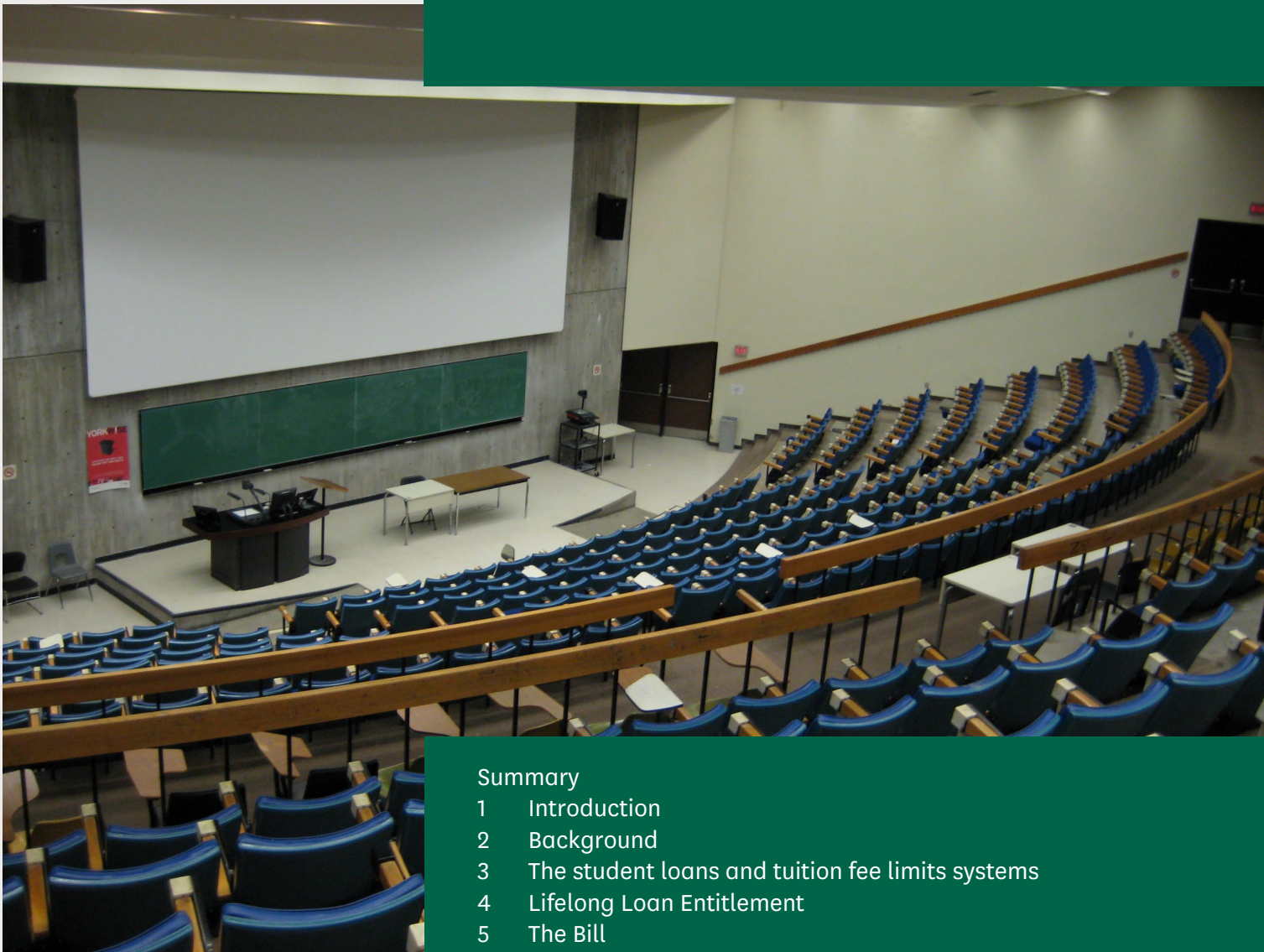


Research Briefing

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# Lifelong Learning (Higher Education Fee Limits) Bill 2022-23



## Summary

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## Summary

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

[The Bill](#) (PDF), which is Bill 240 of the 2022-23 parliamentary session, was introduced in the House of Commons on Wednesday 1 February 2023. It would extend to England and Wales but apply to England only.

Second reading is due to take place on Monday 27 February 2023.

