Level 6: Bachelor’s degree with honours (eg. BA (Hons), BSc (Hons))
- Level 7: Master’s degree (eg. MA, MSc), Postgraduate Certificate in Education (PGCE)

<sup>1</sup> [Teaching and Higher Education Act 1998](#), Section 22

<sup>2</sup> [Teaching and Higher Education Act 1998; The Education \(Student Support\) Regulations 2011](#), Regulations 5, 139 and Schedule 2

- Level 8: Doctorate (eg. a PhD/DPhil, DClInPsy)

More information is available at GOV.UK, [What qualification levels mean](#).

Designated courses include foundation degrees, higher nationals (HNDs and HNCs), certificates/diplomas of higher education (CertHE/DipHe), and undergraduate degrees.

Eligible students studying at Approved (Fee cap) providers can get a tuition fee loan to cover all their fees (see section 3.3 below).

In addition to tuition fee loans, students may be eligible for maintenance loans to help cover their living costs. These are dependent on household income, living arrangements while studying, and age. In 2023/24, maximum annual loans are:

- Living at home: up to £8,400.
- Living away from home, outside London: up to £9,978.
- Living away from home, in London: up to £13,022.
- Spending a year of a UK course studying abroad: up to £11,427.
- 60 or over at the start of a course: £4,221.<sup>3</sup>

Additional grants are also available to eligible students depending on their personal circumstances, for example if they are disabled or have children. While loans must be repaid when graduates start earning a certain amount, grants do not have to be repaid.

Currently, almost £20 billion is loaned to around 1.5 million higher education students in England each year. The value of outstanding student loans at the end of March 2022 reached £182 billion and is forecast to reach around £460 billion (in 2021-22 prices) by the mid-2040s. Full-time students starting a three-year degree in 2022/23 are expected to take out an average of £47,500 over the course of their studies.<sup>4</sup>

More information is available in the Commons Library briefing on [student support for undergraduates across the UK](#), with a separate briefing on [student loan statistics](#). The Commons Library Insight series [Student finance explained](#) also has information on the finance system in England.<sup>5</sup>

---

<sup>3</sup> GOV.UK, [Student finance for undergraduates](#)

<sup>4</sup> Department for Education, [Student loan forecasts for England 2021-22](#)

<sup>5</sup> Commons Library briefing CBP-8237, [Student support for undergraduates across the UK](#). Commons Library briefing CBP-1079, [Student loan statistics](#). Commons Library Insight series, [Student finance explained](#), 15 September 2021

## Advanced learner loans

[Advanced Learner Loans](#) (ALLs) were introduced in 2013/14 for students aged 24 and older on full level 3 and level 4 courses. Today, students aged 19 and over studying ‘non-designated courses’, such as diplomas, certificates, and awards in a wide range of vocational areas from levels 4 to 6, can access ALLs for support with tuition fees. These loans are also available for approved qualifications at level 3.

A qualification must be regulated by Ofqual (or the Quality Assurance Agency QAA if a level 3 Access to HE Diploma) and meet Education and Skills Funding Agency (ESFA) funding approval criteria to be eligible for ALLs funding.

The maximum loan amounts depend on the qualification type, size, and subject, ranging from £300 to £11,356.<sup>6</sup> Students can choose the amount they want to borrow up to the maximum available (the minimum available is £300). This is then put towards the fees charged by the provider. Providers may charge more than the maximum loan available.

Students cannot access maintenance loans for these courses, but there is a bursary fund to help pay for things such as:

- accommodation and travel
- course materials and equipment
- childcare
- classroom assistance for a disability or learning difficulty.

Repayment terms for these loans are the same as for current higher education undergraduate student loans. ALLs used to fund Access to Higher Education Diplomas are written off if the student goes on to complete a higher education course.

The table below gives trends in take-up. Uptake of ALLs has fallen since 2016/17 with a 60% fall in loans taken out for level 3 courses. The number taking out ALLs for level 4 or higher courses has been in the 9,000-10,000 range from 2016/17 to 2021/22, but fell to 8,000 in 2022/23. The total value of loans awarded fell by 54% in cash terms between academic year 2016/17 and 2022/23.

To put these figures in context 1.3 million English undergraduate students took out student loans in England in 2022/23 with a total value of £18.4 billion.<sup>7</sup>

---

<sup>6</sup> There are some exceptions where higher amounts are available for courses that are included in the [Dance and Drama Awards scheme](#)

<sup>7</sup> [Student Support for Higher Education in England 2023](#), SLC

## Advanced learner loan take-up, England

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Number of learners with loans</i>									
Level 3	70,700	89,000	110,200	99,500	97,600	86,400	76,900	57,300	43,700
Level 4+	4,800	6,300	9,100	9,900	10,300	9,900	10,000	9,000	8,200
<b>Total</b>	<b>75,400</b>	<b>95,000</b>	<b>119,000</b>	<b>109,000</b>	<b>107,300</b>	<b>95,800</b>	<b>86,200</b>	<b>65,800</b>	<b>51,400</b>
<i>Value of loans awarded</i>									
(£ million)	148.8	195.2	236.2	208.0	200.3	182.4	166.9	130.4	109.2

Source: DfE, [Further education and skills 2023/24](#)

## 1.2 Sub-degree, short course, and part-time student numbers

Undergraduate education in the UK is dominated by first degrees (bachelor's degrees at level 6), which are mainly taken full-time. It also includes other 'sub-degree' courses at level 4, such as Higher National Certificates (HNCs), and level 5, such as Higher National Diplomas (HNDs) and foundation degrees. Some students also study on institutional credit courses, which, rather than separate qualifications, are stand-alone, bite-sized modules of study covering a wide range of short-term learning.

### Contrasting trends in first degree and 'other undergraduate' course numbers

Publication of data on higher education students in academic year 2022/23 has been delayed. This is connected with the introduction of a new data collection system. The latest published statistics at the time of writing are for academic year 2021/22.

In 2021/22, just over half a million UK students started undergraduate courses at English higher education institutions. Nearly 90% were on first degree courses. Of the remaining 12%, just over 12,000 students started foundation degrees in 2021/22, around 7,000 started Higher National Certificates (HNCs) or Higher National Diplomas (HNDs), and almost 20,000 were on institutional credit courses.

The following table gives a breakdown of the different types of undergraduate courses in recent years.

## Entrants to undergraduate courses in England

First year home students at English higher education institutions

	2017/18	2018/19	2019/20	2020/21	2021/22	% of total in '21/22
First degree	401,860	406,985	420,805	460,075	466,780	88%
Other courses	76,605	69,770	59,355	67,115	62,705	12%
Foundation degree	13,800	14,715	12,650	12,925	12,225	2%
HNC/HND	11,535	8,570	7,285	7,825	6,955	1%
Institutional credit	24,825	24,100	18,870	20,440	19,880	4%
Other	26,445	22,385	20,545	25,920	23,650	4%
<b>Total</b>	<b>478,465</b>	<b>476,755</b>	<b>480,160</b>	<b>527,190</b>	<b>529,485</b>	<b>100%</b>

Source: HESA, [HE Student data: Who is studying in HE](#) (figure 3)

The numbers of students starting on these other (non-first degree) undergraduate courses have fallen by 72% between 2008/09 and 2019/20 and have recovered only slightly since then. In contrast the number of students starting first degrees increased by 23% between 2009/10 and 2020/21.<sup>8</sup>

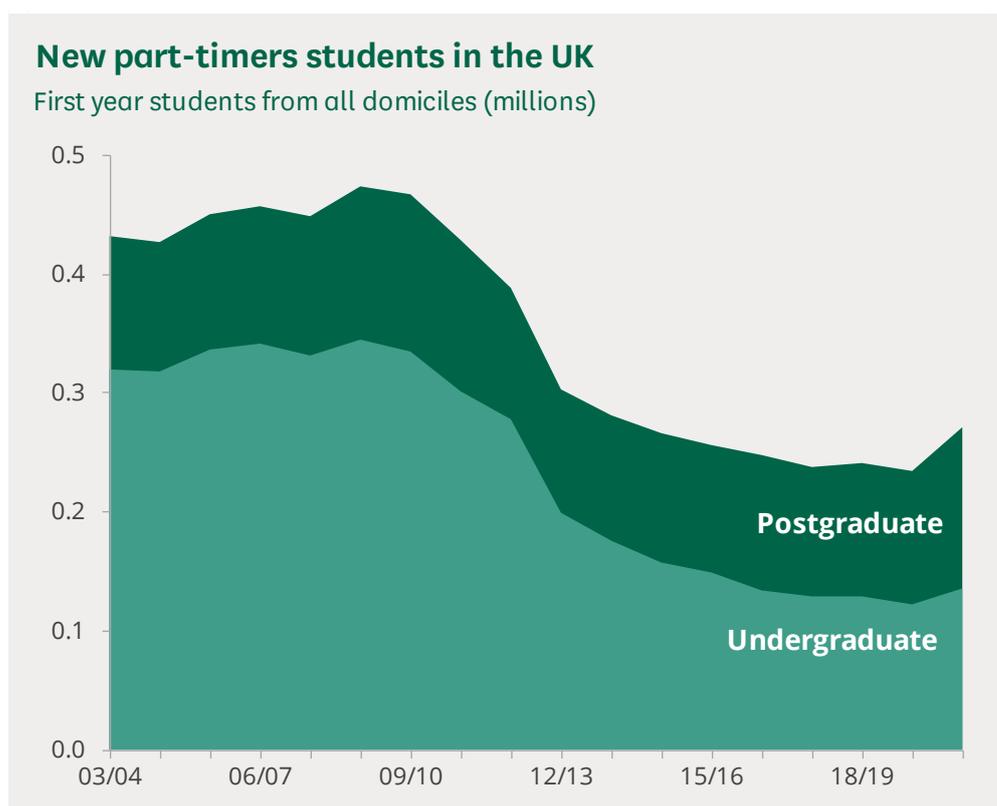
In 2014, the former higher education funding council, while commenting on the decline in other undergraduate study, said “Higher education institutions appear to be exiting the market for study below degree level and focussing their undergraduate provision around degree courses.”<sup>9</sup>

## Part-time higher education students

Most students on other undergraduate courses study part time. Total part-time student numbers also fell substantially in the decade from the late 2000s; there was a 50% fall in entrants between 2008/09 and 2019/20. The following charts show this change was driven by the fall in part-time undergraduates.

<sup>8</sup> These data are for all entrants, not just UK students. The Higher Education Statistics Agency now includes alternative (‘private’) higher education providers so direct comparisons cannot be made between the latest data for 2021/22 and figures from before 2014/15. HESA, [Higher Education Student Statistics: UK, 2021/21](#) (and earlier)

<sup>9</sup> HEFCE, [Pressure from all sides: Economic and policy influences on part-time higher education, April 2014](#) (PDF)



Source: HESA, [Higher Education Student Statistics: UK, 2021/21](#) (and earlier)

The Library briefing on [higher education student numbers](#) gives further information on overall trends in student numbers. More detail on part-time students is given in the briefing on [part-time undergraduate students in England](#).

