

Lifelong Learning (Higher Education Fee Limits) Bill

Universities UK briefing | second reading (House of Lords)

19 June 2023

Background to the Bill

1. On Wednesday 1 February, the [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) received its first reading in the House of Commons. The Bill is part of the Government's reforms to further and higher education in England as set out in its [Skills for Jobs](#) White Paper, published in 2021. One of the objectives of the paper was to offer a clear route for adults to be funded to study flexibly over their lifetime, rather than through the traditional 3-year undergraduate degree, which the current system is set up to do.
2. Maximum fee loan levels for undergraduate degrees in England are currently set on a per academic year basis where a provider meets certain registration conditions. Fees can vary based on: (1) what category a provider is registered in, (2) whether students are studying full time or part time, and (3) whether providers have an approved Access and Participation Plan (APP) in place and/or a Teaching Excellence Framework (TEF) award. The current system of student finance does not allow for loans based on short courses that are less than a year of a standard degree. The Lifelong Loan Entitlement (LLE) aims to ensure that student support can be made available for flexible modular provision.
3. This Bill will support the introduction of the LLE from 2025. It will provide individuals with a loan entitlement equivalent to four years of post-18 education which can be used over their lifetime. This can be used flexibly for full-time or part time study of modules or full qualifications at [levels 4 to 6](#) in colleges or universities. It will replace the current system of Government-backed student finance loans.
4. Overall, the LLE is a welcome programme of reform. Increased flexibility for learners is something the sector has long called for. More flexibility in how courses are funded means that institutions can be more responsive to employer and local needs. We believe it can unlock opportunities for learners and deliver on the UK's skills needs. To do this, the LLE must be available for all learners and support a plurality of routes into higher education.

5. Universities are ready to deliver greater choice and flexibility for learners. Many higher education institutions will adapt how they deliver modular study to meet learner needs, such as changing study timetables. They will also provide tailored wrap-around support and advice on progression routes. Higher education institutions can also build on existing best practice and partnerships to collaborate to support transfer and credit recognition.

Summary of the Bill

6. The Bill will:
 - a. Introduce a new method to limit the amount of fees a college or university can charge for a course or module based on credits. This means the amount a student can be charged is proportionate, whether the student takes up a short course, a module, or a traditional full course.
 - b. Enable the Secretary of State for Education to set maximum chargeable credits per course year, so that students are not being unfairly charged for their course.
 - c. Introduce the concept of 'course year' as opposed to an 'academic year' to allow fee limits to apply with greater precision according to when the course actually starts. This will support more flexible patterns of study.
7. The Government expects the LLE will result in study being opened to a wider range of individuals, because the associated flexibility will better accommodate flexible study and individuals in-work looking to build on existing knowledge and skills.

Key areas to raise at Second Reading

8. As a membership body representing 140 UK universities, UUK has consulted our members to understand the practical implications of the proposals. We have also met with officials from the Department for Education to fully understand the proposals and relay our members' views. We support the overall ambitions of the Bill. It deals with largely technical measures needed to introduce credit-based funding.
9. Although the design of the LLE itself is beyond the scope of the Bill, we encourage Peers to raise the following key points to ensure it delivers maximum benefit and opportunity for all learners.

What criteria will be used to determine which modules are eligible for funding under the Lifelong Loan Entitlement? The [consultation response](#) notes that 'modular funding will be opened up for AY27/28 for level 4 to 6 provision 'where we can be confident of positive student

outcomes'. How will 'positive student outcomes' be defined? Through continued registration with the OfS, providers already demonstrate that they deliver positive student outcomes. Additional metrics would be overly restrictive and risk duplicating regulation. Broad and consistent eligibility criteria should allow learners to choose how and where they engage with education.

To achieve a step-change in access we must put information, advice, and guidance at the heart of the LLE. While taking advantage of new flexible delivery modes, learners must also have progression pathways. Careers advisers, providers and the LLE portal must effectively communicate the opportunities to learners. This will require an information campaign backed by ongoing support for providers, on knowing what you can study, where and how – treating the entitlement as empowering not a restricted allowance.

The government should consider safeguards that prevent employers from pressurising employees to use the LLE to fund training programmes. The LLE should incentivise employer investment in training, and the LLE should be clearly there for the personal development of individuals.

We want the government to use existing regulatory and quality mechanisms to avoid added burden. The government should ensure that delivering modular provision is sustainable and supports the diversity of the sector, and trust in providers to identify and deliver on learner needs and meet demand with provision.

Access to maintenance support should be a key consideration when making changes to the student finance system. For learners to pursue flexible study they are likely to reduce working hours or require childcare support. The LLE must be ambitious and incentivise those learners who have historically not pursued higher levels of study.

The concept of taking on a loan also acts as a barrier given the prevalence of debt aversion among adult learners. Adults who take out their loan later in life have less of their work-life left to pay back the loan. It would be right to consider whether targeted grants could be used to encourage engagement from mature learners. Messaging around the loan will be crucial. It is not too late to consider whether describing the LLE as a 'loan' is helpful.

To bring in new learners, we must deliver tailored financial support that responds to different circumstances. Sustainable funding must also be available to providers. Fees and maintenance levels should be proportionate to a full qualification with support to deliver wrap-around support (such as wellbeing support, careers advice and access to facilities) and high-cost modules. It would be suitable for high-cost modules to attract pro-rata teaching grants. The consequences of this not being available would be detrimental to the LLE reform programme. It would disincentivise modularisation in many disciplines where there are particular skills

shortages. In practical terms, this means a new top up funding model because a modular teaching approach will be more expensive than the linear model we have now.

There are opportunities to build on successes to date where effective transfer and recognition arrangements already exist. Learning from this, we believe we can develop a clear understanding of the demand for modular learning. Where good work is already in place across the sector, this should be acknowledged and shared.

For more information, please contact Methela Haque UUK Political Affairs Manager on Methela.haque@universitiesuk.ac.uk