## What would the Bill do?

The Bill would introduce a new ‘credit-based method’ to set tuition fee levels for higher education courses and modules. The Bill would also create the new concept of ‘course years’, which would be the period of twelve months from the first day of the month in which the course begins, to replace that of [‘academic years’](#).

Credits are a measure of the amount of learning a student is expected to do to complete a programme of study. One credit is generally equal to ten hours of learning. Learning includes formal classes, private study, and the completion of coursework and exams.

In conjunction with the forthcoming Lifelong Loan Entitlement, 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.

The Bill comprises two substantive clauses that would primarily amend Sections 10, 11, 31, and Schedule 2 of the [Higher Education Research Act 2017](#), as well as giving Ministers powers to make regulations setting out the detail for how the Bill’s provisions would work in practice.

## Background to the Bill

### Tuition fee limits and student loans

Two pieces of primary legislation underpin the student loans and tuition fee limits systems in England:

- The [Teaching and Higher Education Act 1998](#) gives the Secretary of State the broad powers to issue loans and grants to further and higher education students.
- The [Higher Education and Research Act \(HERA\) 2017](#) gives the Secretary of State the power to set out in regulations the tuition fee limits that apply to particular providers and courses. 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.

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), and which are offered by higher education providers registered with the Office for Students in the [Approved \(Fee Cap\) category](#).

## The Lifelong Loan Entitlement

The Bill would support the introduction of the [Lifelong Loan Entitlement \(LLE\)](#) from 2025. The LLE will aim to promote "a culture of upskilling and retraining" by providing individuals with a loan entitlement to the equivalent of four years of post-18 education to use over their lifetime. This entitlement would be equivalent to £37,000 in current fees.

The Government intends for the Lifelong Loan Entitlement to 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 two existing systems of Government-backed student finance loans and Advanced Learner Loans.

Chapter two of the [independent panel report to the Government's Review of Post-18 Education and Funding \(the Augar report\)](#), published in May 2019, had 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.

## Reaction and commentary

Across the further and higher education sector, the Bill was welcomed, but many groups have called for more detail on the Lifelong Loan Entitlement ahead of its introduction in 2025.

The Bill's [impact assessment](#) (PDF) did not give a detailed or quantitative analysis of its impacts on learners, providers, and the wider economy and society because of "two key sources of uncertainty":

- broader Lifelong Loan Entitlement policy
- the possible behavioural responses from providers and learners.

However, it did say 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. It could also encourage greater take-up of short courses from more debt-averse mature learners.

In September 2022, the Government [revealed there had been just 12 applications for tuition fee loans](#) through the higher education short courses trial, which had been set up to inform the development of the Lifelong Loan Entitlement. The Government said it expected demand to increase over the course of the three-year trial.

In February 2023, the higher education website Wonkhe reported there have been [33 applications for tuition fees since the start of the trial](#).

## Further reading

- The Department for Education has published a number of related documents, including [explanatory notes](#) (PDF), a [policy summary note](#) (PDF), an [impact assessment](#) (PDF), and a [delegated powers memorandum](#) (PDF) on [the Bill's webpage on Parliament.UK](#).
- Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022.
- Department for Education, [Higher education policy statement and reform consultation](#), 24 February 2022.
- Commons Library briefing CBP-9348, [The Post-18 Education and Funding Review: Government conclusion](#).

# 1 Introduction

The [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (Bill 240 2022-23) was introduced in the House of Commons on Wednesday 1 February 2023.

[The Bill](#) (PDF) would extend to England and Wales but apply to England only.

No white paper or draft bill was published before the Bill's first reading. However, during the passage of the Skills and Post-16 Education Act 2022, the Government promised legislation on fee limits, and how they would work with the Lifelong Loan Entitlement, would be forthcoming.<sup>1</sup>

In February 2022, a consultation on the [Lifelong Loan Entitlement](#) was launched.<sup>2</sup> The consultation did not ask about fee limits, but instead set out the Government's wider policy intents, seeking views on the Entitlement's ambition, objectives, and coverage. The Government closed the consultation on 6 May 2022. The outcome is yet to be published.