## Further education students at level 4 and higher

In 2022/23 there were almost 265,000 adult learners in England on further education and skills courses at level 4<sup>10</sup> or higher. Their numbers have increased rapidly from just over 36,000 in 2013/14. This contrasted with overall numbers of learners in adult further education skills which, despite some recent increases, fell by almost 800,000 over the same period.<sup>11</sup>

The growth in learners at level 4 or higher was due to increases in those taking higher level apprenticeships. Their number increased from just over 17,000 in 2013/14 to 253,000 in 2022/23. The number on classroom-based education and training courses at level 4 or higher was 13,000 in 2022/23. There was a rapid fall in their numbers between 2012/13 and 2014/15, some recovery in the late 2010s, before further falls in recent years. The 2022/23 figure was 62% below the 2012/13 level.<sup>12</sup> Trends are illustrated below.

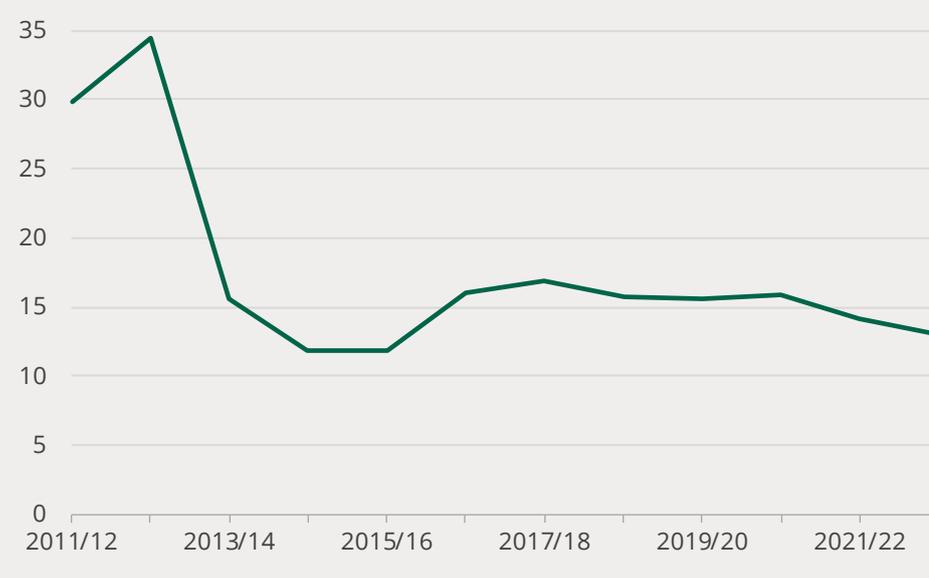
<sup>10</sup> Level 4 is equivalent to a higher national certificate (HNC), higher apprenticeship, level 4 NVQ etc.

<sup>11</sup> DfE, [Further education and skills 2023/24](#) (and earlier)

<sup>12</sup> DfE, [Further education and skills 2023/24](#) (and earlier)

## Adult participation in education and training at level 4+ fell by almost two-thirds in early 2010s

Thousands. Learner volumes in England



Source: DfE, [Further education and skills 2023/24](#) (and earlier)

## 1.3

## Review of post-18 education and funding

In February 2018, the then-Prime Minister, Theresa May, [announced a wide-ranging review of post-18 education and funding](#). The review aimed to create a joined-up post-18 education system, which would facilitate life-long learning, increase value for money, and break down “false boundaries” between further and higher education.<sup>13</sup> It was to focus on choice, value for money, access, and skills provision.

The announcement of the review is discussed in the Library briefing [The forthcoming review of post-18 education and funding](#).<sup>14</sup>

### The independent panel report (Augar report)

The review was informed by independent advice from a panel comprising five members from across post-18 education. The [independent panel report](#) (or Augar report, named after the panel’s chair Philip Augar) was published on 30 May 2019.<sup>15</sup>

<sup>13</sup> Department for Education, [Prime Minister launches major review of post-18 education](#), 19 February 2018

<sup>14</sup> Commons Library briefing CBP-8490, [The forthcoming review of post-18 education and funding](#)

<sup>15</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019

The report characterised post-18 education in England as a “story of both care and neglect.”<sup>16</sup> It proposed a rebalancing of priorities and funding between the higher education sector and the rest of the post-18 education system, which had experienced “a loss of status and prestige amongst learners, employers and the public at large.”<sup>17</sup>

The report contained 53 recommendations on the future structure and funding of the sector. Chapter two made the case for flexible learning at level 4 and above. It argued a core principle of any future post-18 education system should be that individuals can access a higher education loan allowance over a lifetime.<sup>18</sup>

Three of the report’s recommendations concerned lifelong learning.<sup>19</sup> Recommendation 2.1 said:

The Government should introduce a single lifelong learning loan allowance for tuition loans at Levels 4, 5 and 6, available for adults aged 18 or over, without a publicly funded degree. This should be set, as it is now, as a financial amount equivalent to four years’ full time undergraduate degree funding – to increase flexibility and lifetime learning.<sup>20</sup>

The report also highlighted ‘credits’ as an established method of quantifying and recognising learning and said they should be used to allow students to access funding for individual modules. Recommendation 2.2 said:

Learners should be able to access student finance for tuition fee and maintenance support for modules of credit-based Level 4, 5 and 6 qualifications.<sup>21</sup>

Finally, the report recommended “equivalent or lower qualification (ELQ) rules”, which prevent most students from receiving student finance for a qualification at the same or lower level to one they hold, should be scrapped for those taking out loans for levels 4, 5, and 6.

---

<sup>16</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p5.

<sup>17</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p5.

<sup>18</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, pp38-44.

<sup>19</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, pp38-42.

<sup>20</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p40.

<sup>21</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p39

## What are credits?

Credits are currently used by most providers in higher and further education to measure the amount of learning a student would be expected to do to complete a programme of study. They also signal the complexity and intellectual demand of a programme.

The Quality Assurance Agency for Higher Education (QAA), which has [published guidance on credits in England](#), considers one credit to be generally equal to ten hours of notional learning.<sup>22</sup> This learning time does not just include formal classes, but also private study and the completion of coursework and exams.

Higher education courses are generally composed of several individual modules or units. Credits are assigned to each module, and students accumulate credits and modules towards the total required for a qualification. For example, according to the [QAA credit framework](#):

- A taught master's degree (eg. MA, MSc) is worth 180 credits;
- A bachelor's degree with honours (eg. BA (Hons)) is worth 360 credits;
- A foundation degree is worth 240 credits;
- A higher National Certificate (HNC) is worth 120 credits.<sup>23</sup>

This understanding of credits is also reflected in the Office for Students' registration condition for higher education providers on [sector-recognised standards](#) (PDF).<sup>24</sup>

The independent panel report is discussed in the Library briefing on [the Post-18 Education Review \(the Augar Review\) recommendations](#).<sup>25</sup>

## Interim conclusion

On 21 January 2021, the Government published an [interim conclusion of the review](#), which contained commitments to implementing some of the recommendations made by the independent panel report.<sup>26</sup>

Among the main policies announced, the Government committed to:

---

<sup>22</sup> QAA, [Credit framework for England](#)

<sup>23</sup> QAA, [Higher Education Credit Framework for England: Advice on Academic Credit Arrangements](#) (PDF), May 2021, p8

<sup>24</sup> Office for Students, [Sector-recognised standards](#) (PDF), May 2022, pp3-4

<sup>25</sup> Commons Library briefing CBP-8577, [The Post-18 Education Review \(the Augar Review\) recommendations](#)

<sup>26</sup> Department for Education, [Interim Conclusion of the Review of Post18 Education and Funding, January 2021](#), 21 January 2021

- A lifelong loan entitlement giving individuals access to the equivalent of four years of post-18 education from 2025.
- The modularisation of higher education “to provide a truly flexible system that provides more opportunity for upskilling throughout people’s careers.”<sup>27</sup>

## Conclusion of the review: policies and proposals for consultation

On 24 February 2022, the Government concluded its review of post-18 education and funding.<sup>28</sup> Alongside policies and proposals for consultation relating to student finance and student loan repayment terms,<sup>29</sup> the Government launched a consultation on the [Lifelong Loan Entitlement](#).<sup>30</sup>

The consultation set out the Government’s intent on wider aspects of Lifelong Loan Entitlement policy, seeking views on its ambition, objectives, and coverage. The Government closed the consultation on 6 May 2022. More information is available below in section 1.5.

## 1.4

## Skills for Jobs white paper

On 29 September 2020, the then-Prime Minister, Boris Johnson, gave a [speech at Exeter College in which he announced a new Lifetime Skills Guarantee](#), to give people the opportunity to train and retrain throughout their lives.<sup>31</sup> A Lifelong Loan Entitlement was to be an important part of this guarantee. The then-Prime Minister said:

we’ll expand and transform the funding system so it’s as easy to get a loan for a higher technical course as for a university degree, and we’ll enable FE colleges to access funding on the same terms as our most famous universities;

and we’ll give everyone a flexible lifelong loan entitlement to four years of post-18 education — so adults will be able to retrain with high level technical courses, instead of being trapped in unemployment.”<sup>32</sup>

More detail on this guarantee was included in chapter 3 of the Government white paper [Skills for jobs: Lifelong learning for opportunity and growth](#), which was published in January 2021. The white paper set out a number of

---

<sup>27</sup> Department for Education, [Interim Conclusion of the Review of Post18 Education and Funding, January 2021](#), 21 January 2021, p4

<sup>28</sup> Commons Library briefing CBP-9348, [The Post-18 Education and Funding Review: Government conclusion](#)

<sup>29</sup> Department for Education, [Higher education policy statement and reform consultation](#), 24 February 2022

<sup>30</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022

<sup>31</sup> Prime Minister, [PM’s skills speech](#), 29 September 2020

<sup>32</sup> Prime Minister, [PM’s skills speech](#), 29 September 2020

reforms to post-16 technical education and training the Government hoped will support people to develop the skills needed to get good jobs and improve national productivity.<sup>33</sup>

On the Lifetime Skills Guarantee, the Government said:

Our Lifetime Skills Guarantee will ensure that no matter where you start from, or what your circumstances, there will be a flexible, high-quality technical education route available to you, at different points throughout your life, supported by the trusted careers information you need to choose the option that is best for you.<sup>34</sup>

The white paper then set out the Government's plans to achieve this ambition, including measures related to the Lifelong Loan Entitlement, encouraging modular provision of higher education, and the use of credits. It said the Government will:

- implement the flexible Lifelong Loan Entitlement to the equivalent of four years of post-18 education from 2025;
- stimulate the provision of high-quality higher technical education (levels 4 and 5) as a pathway towards the Lifelong Loan Entitlement;
- introduce pilots to stimulate higher technical education and incentivise more flexible and modular provision; and
- determine how best to stimulate credit transfer between institutions and courses.<sup>35</sup>

## 1.5

## 2022 consultation

On 24 February 2022, the Government launched a consultation on the [Lifelong Loan Entitlement \(LLE\)](#), seeking views on its ambition, objectives, and coverage.<sup>36</sup>

In the consultation document, the Government said it wanted the LLE to replace the current student finance systems, because they do not allow individuals to study flexibly at levels 4 to 6, either by studying individual modules or by topping up previous study at lower levels.<sup>37</sup> It also said there needed to be more opportunities for adults to upskill and retrain later in their

---

<sup>33</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021

<sup>34</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021, p39

<sup>35</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021, p39

<sup>36</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022

<sup>37</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, p14.

working life, to encourage career and wage progression and help address employer demands for higher level technical skills.<sup>38</sup>

The Government said it hoped, through the LLE, people would be able to access funding and learning opportunities flexibly, “as and when they need it”.<sup>39</sup> To do this, the Government proposed lifelong learning accounts. The consultation document explained people would be able to sign up for an account and log in online. Like a bank account, these accounts would show an individual’s learning “balance”, including how much entitlement they have used and how much entitlement they still have available.

