

Yorkshire Universities Briefing

Government Response to the Lifelong Loan Entitlement Consultation

Introduction

This report provide an update on the [Department for Education's \(DfE\) Lifelong Loan Entitlement \(LLE\) Government consultation response](#). In particular, the briefing reflects on how the Government's position relates to the points raised in [Yorkshire Universities' Response to this consultation](#), which focused on the potential impacts for place and collaboration.

Overview

The introduction of the LLE aims to allow people to study, train, retrain and upskill across Further Education (FE) and Higher Education (HE) throughout their lives to respond to changing skills needs and employment patterns. The LLE is due to be **introduced from the start of Academic Year 2025/26 (AY25/26)**, with a **phased approach to the expansion of modular funding**.

Learners will be able to access an entitlement to the **equivalent of funding for four years of HE study** (£37,000 in today's fees) via the LLE personal account **online platform**.

Fee limits for module learning will be set using credits. LLE funded modules will need to be **part of a full "parent course"**, have a **single qualification level and credit value**, include a **minimum of 30 credits** and provide a **standardised transcript**.

Timeline

- **Summer 2023:** OfS will engage the sector on [developing outcome measures for modular provision](#).
- **Autumn 2023:** The Government will provide principles of how the "residual" entitlement will be calculated.
The Government will also outline priority courses eligible for additional entitlement.
- **Late 2023:** The Government will provide an update on Shariah-compliant alternative student finance (ASF).
- **2024:** There will be a technical consultation in order to specify how DfE will determine funding for wider level 4 to 6 modules from AY27/28.
- **Next Spending Review:** The Government will set out the new budget for targeted grants under the LLE, alongside further detail on the entitlements.

HE-FE Collaboration

YU submission: The LLE should build on existing and emerging local, sub-regional and regional **partnerships and collaboration**, and establish **mechanisms to encourage collaboration and complementarity**, rather than competition between FE and HE. There should also be consideration of how a range of factors (e.g. transferability and support structures) could impact student mobility and choices between providers and routes.

DfE response analysis: The LLE will establish a **unified student finance system** combining entitlements under HE student finance (HESF) and Advanced Learner Loan (ALL) for levels 4-6. It is unclear if there will be any changes to ALL funding at level 3 or if this will remain a separate system.

The LLE will also work towards **unifying the regulatory system** for providers at levels 4 to 6 through the Office for Students (OfS), who will develop a new, permanent third registration category for the start of AY25/26. However, this will not quite be one-stop registration as the Institute for Apprenticeships and Technical Education appears to maintain assessment functions for non Higher Technical Qualification (HTQ) provision.

DfE has emphasised that the Department recognises the importance of **building on existing course metrics and the outcomes data available**, where possible, in developing outcomes metrics used for modular study. The focus on outcomes as key measure of standards and quality remains, despite concerns that this may not be directly compatible with modular study. The Government noted that consultation respondents wanted clarity on who would ultimately be responsible for the learners' outcomes but provided no further detail on how this could be achieved. There will be an OfS consultation on outcomes measures for modular provision starting in summer 2023. The Government has stated that it does not anticipate further primary legislation in relation to supporting quality.

The LLE seeks to **facilitate credit transfer** through requiring a **standardised transcript** but will not impose a credit transfer system. DfE highlighted that learners will be supported through different learning pathways through information and guidance in the personal account system, and that this may also include a record of achievement. DfE has said that it will "continue to consider the mechanisms necessary to further facilitate and stimulate credit transfer, informed by responses to this consultation and continuous stakeholder engagement" (p.20).

Diverse Course Range

YU submission: It is important to encourage and build on the **diversity of the HE and FE systems across all subjects**, which benefits the development of skills and talent at local, regional, and national levels. There should not be central restrictions on subject eligibility based on what the Government views of employer relevance and 'high-value' learning.

DfE response analysis: There is a positive recognition about the importance of the flexibility of the LLE and the importance that it should be as **flexible** as possible and "**centred on learners' choice**" with **as few restrictions as possible**.