The Department for Education published several documents alongside the Lifelong Learning (Higher Education Fee Limits) Bill on [the Bill's webpage on Parliament.UK](#). These include:

- [Bill explanatory notes](#) (PDF);<sup>3</sup>
- [Bill policy summary note](#) (PDF);<sup>4</sup>
- [Bill policy impact assessment](#) (PDF);<sup>5</sup>
- [Delegated powers memorandum](#) (PDF).<sup>6</sup>

The Department for Education also published a blogpost, [Everything you need to know about the Lifelong Learning Bill](#), on the Education Hub on GOV.UK.<sup>7</sup>

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<sup>1</sup> [HL Deb \[Skills and Post-16 Education Bill \[HL\]\] 21 October 2021, cc311-16.](#)

<sup>2</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022.

<sup>3</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Explanatory Notes](#) (PDF), February 2023.

<sup>4</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023.

<sup>5</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#) (PDF), February 2023.

<sup>6</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Memorandum from the Department for Education to the Delegated Powers and Regulatory Reform Committee](#) (PDF), January 2023.

<sup>7</sup> Department for Education, [Everything you need to know about the Lifelong Learning Bill](#), 2 February 2023.

The second reading of the Bill is expected to take place on Monday 27 February.



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## 2 Background

### 2.1 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>8</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>9</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>10</sup>

The report characterised post-18 education in England as a “story of both care and neglect.”<sup>11</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>12</sup>

The report contained 53 recommendations on the future structure and funding of the sector. Recommendation 2.1 concerned lifelong learning:

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

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<sup>8</sup> Department for Education, [Prime Minister launches major review of post-18 education](#), 19 February 2018.

<sup>9</sup> Commons Library briefing CBP-8490, [The forthcoming review of post-18 education and funding](#).

<sup>10</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019.

<sup>11</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p5.

<sup>12</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p5.

amount equivalent to four years' full time undergraduate degree funding – to increase flexibility and lifetime learning.<sup>13</sup>

Higher education courses comprise individual modules or units. 'Credits' are assigned to each module, and students accumulate credits towards the total required for a qualification. For example, a bachelor's degree with honours is worth 360 credits.

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.<sup>14</sup>

The independent panel report is discussed in the Library briefing on [the Post-18 Education Review \(the Augar Review\) recommendations](#).<sup>15</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>16</sup>

Among the main policies announced, the Government committed to:

- 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>17</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. Alongside policies and proposals for consultation relating to student finance and student loan repayment terms,<sup>18</sup> the Government launched a consultation on the [Lifelong Loan Entitlement](#).<sup>19</sup>

From 2025, the Lifelong Loan Entitlement is intended to help fund [higher education study at levels 4 to 6](#) regardless of whether courses are provided in colleges or universities. It would provide a loan entitlement to the equivalent of four years of post-18 education for use over a person’s lifetime.

<sup>13</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p40.

<sup>14</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p39

<sup>15</sup> Commons Library briefing CBP-8577, [The Post-18 Education Review \(the Augar Review\) recommendations](#).

<sup>16</sup> Department for Education, [Interim Conclusion of the Review of Post18 Education and Funding. January 2021](#), 21 January 2021.

<sup>17</sup> Department for Education, [Interim Conclusion of the Review of Post18 Education and Funding. January 2021](#), 21 January 2021, p4.

<sup>18</sup> Department for Education, [Higher education policy statement and reform consultation](#), 24 February 2022.

<sup>19</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022.

The consultation did not ask about fee limits, but instead 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. It has said it will publish its response in due course.

More information is available in the Library briefing on [the Government's conclusion of the Post-18 Education and Funding Review](#).<sup>20</sup> More information on the Lifelong Loan Entitlement is provided in sections 4 and 6.2 below.

## 2.2 Skills for Jobs white paper

On 29 September 2020, the then-Prime Minister Boris Johnson announced a Lifetime Skills Guarantee, to give people the opportunity to train and retrain throughout their lives.<sup>21</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 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>22</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>23</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;

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<sup>20</sup> Commons Library briefing CBP-9348, [The Post-18 Education and Funding Review: Government conclusion](#).

<sup>21</sup> Prime Minister, [PM's skills speech](#), 29 September 2020.

<sup>22</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021.

<sup>23</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021, p39.

- 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>24</sup>

## Skills and Post-16 Education Act 2022

The Lifelong Loan Entitlement was an important part of the [Skills and Post-16 Education Act 2022](#), which received royal assent on 28 April 2022. To help facilitate the introduction of the Lifelong Loan Entitlement, 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 Lifelong Loan Entitlement was repeatedly criticised, particularly because it would be a major change to the current student loans systems.