## What were Individual Learning Accounts?

In 2000, the Labour government launched the Individual Learning Account (ILA) scheme. Through this scheme, individuals aged 19 and above were eligible for a Government subsidy of £200 for certain educational courses priced at £250, particularly Maths and IT courses. Essentially, learners could receive £250 worth of training for £50.<sup>40</sup>

The aim of ILA was to widen participation and overcome the financial barriers that prevent some from studying further. Like the LLE, ILAs were promoted as an opportunity for upskilling, with individuals encouraged to update their skills in response to the demands of the labour market.<sup>41</sup>

The scheme ended in November 2001 after a combination of overspend and a lack of oversight leading to its exploitation.<sup>42</sup> More information about the scheme and its withdrawal is available in a [report published by the Education and Skills Select Committee in 2022](#).<sup>43</sup>

The consultation document also said the Government believed the current system of maintenance support is skewed towards young students, with entitlement determined by their family income. The Government said it expects the LLE will result in study being opened to a wider range of individuals, because the associated flexibility will better accommodate part-time study and older individuals looking to build on existing knowledge and skills.<sup>44</sup>

---

<sup>38</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, pp15-17.

<sup>39</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, p8.

<sup>40</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002

<sup>41</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002

<sup>42</sup> “[Frauds scuttle adult learning scheme](#)”, The Guardian, 25 October 2001 (accessed 13 February 2022)

<sup>43</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002

<sup>44</sup> Department for Education, [Lifelong Loan Entitlement Consultation](#), 24 February 2022, p39

There were 1,253 responses to the consultation. The majority of responses were provided by individuals (914). 76 universities also provided responses, as did colleges, unions, sector bodies, and education and training providers.<sup>45</sup>

The Government responded to its consultation in March 2023.<sup>46</sup>

---

<sup>45</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p6

<sup>46</sup> Department for Education, [Lifelong Loan Entitlement: Government consultation response](#), 7 March 2023

---

## 2 The Lifelong Learning Entitlement

### 2.1 Summary

From 2025, the Lifelong Learning Entitlement (LLE – previously known as the Lifelong Loan Entitlement) will start to replace the two existing systems of publicly funded higher education student finance loans and Advanced Learner Loans.

The Government believes the introduction of the LLE will deliver a “radical shift” in the tertiary education system, by unifying the student finance systems for further and higher education courses at [levels 4, 5, and 6](#).<sup>47</sup> It will provide all new learners with a tuition fee loan entitlement to the equivalent of four years of post-18 education to use up to the age of 60. This would be £37,000 in current fees. Additional entitlement will be available for priority subjects, such as medicine. A “[residual entitlement](#)” will also be available to returning eligible learners who have already received publicly funded student finance.

The LLE is intended to be used flexibly, for full-time or part-time study of modules (comprising of at least [30 credits](#), whether individual or bundled together) or full qualifications at [levels 4 to 6](#) in colleges or universities. Through provisions in the [Lifelong Learning \(Higher Education Fee Limits\) Act](#), traditional degree courses, short courses, and modules will be priced consistently according to their respective amount of learning.

Learners will have an online personal account they can access throughout their life that will display their student finance LLE ‘balance’ as well as information, guidance, and details of eligible courses the LLE will fund. For all courses and modules the LLE funds, eligible learners will also be able to access maintenance loans towards their living costs, as well as targeted grants depending on their personal circumstances.

To increase flexibility for people using their LLE to retrain, current restrictions on receiving funding for most courses at an equivalent or lower level to a qualification a student already holds will be removed.

Alongside its [March 2023 response to the LLE consultation](#), the Department for Education has also published an [impact assessment](#), an [equalities](#)

---

<sup>47</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023

[analysis](#), and a [written ministerial statement](#).<sup>48</sup> In September 2023, it published a [new policy paper](#) (updated February 2024) as well as a [blog post summarising the LLE](#).<sup>49</sup>

## Next steps

- The roll-out of the LLE will include:
  - From 2025, full courses formerly funded by the higher education student finance system.
  - From 2025, full courses formerly funded through Advanced Learner Loans that can demonstrate learner demand and employer endorsement.
  - From 2025, modules of some “job-specific” technical qualifications at [levels 4 and 5](#), including [Higher Technical Qualifications](#).
  - From 2026, some new qualifications may be approved through the ‘qualifications gateway’ (an approval process that allows qualifications to access LLE funding).
  - From 2027, loan funding for new students at level 4 to 6 will be entirely through the LLE and will only be available for courses delivered by providers registered with the Office for Students (OfS), the higher education regulator in England.<sup>50</sup>
- In spring 2024, the Department for Education will launch a technical consultation on the wider expansion of modular funding and lay secondary legislation covering the fee limits for the LLE in Parliament.
- In autumn 2024, it will lay the secondary legislation that will set out the rest of the LLE funding system in Parliament.
- In spring 2025, the LLE personal account will be launched for learners.
- In autumn 2025, the Department for Education will launch the qualification gateway.
- The Office for Students (OfS) will consult “in due course” on the development and introduction of a new third registration category for providers offering LLE-funded course and modules.<sup>51</sup>

---

<sup>48</sup> Department for Education, [Lifelong Loan Entitlement: Government consultation response](#), 7 March 2023

<sup>49</sup> Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024; DfE blog, [How we are transforming student finance with the Lifelong Learning Entitlement](#), 19 September 2023

<sup>50</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p13

<sup>51</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p26

## 2.2

## Eligibility and entitlement

The LLE will provide all new learners with a tuition loan entitlement to the equivalent of four years of post-18 education to use up to the age of 60. This would be £37,000 in current fees. The Government provided more detail in its consultation response and policy document:

- A “residual entitlement” will be available to returning eligible learners and based on the amount of publicly funded student finance they received. For example, someone who previously received funding for a three-year degree will still be entitled to one year’s worth of funding. More details on residual entitlement are available at the GOV.UK webpage [How much Lifelong Learning Entitlement you could get](#).
- Learners will be able to use their LLE on “designated” courses and modules. Additional entitlement will be available for some priority subjects and longer courses, such as medicine.
- The LLE will include a “compelling personal reasons” mechanism to ensure learners affected by circumstances beyond their control can complete their studies.
- Personal eligibility criteria will reflect existing rules on immigration status and residency.<sup>52</sup>
- LLE tuition loans will be available up to the age of 60. This is because the LLE is intended to be used to “retrain, upskill, and make a significant contribution to the economy” and to ensure funding is focussed on those most likely to repay their loans.<sup>53</sup> Learners who are over 60 may still qualify for maintenance support, though not a tuition fee loan.<sup>54</sup>

### Courses in scope of the LLE

From the start of the 2025/26 academic year, the LLE will fund:

- all full courses formerly funded by the higher education student finance system;
- all level 4 to 6 qualifications formerly funded through Advanced Learner Loans with evidence of learner demand and clear employer endorsement. A qualification’s purpose and outcome statements must

---

<sup>52</sup> See the Commons Library casework article series on eligibility for home fee status and student support in [England](#), [Wales](#), [Scotland](#), and [Northern Ireland](#)

<sup>53</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p9

<sup>54</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

also clearly support student progression into employment and/or higher education and training.<sup>55</sup>

For modular funding, the Government will take a phased approach. From the start of the 2025/26 academic year, new modular funding will be available for [Higher Technical Qualifications](#) (HTQs) and some level 4 and 5 technical qualifications currently funded through Advanced Learner Loans with “clear line of sight to an occupational map and evidence of employer demand.”<sup>56</sup>

From the 2027/28 academic year, funding will then be made available for modules of other “high-quality” courses at levels 4, 5, and 6, where the Government can be “confident of positive student outcomes”.<sup>57</sup> These courses must be delivered by providers registered with the Office for Students, which regulates higher education in England.<sup>58</sup>

Not all modules will attract funding and higher education providers will have autonomy on whether to ‘modularise’ a course or not. The Government’s consultation response says to access LLE funding, modules must meet the following broad set of criteria:

- They must be part of a designated full course (“parent course”), so students can stack them towards the achievement of full qualifications.
- They must have a single qualification level (level 4, 5, or 6) and credit value that is consistent with when the module appears in its full parent course.
- Modules must have a minimum size of 30 credits for funding purposes (a current academic year for an undergraduate degree generally comprises 120 credits). This can be achieved by “bundling” smaller modules together.
- To support credit transfer, modules must be assessed and come with a standardised transcript on completion. The Government will engage with providers and employers to ensure transcripts are fit for purpose.<sup>59</sup>

The Government will launch a technical consultation in 2024 specifying how it will determine how wider modules will be funded from the 2027/28 academic year.<sup>60</sup>

---

<sup>55</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p10

<sup>56</sup> Department for Education, [Higher Technical Qualification: An introduction](#), 10 January 2023; Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, pp12-13

<sup>57</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, pp13

<sup>58</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

<sup>59</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p14

<sup>60</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p13

## Qualification gateway

The qualification gateway will be the approval process to allow new qualifications to be approved for LLE funding.<sup>61</sup> It is separate from, but will operate alongside, the approvals process for Higher Technical Qualifications. The gateway will launch in September 2025 and the Department for Education has said further information will be published in summer 2024.