Modular funding will start with all HTQs and some ALL-funded technical qualifications at Levels 4 and 5 with employer demand before being **expanded** across broader level 4, 5 and 6 provision in **AY27/28 "where we can be confident of positive outcomes for learners"** (p.12). There will be a technical consultation on this broader modular funding in 2024, and it will be important that the specification around confidence in positive outcomes is not used to restrict courses and subjects centrally without accounting for local needs, as well as the broader value of a range of diverse courses. However, the Government recognises the importance of **provider autonomy** in deciding whether or not to modularise a course (p.19).

LLE funded modules will need to be **part of a full “parent course”** that can stack towards full qualifications, have a **single qualification level and credit value**, include a **minimum of 30 credits** (which can be done through bundling smaller modules), and provide a **standardised transcript**. These criteria are understandable in the context of the priorities set out for clear pathways towards larger qualifications. However, limiting the LLE to 30 credit modules that are part of a bigger course could discourage the development of innovative short courses to meet specific skills needs.

There will be increased flexibility for retraining through the positive step of **removing the restrictions on Equivalent or Lower Qualifications (ELQs)**. The ELQ restrictions have prevented students from accessing public funding for qualifications that are equivalent to, or of a lower level than, one which the student already holds unless they meet specific exemption criteria, which has allowed less flexibility for retraining.

Learners will also have access to **additional funding for a limited number of priority subjects and longer courses**, such as medicine, to ensure that learners can always gain skills in priority areas regardless of previous qualifications or entitlement.

There is some uncertainty around how the LLE will work for those who have already taken or plan to take **a year abroad or a year in industry** during an undergraduate degree who then want to take on modular learning. It would be disappointing if taking a year in industry or a year abroad diminishes the opportunities for future study or training. This should be made clearer when the “residual” entitlement calculation is published in autumn 2023.

Widening Access and Participation

YU submission: Access to fee loans and maintenance will be central to the success of the LLE in opening up opportunities for all across Yorkshire.

DfE response analysis: Expanding maintenance loans and targeted grants for all in person LLE courses, including part-time and previously ALL funded courses, is a positive step for access and participation. The Government will set out the new budget for targeted grants under the LLE, alongside further detail on the entitlements at the next Spending Review. The eligibility for the LLE generally seems broad for those up to age 60, with the same immigration and residency rules as HESF.

Maintenance loans will reflect length of time studying as well as **personal circumstances impacting need**. There was no confirmation of when more details on this will be available, apart from that it will be ahead of the LLE launch in AY25/26.

The consultation response states that “**entitlements under the current system may be reviewed** in some areas to ensure an expanded **system remains affordable**” (p.18). This is concerning given that there has been no further information on the proposals for **student number controls (SNCs) and minimum eligibility requirements (MERs)** put forward in the HE reforms consultation. Such measures would limit access to HE and could have a wide range of negative impacts, which would work in opposition to the goals of LLE in opening up opportunities. In the YU response to the HE reforms consultation, we set out how SNCs and MERs could impact HE access in Yorkshire and further ingrain social and spatial

inequalities in the education system.¹ It is important that the Government either provides more information on these measures or provides confirmation they are not still being considered to ensure the effective rollout of the LLE by 2025.

Shariah-compliant **alternative student finance** (ASF) is not expected to be delivered until after the LLE is launched. The Government restated its commitment to providing ASF “as soon as possible after 2025 (p.25) despite the ongoing delays since this was first promised in 2010 and uncertainty this creates.

There are also concerns about the **affordability of repaying the LLE under the Plan 5** terms and conditions it is subject to. WonkHE analysis suggests that existing issues in the Plan 5 system in combination with modular funding under the LLE could make lifelong study very expensive.² An illustrative model created by David Kernohan highlights the issues learners may face if RPI inflation is higher than wage growth, particularly for those earning closer to the repayment threshold.³ For those in a lower-paid job near the repayment threshold where wage growth is lower than inflation, they will be paying the same 9% of their salary over the threshold for the next 40 years even if the initial value of the loan for modular study was very low.⁴

Information, Advice and Guidance

YU submission: Information, advice and guidance (IAG) on modular study and the wide range of progression routes will be essential to empower learners to make decisions and use their entitlement effectively, particularly to support widening access and participation. This will require a coordinated approach to the information provided across schools, FE, HE and to potential adult learners not currently in the education system.