In October 2021, speaking on behalf of the Government during the report stage of the Bill in the House of Lords, Baroness Barran said the Government [intended to consult on the “ambition, objectives and coverage” of the Lifelong Loan Entitlement](#), before bringing further primary legislation at a later date setting out in more detail how it will work.<sup>25</sup>

## 2.3

## 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,

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<sup>24</sup> Department for Education, [Skills for jobs: Lifelong learning for opportunity and growth](#), 21 January 2021, p39.

<sup>25</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.

rather than separate qualifications, are stand-alone, bite-sized modules of study covering a wide range of short-term learning.

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

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

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

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>26</sup>

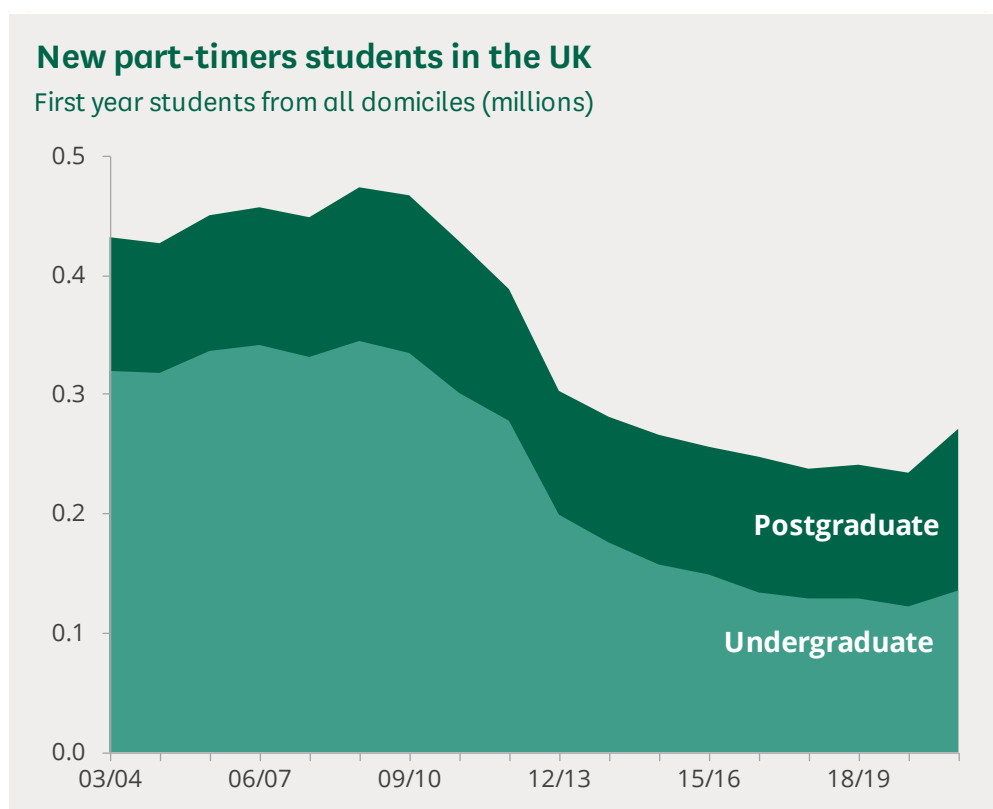
In 2014, the former higher education funding council, while commenting on the decline in other undergraduate study, said “Higher education institutions appear to be exiting the market for study below degree level and focussing their undergraduate provision around degree courses.”<sup>27</sup>

## 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>26</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>27</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 2021/22 there were 245,000 adult learners in England on further education and skills courses at level 4 or higher.<sup>28</sup> 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 fell by almost 900,000 over the same period.<sup>29</sup>

The growth in learners at this level was due to increases in those taking higher level apprenticeships. The number on classroom-based education and training courses at level 4 or higher was 14,100 in 2021/22. There was a rapid fall in their numbers between 2012/13 and 2014/15 and only a small recovery since then. The 2021/22 figure was 59% below the 2012/13 level.<sup>30</sup> Trends are illustrated below.