Qualifications approved through the gateway must be:

- level 4 to 6
- Ofqual regulated
- at least 30 credits
- occupational (but not necessarily employer-led or developed).<sup>62</sup>

## ELQ restrictions

An equivalent or lower qualification (ELQ) is a course taken by a student at the same level or a level below a qualification they already hold. For example, if a student has been awarded an undergraduate degree, such as a BA or BSc, studying for a further bachelor's degree would be an equivalent or lower qualification.

Currently, the student finance ELQ rules prevent most students from receiving student finance for a qualification at the same or lower level to one they hold. There are some ELQ exemptions, such as healthcare courses.

To increase flexibility for people to use their LLE on retraining, the Government has said it will remove the current restrictions on funding tuition fees for ELQ study.<sup>63</sup> For example, from 2025, someone who had previously received funding to study a history degree (level 6) will be entitled to student finance for a Higher Technical Qualification in Software Development (level 4 or 5).

## Maintenance support

For all courses and modules the LLE funds, eligible learners will be able to access maintenance loans towards their living costs, as well as targeted grants depending on their personal circumstances.<sup>64</sup> The new budget for

---

<sup>61</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

<sup>62</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

<sup>63</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p11

<sup>64</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p18

targeted grants will be agreed and set out at the next Spending Review, alongside further detail on the entitlements.

Under the LLE, distance learning courses will remain out of scope of maintenance support. The Government also noted: “Entitlements under the current system may be reviewed in some areas to ensure an expanded system remains affordable.”<sup>65</sup>

The LLE will not impact learners who are already [eligible for targeted support grants](#), such as the Disabled Students’ Allowance and the Childcare Grant.

## 2.3 Personal accounts and loan repayments

To enable learners to apply for funding through their LLE, the Government will provide them with a ‘personal account’. This will:

- allow learners to see their loan entitlement, in a similar way to a bank account “balance”;
- allow learners to apply for loan funding to cover tuition fees and living costs;
- allow learners to access information on their loan repayment balance;
- give learners information on all the courses and modules they can use their entitlement on; and
- give learners access to information and resources to help them decide how they spend their entitlement.<sup>66</sup>

Through “extensive user research and testing”, the Government will determine the best way to ensure the account is simple to use.<sup>67</sup>

### LLE repayments

For new students starting courses from 1 August 2023, student loans will be issued on new ‘Plan 5’ terms and conditions. Compared with plan 2, or post-2012, loans:

- the annual salary threshold at which student loans are repaid will be lowered to £25,000 and remain at this level until 2027;
- the repayment term of the student loan will be extended from 30 years to 40 years; and

---

<sup>65</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p18

<sup>66</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p22

<sup>67</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, pp23-24

- the maximum interest rate on student loans will be set at inflation only, as measured by the rate of the Retail Prices Index (RPI).<sup>68</sup>

Under the LLE, the write-off of loans for modules will be treated in the same way as loans for full courses and qualifications, meaning any outstanding balance after 40 years will be written off at no detriment to individual borrowers.<sup>69</sup>

## Sharia-compliant alternative student finance

Central to [Islamic finance](#) is the belief that money has no intrinsic value, but instead is simply a medium of exchange. Benefiting from lending money by charging interest or repaying more than the initial amount borrowed ('Riba') is consequently forbidden. The investments made by loan companies, which might be in industries such as gambling or alcohol, are also considered problematic.

For these reasons, Muslim students may be deterred from taking out student loans from the Government to cover the tuition fees and living costs associated with higher education. This can act as a barrier to higher education for Muslims or cause financial hardship for those who do choose to study at university.<sup>70</sup> Interim findings from the Muslim Census study suggests almost 10,000 students per year are affected in this way.<sup>71</sup>

The [Higher Education Research Act 2017](#) allows the Government to introduce a student finance product consistent with Muslim beliefs regarding interest-bearing loans. In February 2022, as part of the conclusion of its review of post-18 education and funding, the Government said it was still considering how to deliver sharia-compliant alternative student finance.<sup>72</sup>

In its response to the LLE consultation, the Government said its aim is for students to access alternative student finance as part of the LLE "as soon as possible after 2025".<sup>73</sup>

See the [Commons Library briefing on sharia-compliant alternative student finance](#) for more information.<sup>74</sup>

---

<sup>68</sup> For more information, see the Commons Library briefing [The Post-18 Education and Funding Review: Government conclusion](#), 29 April 2022, pp14-18

<sup>69</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p21

<sup>70</sup> Department for Education, [Alternative Student Finance: current and future students' perspectives](#), 30 May 2019

<sup>71</sup> Muslim Census, [Levelling up unequal access to university education](#), May 2022

<sup>72</sup> Department for Education, [Higher education policy statement and reform consultation](#), 24 February 2022, p23

<sup>73</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p25

<sup>74</sup> Commons Library briefing CBP-977 [Sharia-compliant alternative student finance](#)

## 2.4

## Credits

Credits are currently used by most providers in higher and further education to measure the amount of learning a student would be expected to do to complete a programme of study. They also signal the complexity and intellectual demand of a programme.

Higher education courses comprise individual modules or units, and credits are assigned to each module. The Quality Assurance Agency for Higher Education (QAA), which has [published guidance on credits in England](#), considers one credit to be generally equal to ten hours of notional learning.<sup>75</sup> This learning time does not just include formal classes, but also private study and the completion of coursework and exams.

Students progress through their programme by accumulating credits towards the total required for a qualification. For example, a bachelor's degree with honours is worth a total of 360 credits. Sometimes students may transfer some or all of their credits to another programme or another provider. However, there is no consistent mechanism for doing this and the process and requirements vary by provider.<sup>76</sup>

The Government intends for most modules and courses funded by the LLE to be assigned credits. This would enable individuals to accumulate credits over time and transfer them between providers where appropriate, thereby allowing them to learn flexibly across their lifetime.

However, while the Government has said it recognises having clear credit transfer mechanisms in place could be a positive contributor to delivering the flexibility the LLE seeks to achieve, it will not impose them.<sup>77</sup> Instead, the Government will seek to “facilitate” credit transfer by:

- introducing a requirement for providers to give standardised transcripts to learners on completion of modules funded by the LLE;
- considering how the Personal Account all learners will use to access their entitlement can facilitate credit transfer through behavioural nudges;
- continuing to consider the mechanisms necessary to facilitate and stimulate credit transfer, as informed by responses to the LLE consultation and continuous stakeholder engagement.<sup>78</sup>

In September 2023, the Government passed the Lifelong Learning (Higher Education Fee Limits) Act (see section 3.1 below) to introduce a credit-based method for setting tuition fee limits across all higher-level courses and

---

<sup>75</sup> QAA, [Credit framework for England](#)

<sup>76</sup> Institute for Employment Studies, on behalf of the Department for Education, [Credit Transfer in Higher Education: A review of the literature](#), March 2017

<sup>77</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p20

<sup>78</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p20

modules the LLE funds. This means the fee limit will directly relate to the amount of study in the course, rather than the number of academic years which are studied.<sup>79</sup>

## 2.5

# Regulatory approach to providers and modules

## Providers

Higher education providers in England must currently register with England's higher education regulator, the Office for Students (OfS), to access public funding, award degrees, and recruit international students.<sup>80</sup>

### What is a 'registered higher education provider'?

Under the [Higher Education and Research Act 2017](#), higher education providers in England must register with the OfS to access public funding, award degrees, and recruit international students.<sup>81</sup>

To be included on the [OfS register](#), higher education providers must meet initial and ongoing conditions of registration demonstrating their ability to provide quality higher education. Registration conditions relate to financial sustainability, good governance, and student access, participation, and outcomes.<sup>82</sup>

Providers can choose to register in either the Approved category or Approved (Fee Cap) category. Providers registering in the Approved (Fee Cap) category are eligible for teaching grant funding, additional research grant funding, and their students can access loans to cover their fees in full.

The Government has said it will "unify the regulatory system" for providers offering LLE funded provision at levels 4 to 6.<sup>83</sup> All such providers will be required to register with the OfS.

The OfS will introduce a third registration category to reflect the needs of providers who are not currently on the OfS register and have typically offered qualifications funded by Advanced Learner Loans (generally further education colleges).<sup>84</sup> It will consult with providers about this category "in

---

<sup>79</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

<sup>80</sup> Office for Students, [Benefits of registration](#), April 2021

<sup>81</sup> Office for Students, [Benefits of registration](#), February 2022

<sup>82</sup> Office for Students, [Conditions of registration](#), February 2022

<sup>83</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p16

<sup>84</sup> Office for Students, [Lifelong Learning Entitlement](#)

due course”, including on the initial and ongoing conditions that would be applicable.<sup>85</sup>

The Government has decided to allow these providers longer to prepare for registration with OfS, and so has extended existing advanced learner loan funding until 2027 for providers who have not registered with the OfS.<sup>86</sup>

## Modules

Between January and March 2022, the Office for Students (OfS) consulted on a new approach to regulating student outcomes associated with higher education qualifications in order “to crack down on poor quality courses.”<sup>87</sup>

Following the consultation, the OfS announced numerical thresholds that would underpin requirements for minimum acceptable student outcomes. The thresholds can broadly be summarised in relation to a course’s continuation, completion, and progress rates. For full-time students studying a first degree, the thresholds are:

- 80% of students to continue their studies;
- 75% of students to complete their course;
- 60% of students to go on to further study, professional work, or other positive outcomes, within 15 months of graduating.<sup>88</sup>

Universities and colleges that perform below these thresholds could face investigation so the OfS can understand the reasons for their performance. If, following investigation, performance is not adequately explained by a higher education provider’s context, the OfS has the power to intervene and impose sanctions for a breach of its conditions of registration.

These thresholds are set at a qualification rather than a modular level. The Government has said it wants to avoid “placing undue burden on providers wishing to offer modular learning, whilst ensuring learners access high quality learning experiences for shorter periods of study.”<sup>89</sup>

Between July and November 2023, the OfS sought views on how it could measure student outcomes resulting from modular study and about how it

---

<sup>85</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p26

<sup>86</sup> Department for Education, Department for Education, [Lifelong Learning Entitlement overview](#), updated February 2024

<sup>87</sup> OfS, [OfS sets out plans to crack down on poor quality courses](#), 20 January 2022. OfS, [A new approach to regulating student outcomes](#), July 2022

<sup>88</sup> OfS, [OfS sets new expectations for student outcomes](#), 30 September 2022

<sup>89</sup> Department for Education, [Lifelong loan entitlement: Consultation response](#), March 2023, p17

could ensure taxpayers' contribution to higher education was protected and delivered value for money.<sup>90</sup>

---

<sup>90</sup> Office for Students, [Lifelong Learning Entitlement: Student outcomes](#); Office for Students, [Consultation on a new approach to regulating student outcomes. Analysis of responses to consultation and decisions](#) (PDF), July 2022, p41

## 3 Related legislation

To support the introduction of the Lifelong Learning Entitlement (LLE) from the 2025/26 academic year, the Government passed primary legislation relating to tuition fee limits in September 2023, the Lifelong Learning (Higher Education Fee Limits) Act. The Government has said this will be followed by a revision of the existing secondary legislation to support the Student Loans Company in rolling out the necessary systems for accessing the LLE from 2025.