DfE response analysis: Learners are due to have access to impartial IAG on their **LLE personal account**. DfE is exploring how the personal account will link to IAG without duplicating existing information and systems. The landscape for IAG on education and careers in England is complex and difficult to navigate, particularly for those already facing barriers who would benefit from it most. Therefore, there are concerns that the current suggested approach of signposting to existing resources through the LLE personal account will not address this issue effectively.⁵ Linking to IAG across a complex system may not provide the tailored support accessible to all learners, at any stage of their learning journey, that will be needed to address the barriers identified in the equality assessment, particularly of those who are time poor and lack digital connectivity.⁶

Information and Support Needed for Providers

YU submission: There is a need for more **in-depth modelling to better understand costs and benefits**, and learner and provider behaviours to support decision making and preparations. Local piloting would help providers understand how modular provision can be developed in a way that connects employer needs with choice and flexibility for learners. It is

¹ YU. 2022. [Yorkshire Universities' Response to the Department for Education Consultation on Higher Education Reforms](#).

² Kernohan, D. 2023. [The Lifelong Loan Entitlement could get very expensive for learners](#). WonkHE.

³ Kernohan, D. 2023. [The Lifelong Loan Entitlement could get very expensive for learners](#). WonkHE.

⁴ Kernohan, D. 2023. [The Lifelong Loan Entitlement could get very expensive for learners](#). WonkHE.

⁵ Blake, S. 2023. [Learners accessing the Lifelong Loan Entitlement will need souped up careers advice](#). WonkHE

⁶ DfE. 2023. [Lifelong Loan Entitlement: Government Response Equality Analysis](#).

also essential that there is **sustainable funding for modular provision** to support course delivery, including high-cost courses, additional administrative costs, and wrap-around support including access to facilities, careers, and wellbeing.

DfE response analysis: The use of pilots, or other mechanisms to determine demand, and modelling was **not mentioned in the DfE response**, apart from noting the suggestion by respondents. It remains unclear if and how this will be adopted.

No information was provided on the **OfS short courses trial**. However, early indicators are not encouraging about the performance of this trial.⁷ Although, this may be due to an overly ambitious pilot under short timescales and lack of public awareness rather than lack of demand.⁸ Even so, Kernohan has warned against conflating the attractiveness of lifelong learning in general with interest in this particular scheme, as Ministers have previously implied.⁹

Further work is needed to fully develop and prepare for this new system. The information included in the DfE's updated **impact assessment** and gaps still present highlight that a holistic understanding of how the LLE will work in practice remains as yet to be developed.¹⁰ Kernohan suggests that DfE "has been unable to put a meaningful value on the possible benefit to learners" and its suggestion for the possible impact on providers of £6.4m is described as "ludicrously low".¹¹ Much of the impact is dependent on learner behaviour, such as if the LLE will increase or decrease demand for undergraduate courses, which there is very limited evidence on.

DfE noted that some respondents highlighted that the that **costs for providers of modular provision may not be proportional** to full courses but gave no details as to if and how this would be addressed.

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⁷ Kernohan, D. 2023. [What's happening with the short courses trial?](#) WonkHE.

⁸ Peck, E. 2023. [The Lifelong Loan Entitlement: a new way to meet demand for alternative modes of higher education – By Professor Edward Peck](#). HEPI

⁹ Kernohan, D. 2023. [The Lifelong Loan Entitlement consultation response arrives](#). WonkHE.

¹⁰ DfE. 2023. [Lifelong Loan Entitlement: Consultation response Updated Impact Assessment](#)

¹¹ Kernohan, D. 2023. [The Lifelong Loan Entitlement consultation response arrives](#). WonkHE.