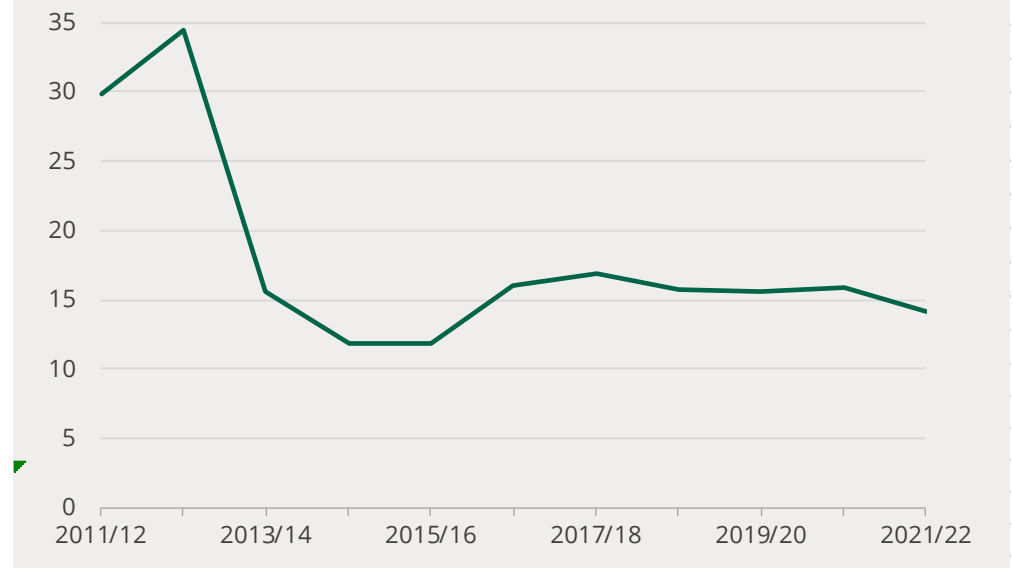
<sup>28</sup> Level 4 is equivalent to a higher national certificate (HNC), higher apprenticeship, level 4 NVQ etc.

<sup>29</sup> DfE, [Further education and skills 2022/23](#) (and earlier).

<sup>30</sup> DfE, [Further education and skills 2022/23](#) (and earlier).

### Education and training learners at level 4+ fell by more than half in early 2010s

Thousands. Learner volumes in England



Source: DfE, [Further education and skills 2022/23](#) (and earlier)



## 3 The student loans and tuition fee limits systems

Two pieces of primary legislation underpin the student loans and tuition fee limits systems in England. These acts give the Secretary of State the power to make regulations about student support and the maximum tuition fees providers can charge for their courses.

- The [Teaching and Higher Education Act 1998](#) gives the Secretary of State the broad powers to issue loans and grants to further and higher education students.<sup>31</sup>
- The [Higher Education and Research Act \(HERA\) 2017](#) gives the Secretary of State the power to set out in regulations the tuition fee limits that apply to particular providers and courses.<sup>32</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>33</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.

### 3.1 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>34</sup>

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

<sup>31</sup> [Teaching and Higher Education Act 1998](#), Section 22.

<sup>32</sup> [Higher Education and Research Act \(HERA\) 2017](#), Schedule 2.

<sup>33</sup> [Higher Education and Research Act \(HERA\) 2017](#), Sections 10-12.

<sup>34</sup> [Teaching and Higher Education Act 1998](#); [The Education \(Student Support\) Regulations 2011](#), Regulations 5, 139 and Schedule 2.

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 2022/23, maximum annual loans are:

- Living at home: up to £8,171.
- Living away from home, outside London: up to £9,706.
- Living away from home, in London: up to £12,667.
- Spending a year of a UK course studying abroad: up to £11,116.

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>35</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>36</sup>

## 3.2

### 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 3 to 6, can access ALLs for support with tuition fees.

<sup>35</sup> DfE, [Student loan forecasts for England 2021-22](#).

<sup>36</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.

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>37</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 48% fall in loans taken out for level 3 courses. The number taking out ALLs for level 4 or higher courses has remained in the 9,000-10,000 range since 2016/17. The total value of ALLs awarded fell by 45% in cash terms between academic year 2016/17 and 2021/22.

Advanced learner loan take-up, England								
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
<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
Level 4+	4,800	6,300	9,100	9,900	10,300	9,900	10,000	9,000
<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>
<i>Value of loans awarded</i>								
(£ million)	148.8	195.2	236.2	208.0	200.3	182.4	166.9	130.4

Source: DfE, [Further education and skills 2022/23](#)

<sup>37</sup> There are some exceptions where higher amounts are available for courses that are included in the [Dance and Drama Awards scheme](#).