The Skills and Post-16 Education Act 2022, which received royal assent in April 2022, also contained provisions to support the introduction of the LLE, including allowing student finance to be provided for modules of higher education and further education courses.

### 3.1 Lifelong Learning (Higher Education Fee Limits) Act 2023

The [Lifelong Learning \(Higher Education Fee Limits\) Act 2023](#) requires universities and colleges to use a new method for calculating the maximum level of tuition fees they can charge for different courses. This is to ensure the pricing of modules and short courses are proportionate and not more expensive than full degrees.

#### Tuition fee limits

The [Higher Education and Research Act \(HERA\) 2017](#) gave the Secretary of State the power to set out in regulations the tuition fee limits that apply to particular providers and courses.<sup>91</sup> It also established the Office for Students as the higher education regulator in England, and gave it the power to regulate higher education providers' compliance with fee limits.<sup>92</sup>

Under the Higher Education and Research Act 2017, the Secretary of State for Education [sets out in regulations the maximum tuition fee levels a provider in England can charge](#) for a course on a per academic year basis.<sup>93</sup>

<sup>91</sup> [Higher Education and Research Act \(HERA\) 2017](#), Schedule 2

<sup>92</sup> [Higher Education and Research Act \(HERA\) 2017](#), Sections 10-12

<sup>93</sup> [Higher Education and Research Act \(HERA\) 2017](#), Schedule 2. [The Higher Education \(Fee Limits and Fee Limit Condition\) \(England\) Regulations 2018](#)

Fee limits can vary according to:

- whether and how the provider is registered with the [Office for Students \(OfS\)](#), which is the regulator of higher education in England;
- whether the provider has an approved [Access and Participation Plan \(APP\)](#) in place. These plans set out how higher education providers will improve equality of opportunity for underrepresented groups to access, succeed in, and progress from higher education;
- whether the provider has a high level of quality teaching, as measured by a gold, silver, or bronze award through the [Teaching Excellence Framework \(TEF\)](#);
- whether the course is an accelerated course, for example, an undergraduate degree comprising two years of study rather than three because there's no summer break;
- the mode of attendance on a course (full-time, part-time, sandwich, study abroad).

In general, fee limits for tuition apply in respect of an academic year to “qualifying courses”. These are courses which can be funded through student finance (known as “designated” courses under the [Teaching and Higher Education Act 1998](#) and related regulations),<sup>94</sup> and which are offered by higher education providers registered with the Office for Students’ in the Approved (Fee Cap) category.

The table below sets out the maximum tuition fees providers can currently charge for an academic year depending on what category they are registered in, whether students are studying full time or part time, and whether or not providers have an approved [Access and Participation Plan \(APP\)](#) in place and/or a [Teaching Excellence Framework \(TEF\)](#) award.

The table also shows the maximum amount of tuition fee loan students can borrow in each instance.

---

<sup>94</sup> [Teaching and Higher Education Act 1998; The Education \(Student Support\) Regulations 2011, Regulations 5, 139, and Schedule 2](#)

## Maximum fees and fee loans

	Mode of study	Maximum tuition		Maximum fee loan	
		With TEF	Without TEF	With TEF	Without TEF
<b>Approved (fee cap) providers</b>					
With APP	Full time	£9,250	£9,000	£9,250	£9,000
Without APP	Full time	£6,165	£6,000	£6,165	£6,000
With APP	Part time	£6,935	£6,750	£6,935	£6,750
Without APP	Part time	£4,625	£4,500	£4,625	£4,500
<b>Approved providers</b>					
APP not applicable	Full time	N/A	N/A	£6,165	£6,000
APP not applicable	Part time	N/A	N/A	£4,625	£4,500

The [Lifelong Learning \(Higher Education Fee Limits\) Act](#) establishes a new method for calculating the maximum level of tuition fees providers could charge students for higher education courses and modules.

This method uses ‘credits’, which the Government defines as a “measurement of learning time”, to set tuition fee limits.<sup>95</sup> The Act also creates the new concept of ‘course years’, to replace that of ‘[academic years](#)’.

The Government hopes the new method will encourage the study of modules and short courses, by ensuring the maximum level of tuition fees students pay for such courses are proportionate and consistent with traditional three-year degree courses.<sup>96</sup>

More information is available in the Commons [Library briefing Lifelong Learning \(Higher Education Fee Limits\) Bill 2022-23](#).<sup>97</sup>

## Lifelong Learning (Higher Education Fee Limits) Bill impact assessment

The [impact assessment](#) published alongside the Bill did not give a detailed analysis of the impacts of the Bill due to uncertainties around the broader LLE policy and the likely response from providers and learners. It therefore took a

<sup>95</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p5

<sup>96</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Explanatory Notes](#) (PDF), February 2023, p2

<sup>97</sup> Commons Library briefing CBP-9717, [Library briefing Lifelong Learning \(Higher Education Fee Limits\) Bill 2022-23](#), 24 February 2023

“...high-level approach to analysing LLE fee limits”, which did not quantify the impacts.<sup>98</sup>

According to the impact assessment, the policy in the Bill could make the cost of study on short courses and modules more accessible for those who cannot study full-time due to work, family, or personal commitments. Having ‘appropriate’ fee limits for short courses and modules could encourage greater take-up from more debt-averse mature learners.

The overall impact on higher education providers was said to be ambiguous. The policy could increase demand from potential students who are attracted by more flexible study options. It could also reduce fee income if those who would normally study traditional longer courses opt to study shorter courses or modules instead.<sup>99</sup>

## 3.2 Skills and Post-16 Education Act 2022

Provisions to support the introduction of what was then known as the Lifelong Loan Entitlement were included in the [Skills and Post-16 Education Act 2022](#), which received royal assent on 28 April 2022.

To help facilitate the introduction of the LLE, section 15 of the Act amended the regulation-making powers of the Secretary of State, as set out in the [Teaching and Higher Education Act 1998](#) in two ways:

- to allow student finance to be provided for modules of higher education and further education courses (as well as full-year courses);
- to allow student finance to be provided on a basis other than an academic year.

The 2022 Act also gave the Secretary of State the power to prescribe an overall maximum amount of funding an individual could access over their lifetime, a “lifetime limit”.

During the Act’s progress through Parliament, the lack of detail on the LLE was repeatedly criticised, particularly because it would be a major change to the current student loans systems.<sup>100</sup>

---

<sup>98</sup> DfE, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#) (PDF) February 2023.

<sup>99</sup> DfE, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#), February 2023.

<sup>100</sup> [HL Deb 21 October 2021 \[Skills and Post-16 Education Bill \[HL\]\]](#) c311-2. As discussed above, this consultation was launched in February 2022.

---

## 4 Reaction

### 4.1 Labour

Labour supports the introduction of the Lifelong Learning Entitlement. One of the party's 'five missions', which will feed into their manifesto at the next general election, includes a commitment to breaking down the barriers of opportunity. It said:

Labour will harness the possibilities of the Lifelong Loan Entitlement working across higher and further education to ensure that courses are available which meet skills needs and that providers are supported in communicating opportunities to potential learners and employers.<sup>101</sup>

Speaking in November 2023, the Shadow Universities Minister, Matt Western, said, if Labour was in government, it would review post-16 education and the role the Lifelong Learning Entitlement could play:

Labour will review the way that the whole landscape of tertiary education works and how the lifelong learning entitlement can provide opportunity to further and higher education systems; that high quality learning should be accessible to everyone, at whatever stage of life, in a variety of forms.<sup>102</sup>

### 4.2 Education sector

#### Announcement of the LLE

Across the higher education sector, there were varying levels of support following the announcement of what was then called the Lifelong Loan Entitlement (LLE) and the 2022 consultation.

There was agreement among groups the LLE would provide a welcome flexibility for students, which would potentially promote upskilling and widening participation. However, the University and College Union warned of the risk of the LLE reinforcing "existing bias in education along class divides", with fulltime education remaining exclusive to those from a higher economic background.<sup>103</sup>

---

<sup>101</sup> Labour party, [Breaking down the barriers to opportunity](#) (PDF), 2023, p17

<sup>102</sup> "[Labour 'would review whole landscape' of tertiary education](#)", THE, 28 November 2023

<sup>103</sup> University and College Union, [Lifelong Loan Entitlement – Government consultation: University and College Union response – May 2022](#), May 2022

In its response to the Government's LLE consultation, the Russell Group, which represents 24 research-intensive UK universities, made several recommendations to ensure the LLE was a success, including:

- Ensuring modular provision seeks to complement but not replace more traditional learning pathways.
- Identifying the right level of funding to support the successful uptake and delivery of LLE across the sector.
- Including level 7 modules or courses as part of the LLE to retrain people and help the UK meet the growing need for master's-level skills.
- The Government working closely with the sector to align credit frameworks, credit transfer and accumulation mechanisms, and student engagement processes.
- Developing regulation for LLE that is risk-based and proportionate by using and streamlining existing regulatory frameworks, or by exploring non-regulatory approaches where possible.
- Ensuring that the LLE does not prevent the movement of students from England to universities in the Devolved Administrations which will have different funding arrangements.<sup>104</sup>

In terms of the LLE and support for students, the National Union of Students (NUS) and Association of Colleges said there was a need for maintenance loan support for those engaged in lifelong learning.<sup>105</sup> Universities UK highlighted a particular need for support to be tailored to different circumstances to accommodate adult students in reduced employment alongside their studies.<sup>106</sup>

## Publication of the Government's consultation response

Following the publication of the Government's response to its consultation on the LLE, the planned removal of Equivalent and Lower Qualification (ELQ) restrictions and expansion of maintenance support for living costs to level 4 and 5 study was welcomed by many across the education and employment sectors as an important way to ensure learners could access funding to retrain, develop their careers, and fill skills gaps in the economy.

The Principal Policy Advisor for Sustainability, Skills, and Employment at the Institute of Directors, Alex Hall-Chen, said:

---

<sup>104</sup> Russell Group, [Potential of Lifelong Loan Entitlement is 'transformational'](#), 5 May 2022

<sup>105</sup> National Union for Students, [Further education students need adequate maintenance support, say NUS and AoC](#), October 2021

<sup>106</sup> Universities UK, [Our response to the consultation on the lifelong loan entitlement \(LLE\)](#), December 2022

The Lifelong Loan Entitlement has the potential to transform how individuals access training across their lifetimes, and we welcome the additional clarity provided by the government's consultation response.

In particular, enabling funding for individual modules as well as full courses, and removing ELQ restrictions to accessing funding, will support learners to access the training they need to train, retrain, and upskill throughout their working lives, helping employers to access the skills they need.<sup>107</sup>

The Chief Executive of Universities UK, Vivienne Stern, said:

The removal of ELQ requirements and the expansion of part-time maintenance support should be celebrated and will help new and returning people access the courses they need to thrive. If we get the communication out to learners right and keep the burden on providers low, then the Lifelong Loan Entitlement has the potential to be truly transformative.<sup>108</sup>

The Open University (OU) has long called for the removal of ELQ restrictions for accessing student finance and so said:

The ending of this rule with introduction of the LLE from 2025 removes barriers that have reduced opportunities for many people to reskill or upskill by changing subject or occupation.<sup>109</sup>

The OU also welcomed the extension of maintenance loans to a wider range of higher education courses but said it will continue advocating for eligibility to be extended to distance learners studying online.<sup>110</sup> The Vice-Chancellor of the OU, Professor Tim Blackman, said the absence of maintenance loans for such learners was a "major inequity" in plans. He said:

We know at the OU that maintenance loans make a difference to whether a student is able to study, and currently, we are seeing many of our students abandon their study because they need to prioritise working more hours or paying other bills.

These are the very people who often stand to benefit most from higher education because they have faced disadvantages earlier in life, or want to move into more highly-skilled jobs, including in our public services.<sup>111</sup>

In addition to the introduction of maintenance support for provision at level 4 for the first time, the CEO of the Association of Employment and Learning Providers (AELP), Jane Hickie, highlighted the benefits personal accounts would bring. She said:

---

<sup>107</sup> Department for Education press release, [Student finance to be radically transformed from 2025](#), 7 March 2023

<sup>108</sup> Department for Education press release, [Student finance to be radically transformed from 2025](#), 7 March 2023

<sup>109</sup> Open University, [Lifelong Loan Entitlement critical to reskilling workforce, boosting growth and growing economy – OU](#), 7 March 2023

<sup>110</sup> Open University, [Lifelong Loan Entitlement critical to reskilling workforce, boosting growth and growing economy – OU](#), 7 March 2023

<sup>111</sup> "[Student finance: Remote learners left out of maintenance loan plans](#)", BBC News, 7 March 2023

AELP warmly welcomes the Department for Education’s response to the Lifelong Loan Entitlement consultation. The measures set out in the response really do have the potential to revolutionise the way in which adults access skills provision throughout their lives.

In particular, the development of lifelong learning accounts will help empower much greater choice for adults deciding how and where to undertake their future training needs.<sup>112</sup>

The Chief Executive of the Association of Colleges (AoC), David Hughes, also welcomed the LLE as a potential “game changer”. However, he argued modular learning needs to become more mainstream, and the LLE alone would not change the behaviours and priorities of the vast majority of learners focussed on achieving a Bachelor’s degree above all else. He said:

[W]e need to see more thinking about how LLE fits into the whole tertiary education offer, including FE and apprenticeships, at every level and particularly at Level 3 and below, because demand at Level 4 depends on pathways for adults to take form [sic] lower levels.<sup>113</sup>

Susan Pember, the policy director of HOLEX, which is the professional body for adult education providers, has described the decision to cap eligibility for the LLE at age 60 as an “ageist strategy”.<sup>114</sup> She said:

The upper age cap not only undermines the need to attract and retain older people in the labour market, but also takes opportunities away from people with a huge amount to offer their communities through volunteering.

It draws a hard line which says that some people are too old to learn.<sup>115</sup>

The general secretary of the University and College Union (UCU), Jo Grady, said more funding was needed so learners could stay in their studies and not leave because of financial reasons, and to ensure providers can adapt courses for modular learning:

Flexibility for learners is good, but the fact remains that a high-quality education relies on continuity. It would be better to invest directly in learners so that they can afford to stay in education, rather than be forced to go back into employment before returning to their studies again. Equally, teachers will need to carefully plan curricula to adapt to new ways of learning. This will take time and must be funded accordingly.<sup>116</sup>

---

<sup>112</sup> Department for Education press release, [Student finance to be radically transformed from 2025](#), 7 March 2023

<sup>113</sup> Department for Education press release, [Student finance to be radically transformed from 2025](#), 7 March 2023

<sup>114</sup> “[Lifelong loan entitlement: Maintenance loans in and ELQ rule out](#)”, FE Week, 7 March 2023

<sup>115</sup> “[Lifelong loan entitlement: Maintenance loans in and ELQ rule out](#)”, FE Week, 7 March 2023

<sup>116</sup> UCU, [Government is 'piling ever more debt' onto students](#), 7 March 2023

---

## 5 Commentary

### 5.1 Impact assessment and equality analysis

#### Impact assessment

The Government published an [updated impact assessment](#) as part of the LLE consultation response in March 2023.<sup>117</sup> As with the [earlier impact assessment](#),<sup>118</sup> this was a “...largely high-level, qualitative assessment of the potential costs and benefits of introducing the proposed package of LLE measures.”<sup>119</sup>

The Department for Education said it was not possible to develop a fully quantified assessment yet because of uncertainty around the likely response of learners and providers, and because some policy decisions have yet to be made. A more detailed assessment will be published when the Government has laid the secondary legislation needed to fully implement the LLE.<sup>120</sup>

The impact assessment listed the likely broad impacts of the LLE:

- An increase in demand for short courses and modules at technical level 4-5 from individuals that previously would have stopped study at level 3.
- An increase in demand for shorter courses and modules at technical level 4-5 from employed individuals looking to upskill or retrain.
- A shift away from three-year Level 6 undergraduate degrees towards level 4 and 5 qualifications or modular study.<sup>121</sup>

The overall impact on learners is expected to be positive due to the greater flexibility and choice of the new student finance system. This is said to benefit learners who currently face difficulty accessing study at levels 4 or higher, including financial barriers or balancing work/life commitments with study. Those accessing study at this level would benefit (on average) through improved earnings and employment outcomes.<sup>122</sup>

---

<sup>117</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023

<sup>118</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment February 2023](#) (PDF)

<sup>119</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023

<sup>120</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023

<sup>121</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023, p18

<sup>122</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023, pp18-19

The impact assessment said that providers are also likely to benefit from the LLE because it allows them greater flexibility to offer "...flexible educational pathways for learners and, associated with that, potentially develop new business models." The financial impact on providers is "unclear" as it depends on how learners respond to the new system. Fee income could fall where learners switch from full-time courses to shortened/flexible learning. This could be offset for some by income for any new short courses/modules. However, this new source of income is said to be "more modest." The financial impact could vary between providers, with winners and losers. The potential loss of fee income. The impact assessment said that this "should be viewed as a consequence of market competition and disruption rather than a direct consequence of legislative change."<sup>123</sup>

Providers would also face some administrative and familiarisation costs due to the LLE. They might also face extra costs in putting on new module courses. The impact assessment does not quantify the overall administrative costs of the LLE to providers.<sup>124</sup>

The impact assessment did not quantify the impact of the overall LLE reforms on the public finances. It presented possible scenarios where loan outlays could increase or decrease under the reforms. Again, there is considerable uncertainty about the potential number of new learners, the 'size' of courses undertaken and how much of their loans that borrowers will repay.<sup>125</sup>

## Modelling the costs and benefits of the LLE

In September 2023, the Department for Education published a technical document that set out the latest behavioural and impact assumptions it was using to model the LLE. The document did not include any estimates of the costs/benefits or impact of the policy. These are still being finalised and a fuller cost-benefit analysis would be published "in due course".<sup>126</sup>

The document also set out [questions for further and higher education providers](#) and employers about the modelling assumptions used and asked for information on new research and evidence to help refine and improve these assumptions.

The aspects of the LLE which the Department for Education expect to lead to increases in student numbers were:

- Removal of the ELQ restrictions. This is expected to have the biggest impact on take-up with a gradual increase to a "low percentage point uplift in total higher-level learner enrolments" after ten years.

---

<sup>123</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023, pp19-20

<sup>124</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023, pp20, 36-37

<sup>125</sup> Department for Education, [Lifelong loan entitlement: impact assessment](#), March 2023, pp21-22

<sup>126</sup> Department for Education, [Modelling the costs and benefits of the lifelong learning entitlement \(LLE\): information request](#), September 2023, p3

- The extension of maintenance loans to campus-based part-time students on level 4 and 5 courses and those on modular courses. This is assumed to have a “moderate increase” in new entrants.
- The communication campaign and LLE personal account would lead to a gradual increase in student numbers.
- Students on modular provision are expected to start off low and “grow more significantly” after ten years.<sup>127</sup>

The document lists some areas where costs are likely increase under the LLE, including more staff time and changes to IT systems at providers, but quantifies very few. Most of the additional costs of the LLE are thought to come from higher spending on student finance.<sup>128</sup>

## Equality analysis

The Government published an equality analysis of the LLE reforms in March 2023.<sup>129</sup> As with the financial impact assessment discussed above, this did not provide direct estimates of the impact of the reforms on people with protected characteristics. Instead, it looked at related data on barriers to learning and participation at levels 4-6 and used this to make assumptions about those who would benefit most from the flexibility and choice the LLE is intended to encourage.

The equality analysis said:

...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.<sup>130</sup>

These groups of learners are said to face greater barriers to learning at present. This could be because they have more work/family commitments, financial constraints, are more debt-averse or have higher participation costs as they need extra support.

The LLE is meant to address these barriers through loan funding and maintenance for short courses/modules which could give these groups greater flexibility and choice over learning at this level that both fits it with their existing commitments and has lower actual or perceived costs.

The equality analysis concluded:

...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

---

<sup>127</sup> Department for Education, [Modelling the costs and benefits of the lifelong learning entitlement \(LLE\): information request](#), September 2023, pp4-8

<sup>128</sup> Department for Education, [Modelling the costs and benefits of the lifelong learning entitlement \(LLE\): information request](#), September 2023, pp9-12

<sup>129</sup> Department for Education, [Lifelong loan entitlement: equality analysis](#), March 2023, pp3-4

<sup>130</sup> Department for Education, [Lifelong loan entitlement: equality analysis](#), March 2023, pp3-4

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.<sup>131</sup>

## 5.2 Demand for the LLE

There have been questions asked about how much demand there is for lifelong learning and the principle of funding it through government-backed tuition fee loans.