To put these figures in context 1.3 million English undergraduate students took out student loans in England in 2021/22 with a total value of £18.6 billion.<sup>38</sup>

## 3.3 Tuition fee limits

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>39</sup>

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).

### 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>40</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>41</sup>

<sup>38</sup> SLC, [Student Support for Higher Education in England 2022](#).

<sup>40</sup> Office for Students, [Benefits of registration](#), February 2022.

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. Only providers registered in this category are subject to tuition fee limits.

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>42</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.

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

<sup>40</sup> Office for Students, [Benefits of registration](#), February 2022.

<sup>41</sup> Office for Students, [Conditions of registration](#), February 2022.

<sup>42</sup> [Teaching and Higher Education Act 1998; The Education \(Student Support\) Regulations 2011](#), Regulations 5, 139, and Schedule 2.

## 4 Lifelong Loan Entitlement

The Lifelong Loan Entitlement (LLE) will provide people with a loan entitlement to the equivalent of four years of post-18 education to use over their lifetime. This would be £37,000 in current fees.

The LLE is intended to 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 two existing systems of Government-backed student finance loans and Advanced Learner Loans.

The Government has said the LLE will be introduced from 2025.

### 4.1 Policy background

Flexible learning is the study of modules and short courses periodically over a person's life.

Chapter two of the independent panel report to the Government's Review of Post-18 Education and Funding 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>43</sup>

Recommendation 2.1 of the report 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' fulltime undergraduate degree funding.<sup>44</sup>

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](#). 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;

<sup>43</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, pp38-44.

<sup>44</sup> Department for Education, [Independent panel report to the Review of Post-18 Education and Funding](#), 30 May 2019, p40.

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>45</sup>

The Government intends for the Lifelong Loan Entitlement to replace the current student finance systems, because it argues 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>46</sup>

It has also said there needs to be more opportunities for adults to upskill and retrain later in their working life, to encourage career and wage progression and help address employer demands for higher level technical skills.<sup>47</sup>

Provisions to support the introduction of the Lifelong Loan Entitlement were included in the [Skills and Post-16 Education Act 2022](#). The Act gave the Secretary of State powers:

- 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; and
- to prescribe an overall maximum amount of funding an individual could access over their lifetime, a “lifetime limit”.

## 4.2 Consultation

On 24 February 2022, the Government launched a consultation on the [Lifelong Loan Entitlement](#), seeking views on its ambition, objectives, and coverage.<sup>48</sup>

In the consultation document, the Government said the LLE was based on the idea that people should be able to access funding and learning opportunities flexibly, “as and when they need it”.<sup>49</sup> The Government also wants people to have a clear understanding of their loan entitlement.<sup>50</sup>

To do this, the Government will introduce lifelong learning accounts. People will be able to sign up for an account and log in online. Like a bank account, the Government hopes these accounts will clearly show an individual’s learning “balance”, including how much entitlement they have used and how much entitlement they still have available.

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<sup>45</sup> Prime Minister, [PM's skills speech](#), 29 September 2020.

<sup>46</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, p14.

<sup>47</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, pp15-17.

<sup>48</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022.

<sup>49</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, p8.

<sup>50</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022, p8.

The intention is that, through their account, people will also be able to receive clear signposting of the courses and modules that are eligible for funding.

The Government believes the current system of maintenance support is skewed towards young students, with entitlement determined by their family income. The Government 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>51</sup>

## 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>52</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>53</sup>

The scheme ended in November 2001 after a combination of overspend and a lack of oversight leading to its exploitation.<sup>54</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>55</sup>

<sup>51</sup> Department for Education, [Lifelong Loan Entitlement Consultation](#), 24 February 2022, p39.

<sup>52</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002.

<sup>53</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002.

<sup>54</sup> “[Frauds scuttle adult learning scheme](#)”, The Guardian, 25 October 2001 (accessed 13 February 2022).

<sup>55</sup> Select Committee on Education and Skills, [Select Committee on Education and Skills Third Report: Individual learning accounts](#), 1 May 2002.



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## 5 The Bill

### 5.1 Summary

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

This method would use ‘credits’, which the Government defines as a “measurement of learning time”, to set tuition fee limits.<sup>56</sup> The Bill would also create 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>57</sup>

The Bill is part of the Government’s wider reforms to further and higher education. It would support the introduction of the Lifelong Loan Entitlement (LLE), which, from 2025, will aim to promote “a culture of upskilling and retraining” by providing individuals with a loan entitlement to the equivalent of four years of post-18 education (£37,000 in today’s fees) to use over their lifetime.