Polling by Public First, a public policy and data consultancy, found older workers and people outside of London would be less likely than other groups to want to take out a student loan to cover lifelong learning tuition fees.<sup>132</sup> The results of the polling included:

- While 75% of people in the 25 to 34 age bracket expressed an interest in lifelong learning, by ages 45 to 54, this declined to 54%, and by 55 to 64 just 29% expressed an interest.
- There are also significant regional variations in attitudes to lifelong learning, with 77% of people living in London interested, but only 51% in Yorkshire and the Humber, and just 38% in the North East.
- Of those interested in lifelong learning, not all would be willing to fund it through government loans. Many would prefer their employer paid the fees for courses, rather than them having to take out a loan or self-fund. Only 25% of the 25 to 34 age bracket would be willing to take out a government loan, but this dropped to 9% among 55 to 64 year olds

A 2022 report by Phoenix Insights, a think tank primarily concerned with financial security, work, learning, and skills, identified the following challenges that make it harder for people to engage with learning and training in the middle of their careers:

- not being able to stop working or reduce hours;
- not being able to fund study;
- not being able to afford living costs – for individuals and for their dependants – while taking time out to upskill or retrain;
- caring responsibilities;

---

<sup>131</sup> Department for Education, [Lifelong loan entitlement: equality analysis](#), March 2023, p3

<sup>132</sup> Public First, [New Polling on the Lifelong Learning Entitlement](#), 30 November 2023. The results are discussed in the following articles: “[Demand still uncertain for lifelong learning entitlement](#)”, Wonkhe, 30 November 2023; “[Older workers nervous about lifelong learning financing](#)”, FE Week, 4 December 2023.

- risk aversion to doing something new;
- lack of confidence about their ability or capacity to return to academic study;
- fear of being ‘shamed’ or ‘embarrassed’;
- physical or mental ill-health.<sup>133</sup>

The report found making individuals aware of the proposed LLE had no statistically significant effect on their desire to participate in lifelong learning, with the associated loan debt the main concern for individuals.<sup>134</sup>

Higher education sector leaders have also questioned the demand for the LLE, cautioning that older learners who need to upskill or reskill later in their working lives are generally more debt averse than their younger peers.<sup>135</sup>

## Higher education short course trial

In December 2021, the Office for Students and the Department for Education announced 22 universities and colleges had been awarded a total of £2 million of funding to develop short courses in higher education for the 2022/23 academic year.<sup>136</sup>

These courses were to form part of a three-year higher education short course trial that would run to August 2025. Just over 100 new short courses were to be offered at levels 4 to 6 in universities and colleges across England, in subject areas such as Science, Technology, Engineering, and Maths (STEM), Healthcare, Net Zero, Education, and Digital Innovation. It was projected over 2,000 students in total would participate in 2022/23.<sup>137</sup>

The aims of the trial were:

- To test how higher education providers would devise and develop short courses to allow students to upskill and/or progress to full higher qualification.
- Assess the demand for short courses.
- Test the impact of the availability of loans on participation in short courses.

---

<sup>133</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, p6

<sup>134</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, p6, 31

<sup>135</sup> “V-cs unconvinced as lifelong learning entitlement progresses”, Times Higher Education, 26 September 2023

<sup>136</sup> OfS, [New short courses give students flexible opportunities to learn](#), 17 December 2021

<sup>137</sup> See the OfS’ webpage on the [Higher education short course trial](#) for more information

- Provide a better understanding of short courses ahead of the LLE planned for 2025.

As part of the trial, students taking these short courses are eligible for tuition fee loans.<sup>138</sup> Students who need financial support to pay for additional costs associated with study, such as books and childcare fees, are also able to apply for a bursary.<sup>139</sup>

The Lifelong Loan Entitlement consultation highlighted the higher education short course trial as part of the “pathway” to the LLE. It described it as a means to examine modular learning and how it can be supported by student finance. The consultation document said:

This funding will help in incentivising and testing provision as well as piloting ways of delivering more flexible, shorter periods of study [...]

The HE Short Course Trial will provide learners with exciting new opportunities to study in a more flexible way. It will also allow us to test and stimulate demand for modular learning, understand how providers can adapt their provision to deliver modular study, and how the Students Loans Company (SLC) can build systems and processes to best support future learners.<sup>140</sup>

In September 2022, in response to a Parliamentary Question, the Government revealed there had been just 12 applications for tuition fee loans as part of the trial, but it said it expected more students to be taking the courses because they could also self-fund or receive funding from their employers.<sup>141</sup> The Government also said the courses were not tied to the concept of the academic year, and it expected many of them to start from January 2023, with demand expected to increase over the course of the three-year trial.<sup>142</sup>

In response to another Parliamentary Question in January 2023 about the number of students who had applied for tuition fee loans as part of the trial, the Government did not give any figures. Instead, it said:

The department is gathering and evaluating data throughout the trial alongside the Student Loan Company, Office for Students and providers, and will use this to inform the development of the Lifelong Loan Entitlement. We currently have no plans to publish any specific data.<sup>143</sup>

In February 2023, the higher education website Wonkhe reported there had been just 33 applications for tuition fees since the start of the short courses trial.<sup>144</sup>

Writing in a blogpost for the Higher Education Policy Institute in March 2023, Professor Edward Peck, Vice-Chancellor of Nottingham Trent University,

---

<sup>138</sup> Student Loans Company, [Higher Education Short Course Loans](#), August 2022

<sup>139</sup> DfE, [New bursaries to help learners to upskill and retrain](#), 15 July 2022

<sup>140</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022

<sup>141</sup> [PQ 51914 \[Higher Education: Admissions\] 27 September 2022](#)

<sup>142</sup> [PQ 51914 \[Higher Education: Admissions\] 27 September 2022](#)

<sup>143</sup> [PQ 135430 \[Higher Education: Admissions\] 7 February 2023](#)

<sup>144</sup> [“What’s happening with the short courses trial?”](#), Wonkhe, 8 February 2023

sought to contextualise the OfS’ short courses trial and argued “it would be premature to draw too many conclusions at this point.”<sup>145</sup>

He went on to highlight current demand for learning at levels 4 and 5, including Higher Technical Qualifications, and expressed confidence the numbers of part-time learners, which fell by 50% between 2008/09 and 2019/20, would recover with the introduction of the LLE. Professor Peck concluded by saying:

Overall, then, there are many grounds to be positive about the LLE meeting and expanding demand for Level 4 and 5 courses. The opportunity now is for HEPs to create flexible programmes that adults want to study. In this context, we should not worry too much about the outcome of a small and perhaps overly ambitious pilot.<sup>146</sup>

### Evaluation of the trial

In January 2024, the Career Research and Advisory Centre conducted an independent evaluation of the short course trial on behalf of the Office for Students.<sup>147</sup> Only 41 students took out a new student loan to fund their course, which was a much lower number than anticipated.

While it was intended that just over 100 courses were to be available to more than 2,000 students during the 2022-23 academic year, only 17 courses were launched with a total of 125 student enrolments. 96 courses were offered to potential students, but demand was insufficient to launch most of them. Over half the courses had intakes of five or fewer students, and around half of all enrolled students did not pay any fees at all, due to university agreements with employers.

Providers of short courses believed their course offer was weakened by a range of practical timing issues and several uncertainties, including:

- Whether they should be targeting adults outside higher education or the staff of university partners and other employers;
- Lack of familiarity among prospective applicants with the concept of a short course;
- Whether any credits gained from a course would be recognised by another provider and/or accumulated towards a degree;

---

<sup>145</sup> “[The Lifelong Loan Entitlement: a new way to meet demand for alternative modes of higher education](#)”, HEPI blog, 6 March 2023

<sup>146</sup> “[The Lifelong Loan Entitlement: a new way to meet demand for alternative modes of higher education](#)”, HEPI blog, 6 March 2023

<sup>147</sup> Office for Students, [Evaluation of the higher education short course trial](#), 10 January 2024. The evaluation report is discussed in the following articles: “[Low numbers make for short course trial failings](#)”, Wonkhe, 10 January 2024; HEPI, [What could the higher education short course trial mean for the Lifelong Learning Entitlement?](#), 26 January 2024.

- The student loan was new and not all its details known when marketing of the short courses started, and the student support bursary was announced later still.

The report also noted that both employers and providers acknowledged where an employer is considering a higher education short course to upskill its staff (for example, as continuing professional development activity), it generally expected to pay the employees fees on their behalf, and so a student loan would not be relevant in these circumstances.

## 5.3 Regulatory and administrative burden

Giving evidence to the Public Bill Committee for the [Lifelong learning \(Higher Education Fee Limits\) Bill](#), the Registrar at the University of Warwick, Rachel Sandby-Thomas, said the LLE “will introduce a lot more complexity into the higher education system, both for the students and for the institutions, and at lots of levels.”<sup>148</sup>

Rachel Sandby-Thomas set out a number of areas where the LLE may have unintended and potentially burdensome consequences for providers:

- Marketing modules will be complicated by the need to represent the multitude of permutations of learning, including how modules and courses may fit with what other institutions offer.
- The information, advice, and guidance provided to prospective students will need to become more sophisticated so they can understand how their prior learning will be considered and how any modules they enrol on will form a coherent structural programme recognised further down the line.
- While great modular provision may mean the volume of admissions will increase, they will also become more complex, with prior learning to be evaluated and an assessment made of a student’s fit within a programme.
- Student records and data returns designed around traditional programme-long study may need to be refigured to reflect any increase in modular study.
- Data returns required to meet funding and regulatory requirements for modular study may be more frequent than for traditional modes of study.
- There may be increased demand for student support and other student services, such as wellbeing, library, IT, and careers advice services. Providers will need to work out eligibility for students to access these

---

<sup>148</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 21 March 2023, c26

services in the gaps between study periods, and whether some sort of associated student status might be required.

- The current regulatory system is increasingly concerned with student continuation rates from one year to the next and overall outcomes, but it is unclear how this will work in a system where a student might attend multiple institutions several years apart, before ultimately achieving enough credits to receive a full award.<sup>149</sup>

The additional careers advice capacity that might be required to support an increase in modular provision was also highlighted in an article published by the higher education platform Wonkhe, which said:

One consideration is how long, exactly, would module learners' entitlement to such career service advice last post-module(s) (the average undergraduate can access their career service for up to two years post-graduation). The possibilities range from a lifelong learner having access to multiple different careers services at different providers and having the luxury of choice, to having to rush to access careers advice before access is withdrawn at the conclusion of a module.

Either way, one of the considerations for universities thinking through how to respond to the new student finance system will be that careers teams would have to pivot to provide careers support for LLE students studying smaller chunks of courses, or even single modules.<sup>150</sup>

In December 2023, Jonathan Michie, Professor of Innovation and Knowledge Exchange at the University of Oxford, described the plan for the Lifelong Learning Entitlement as “confusing, messy and unhelpful”.<sup>151</sup> He argued that rather than combining a new entitlement with the current student support system for three-year degrees, the Government should have created a separate funding stream for adult learning, which was periodically topped up throughout a learner's life.