The LLE will be available for both modules of courses and full courses, in colleges and universities, and combines the existing student finance offers at higher technical and degree levels (levels 4-6) into a single, unified offer.<sup>58</sup>

#### Structure of the Bill

The Bill comprises two substantive clauses that would primarily amend sections 10, 11, 31, and Schedule 2 of the [Higher Education Research Act 2017](#), as well as giving Ministers powers to make regulations setting out the detail for how the Bill’s provisions would work in practice.

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<sup>56</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p5.

<sup>57</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Explanatory Notes](#) (PDF), February 2023, p2.

<sup>58</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p3.

Clause 3 states the Bill would extend to England and Wales (but it would apply to England only) and clauses 1 and 2 would come into force on a day determined in regulations, which is likely to be in 2024.

## 5.2

### Clause 1: New method for determining fee limit

Clause 1 of the Lifelong Learning (Higher Education Fee Limits) Bill introduces a new method for determining the maximum tuition fee a higher education provider registered with the Office for Students can charge. This new method will be known as the credit-based method.

The clause sets out how the new method will work and gives the Secretary of State a number of new, associated powers. It also introduces the concept of ‘course years’, to replace that of ‘academic years’.

#### The credit-based method

In 2022, [sections 15 and 16 of the Skills and Post-16 Education Act 2022](#) amended the Teaching and Higher Education Act 1998 and Higher Education and Research Act 2017 to introduce the concept of “modules” as a unit of learning.<sup>59</sup> The Act made clear that modules would exist alongside higher and further education courses. They have fee limits and can be funded through student finance.

These changes were made to support the introduction of the LLE, which the Government has said will be in place from 2025. During the passage of the Skills and Post-16 Education Act, the Government promised further legislation on fee limits and how they would work with the LLE.<sup>60</sup>

Clause 1 of the Lifelong Learning (Higher Education Fee Limits) Bill states the current method of determining fee limits (see above), which will now be known as the “fixed method” would remain, but a new method, the “credit-based” method would operate alongside it. The credit-based method will use the number of academic ‘credits’ a course or module contains to set the tuition fee limit.

The rules governing this method, and the associated powers of the Secretary of State, are set out in the Bill in an amendment to [Schedule 2 of the Higher Education and Research Act 2017](#).

The Bill would introduce the concept of credits into primary legislation for the first time. While the Bill doesn’t define a credit, the Explanatory Notes

<sup>59</sup> [Skills and Post-16 Education Act 2022](#), Sections 15-16.

<sup>60</sup> [HL Deb \[Skills and Post-16 Education Bill \[HL\]\] 21 October 2021, cc311-16.](#)

highlight the definition commonly used by the higher education sector, with a credit representing ten hours of learning.<sup>61</sup>

## 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>62</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>63</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>64</sup>

The Secretary of State would have the power to set out in regulations when credits are attached to a ‘course year’ (see below) of a particular course or module. Regulations will also set out when credits are attached to “credit-differentiated activity”, like work placements and overseas study, within the year.

The Government has said providers will not be required to use credits for **full courses**.<sup>65</sup> It has also said some courses, such as nursing, are not well suited

<sup>61</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Explanatory Notes](#) (PDF), February 2023, p5.

<sup>62</sup> QAA, [Credit framework for England](#).

<sup>63</sup> QAA, [Higher Education Credit Framework for England: Advice on Academic Credit Arrangements](#) (PDF), May 2021, p8.

<sup>64</sup> Office for Students, [Sector-recognised standards](#) (PDF), May 2022, pp3-4.

<sup>65</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p5.

to a credit-based system and will be treated as “non-credit-bearing” courses for fee limit purposes.<sup>66</sup>

The Secretary of State would have the power to set out in regulations the maximum and default number of credits per course year. This is to ensure consistency in fee limits across courses, with the “default number” used for non-credit-bearing courses.

Providers will then determine the fee limit for a course or module via a calculation based on the number of credits in the course year and the per-credit fee limit.

- For courses where credits are attached to a course year, the calculation will use **the attached number of credits (subject to the maximum)**.
- For courses where credit is not attached, the calculation will use the **default number of credits for the course year**.