## 5.4

### Cost to providers

The “unit of resource” is the amount of income per student that universities receive for teaching, principally from tuition fees and Government grants.

In England, tuition fees have been capped at £9,250 since 2017, and they will remain at this level until at least 2025.<sup>152</sup> University leaders have argued that,

---

<sup>149</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 21 March 2023, c25-27; “[Regulatory burden could clog the lifelong learning revolution](#)”, Wonkhe, 27 March 2023 (accessed 25 April 2023)

<sup>150</sup> “[Learners accessing the Lifelong Loan Entitlement will need souped up careers advice](#)”, Wonkhe, 13 March 2023 (accessed 25 April 2023)

<sup>151</sup> “[Merging lifelong loans and degree funding ‘messy and unhelpful’](#)”, Times Higher Education, 7 December 2023

<sup>152</sup> Department for Education, [Higher education policy statement and reform](#), February 2022, p4

by 2025, inflation means this fee income will be worth around £6,000 in real terms.<sup>153</sup> Analysis by the Russell Group, which represents 24 research intensive universities across the UK, has estimated the average annual deficit universities in England incur for teaching undergraduate home students will increase to approximately £4,000 per student in 2024/25, from £1,750 in 2021/22.<sup>154</sup>

As the unit of resource has declined, the number of universities in England with budget deficits has increased. In England, the proportion of higher education providers with an in-year deficit has increased from seven (5%) in 2015/16 to 79 (32%) in 2020/21.<sup>155</sup>

Using the Russell Group's figure of a £1,750 deficit per student per year, David Spendlove, Associate Dean of the Faculty of Humanities at the University of Manchester, has suggested, under the LLE, the deficit would be at least £150 to a university per 10-credit unit. Rather than knowing they can expect to receive three years of tuition fee income from a student on a traditional degree course, providers may also face additional financial insecurity related to the LLE due to students potentially only committing to a single module or group of modules.<sup>156</sup>

However, David Spendlove argued the real cost associated with the LLE would be the administration and organisational aspects of running multiple short courses. In an article for Times Higher Education, he said:

Extra costs would be introduced by the need to undertake certain administrative tasks multiple times, rather than just once. Examples include processing loan entitlements, importing and exporting academic credits and transcripts, and mapping assessment systems and methods – not to mention the additional support services linked to the fragmentation of careers, counselling and occupational health.<sup>157</sup>

It has been suggested these extra costs may undermine the business case for providers to run and introduce small modular programmes, unless they are already running modular provision.<sup>158</sup>

In its annual guidance letter to the OfS on the Strategic Priorities Grant for the 2023-24 financial year, the Government decreased the funding available to

---

<sup>153</sup> "[Universities push for 'vital' tuition fee rise](#)", The Times, 21 August 2022 (accessed 17 February 2022)

<sup>154</sup> Russell Group, [Russell Group briefing on university teaching deficits](#), 5 May 2022, p2

<sup>155</sup> Public Accounts Committee, [Financial sustainability of the higher education sector in England](#), 8 June 2022, HC 257 2022-23, p3; HESA, [Higher education provider data: finance - Key Financial Indicators \(KFIs\)](#). Over this period the number of providers almost doubled due to the inclusion of alternative (private) providers.

<sup>156</sup> "[Lifelong learning raises doubts about business models and learning itself](#)", THE, 10 April 2023 (accessed 25 April 2023)

<sup>157</sup> "[Lifelong learning raises doubts about business models and learning itself](#)", THE, 10 April 2023 (accessed 25 April 2023)

<sup>158</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 21 March 2023, c27; "[Regulatory burden could clog the lifelong learning revolution](#)", Wonkhe, 27 March 2023 (accessed 25 April 2023)

providers to help prepare for the LLE by £5 million.<sup>159</sup> This left £5 million of funding in the 2023-24 financial year to support providers to “tackle barriers to modularisation, such as updating student management systems” ahead of the launch of the LLE from 2025.<sup>160</sup>

On 17 April 2023, the Shadow Minister for Universities, Matt Western, questioned why the Government had reduced the funding available to support provider preparation ahead of the introduction of the LLE.<sup>161</sup> The Government said it is engaging with “a wide range of stakeholders” to inform future budget development.<sup>162</sup>

## Amendments to the Lifelong learning (Higher Education Fee Limits) Bill

During the committee stage of the [Lifelong learning \(Higher Education Fee Limits\) Bill](#), Labour’s Shadow Minister for Universities, Matt Western, tabled unsuccessful amendments that would have required the Government to consider the additional costs associated with delivering modular study, and the overall financial sustainability of providers, when exercising powers granted by the Bill.

The Shadow Minister argued the delivery of modules, additional administration, and student support needs associated with modular lifelong learning would increase the costs of providers, which were already suffering because tuition fee income had not kept pace with inflation. He said:

This skeletal Bill introduces sweeping reforms to the way in which the student finance model works, and I would hope that the Minister would be totally assured that the reforms will pose as little risk as possible to institutional financial sustainability.<sup>163</sup>

In response, the Minister said the Government would publish “a full and detailed impact assessment” of the LLE when the necessary secondary legislation is laid before Parliament.<sup>164</sup> He also said any additional funding towards the costs incurred by providers delivering modular study would be decided in future spending statements.<sup>165</sup>

The amendments were rejected in votes that divided along party lines.<sup>166</sup>

---

<sup>159</sup> [Guidance to the Office for Students on the Higher Education Strategic Priorities Grant for the 2023-24 Financial Year](#) (PDF), 30 March 2023

<sup>160</sup> [Guidance to the Office for Students on the Higher Education Strategic Priorities Grant for the 2023-24 Financial Year](#) (PDF), 30 March 2023

<sup>161</sup> [HC Deb \[Lifelong learning\], 17 April 2023, c9](#)

<sup>162</sup> [HC Deb \[Lifelong learning\], 17 April 2023, c9](#)

<sup>163</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 23 March 2023, c91

<sup>164</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 23 March 2023, c98

<sup>165</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 23 March 2023, c99

<sup>166</sup> Public Bill Committee, [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), 23 March 2023, c101

## 5.5

## Communication of the LLE

In October 2022, Phoenix Insights, a think tank primarily concerned with financial security, work, learning, and skills, published a report that recommended a renaming and branding of the Lifelong Loan Entitlement scheme, as well as more positive framing and better communication about how student loans work.

Following polling and focus groups, the report found:

The phrase ‘lifelong loan’ was widely viewed as negative and unappealing. Having the scheme too closely associated with government was also seen as a negative – the scheme will need to be delivered in an impartial and independent way that prioritises choice for the learner.

The report said both individuals and businesses disliked the name ‘Lifelong Loan Entitlement’, with the former particularly concerned about the debt implications of a loan.<sup>167</sup> The report recommended identifying a better name that emphasised the positives of the policy – “its flexibility and its ability to improve the lives of people who make use of it” – which also signalled what the money will actually be used for, not just how it is accessed.<sup>168</sup>

The LLE was rebranded in September 2023 after the Lifelong Learning (Higher Education Fee Limits) Bill gained royal assent.<sup>169</sup> A Department for Education spokesperson said the Government changed the name so it “better reflects its core purpose of offering learning opportunities throughout people’s working lives, making education and training more accessible to people from all backgrounds”.<sup>170</sup>

### Understanding student finance

The Phoenix Insights report also found a significant disparity when it came to understanding the student loan systems. While 76% of 18–24-year-olds described themselves as having either a good or very good understanding of the loan system, only 50% of 45–54-year-olds described themselves as having the same level of understanding. Understanding also varied across social grade, with 68% of people in social grade AB (professional and administrative job roles) being more likely to describe themselves as having a pretty good or very good understanding of the system compared to 42% of

<sup>167</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, p24

<sup>168</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, p24

<sup>169</sup> “[Lifelong loan entitlement changes name and gains royal assent](#)”, FE Week, 19 September 2023

<sup>170</sup> “[Lifelong loan entitlement changes name and gains royal assent](#)”, FE Week, 19 September 2023

people of social grade DE (semi and unskilled manual workers and casual workers).<sup>171</sup>

The report said this disparity in understanding could prove a barrier to the successful implementation of the LLE, since its operation will have many similarities to the current student loans systems. To ensure people from across all walks of life will be able to engage with the LLE, the report recommended using accessible language. It said:

Demonstrating that prospective learners are not ‘too old’ through role modelling and a targeted campaign will be vital to develop confidence and enable midlife and older workers to identify with the opportunities provided.<sup>172</sup>

## 5.6 Further reading

### Reports

- Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022
- Labour Council of Skills Advisers, [Learning and skills for economic recovery, social cohesion and a more equal Britain](#) (PDF), October 2022
- UNESCO Institute for Lifelong Learning, [Fifth Global Report on Adult Learning and Education](#), 15 June 2022
- Lifelong Education Commission, [The Role of Microcredentials in Modular Learning](#), 8 June 2022
- Lifelong Education Commission, [The Future of Higher Technical Education in England: Expanding Opportunity for All](#), 27 April 2022
- Lifelong Education Commission, [The Pathway to Lifelong Education: Reforming the UK's Skills System](#), October 2021
- Education Committee, [A plan for an adult skills and lifelong learning revolution](#), 19 December 2020

### Articles

- [“Learners accessing the Lifelong Loan Entitlement will need souped up careers advice”](#), Wonkhe, 13 March 2023

---

<sup>171</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, pp18-19

<sup>172</sup> Phoenix Insights, [Never too late to learn: Attitudes, behaviours and overcoming barriers – engagement with lifelong learning for midlife and older people](#), October 2022, p26

- [“The Lifelong Loan Entitlement: a new way to meet demand for alternative modes of higher education”](#), HEPI blog, 6 March 2023
- [“Sector Reaction to the Lifelong Learning Bill \(LLE\)”](#), FE News, 1 February 2023
- [“Lifelong learning raises doubts about business models and learning itself”](#), Times Higher Education 10 April 2023
- [“Lifelong learning needs a reboot – here’s how to do it”](#), Times Higher Education, 25 April 2022

The House of Commons Library is a research and information service based in the UK Parliament. Our impartial analysis, statistical research and resources help MPs and their staff scrutinise legislation, develop policy, and support constituents.

Our published material is available to everyone on [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk).

Get our latest research delivered straight to your inbox. Subscribe at [commonslibrary.parliament.uk/subscribe](https://commonslibrary.parliament.uk/subscribe) or scan the code below:



 [commonslibrary.parliament.uk](https://commonslibrary.parliament.uk)

 [@commonslibrary](https://twitter.com/commonslibrary)