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Regulations subject to the draft affirmative procedure must be approved by Parliament before they can be made (signed into law) and brought into effect as law.

The per-credit fee limit would be set out in regulations. As with nearly all the regulations made under [Schedule 2 of the Higher Education and Research Act 2017](#), they will follow the [draft affirmative procedure](#). Any regulations made by the Secretary of State under the new powers introduced by the Lifelong Learning (Higher Education Fee Limits) Bill are also subject to the draft affirmative procedure.

The different fee limit rates that apply under the current system based on a provider’s teaching quality and whether it has an approved Access and Participation Plan will continue. Providers will also continue to be able to set fees lower than the maximum fee cap set by Government if they choose.

## Course years

Currently, fee limits are set by reference to an ‘academic year’. As part of the new credit-based method, clause 1 would introduce the concept of a ‘course year’, to replace that of an academic year.

The Government has said this is to allow fee limits to be applied with “greater precision” according to when a course starts.<sup>67</sup> It hopes the change would support more flexible patterns of study,<sup>68</sup> with course years more appropriate to modular study than the current academic years.<sup>69</sup>

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<sup>66</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p5.

<sup>67</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p3.

<sup>68</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p3.

<sup>69</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Summary Note](#) (PDF), February 2023, p6.

An ‘academic year’ is defined in [the Higher Education \(Fee Limit Condition\) \(England\) Regulations 2017](#) and is determined by a student’s course start date. It is the period of twelve months following:

- 1 September for courses that start between 1 August and 31 December;
- 1 January for courses that start between 1 January and 31 March;
- 1 April for courses that start between 1 April and 30 June;
- 1 July for courses that start between 1 July and 31 July.<sup>70</sup>

Clause 1 would amend [section 10 of HERA 2017](#) to establish a ‘course year’ as:

(a) the period of 12 months beginning with the first day of the month in which the course begins, and

(b) each subsequent period of 12 months (if any) in which part of the course is undertaken.<sup>71</sup>

Clause 1 would also amend [Schedule 2 of HERA 2017](#) to give the Secretary of State the power to determine in regulations whether the new credit-based method of setting fee limits applies, or whether the current fixed method applies. These delegated powers will follow the affirmative resolution procedure.<sup>72</sup>

## 5.3

### Clause 2: Related amendments

Clause 2 of the Lifelong Learning (Higher Education Fee Limits) Bill would amend the Secretary of State’s powers and the reporting requirements the Office for Students and higher education providers.

The clause would also establish a consistent definition of “module” in legislation and clarify which fees are considered “regulated course fees”.

Clause 2 would make related amendments to sections 10, 11, 31, 85, and 119 of, and Schedule 2 to, the [Higher Education and Research Act 2017 \(HERA\)](#).

These amendments include:

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<sup>70</sup> [Higher Education \(Fee Limit Condition\) \(England\) Regulations 2017](#), regulation 2(b). More information is available on GOV.UK at ‘[Understanding academic years](#)’.

<sup>71</sup> [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) (PDF), clause 1(b).

<sup>72</sup> See Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Memorandum from the Department for Education to the Delegated Powers and Regulatory Reform Committee](#) (PDF), January 2023, pp5-6.

- Making it explicit that references to “regulated course fees” include fees paid to an institution providing a qualifying course on behalf of a registered provider, for example under a franchise arrangement.
- Clarifying that a module is not considered a “qualifying course” if its credit is not attached to a course year.
- Amending the Secretary of State’s powers under section 10 of HERA 2017 so they can ensure only those courses and modules that attract student loans are those subject to fee limits. This is to ensure fee limits are not required to be set for all modules.
- Introducing a requirement for the Office for Students to publish the relevant per-credit or fixed fee limits, and the methods used to calculate them, for qualifying course types for higher education providers subject to fee limits.
- Requiring higher education providers to publish, as part of their Access and Participation Plans, information on how per-credit and fixed fee limits are determined for each course year for qualifying courses.
- Making the definition of “module” consistent under HERA 2017 and the Teaching and Higher Education Act 1998.
- Adding all regulations made as a result of this Bill under Schedule 2 of HERA 2017 to the list of statutory instruments that would follow the affirmative resolution procedure.

## 5.4

### Clause 3: Extent, commencement, and short title

Clause 3 sets out the Bill’s territorial extent, when the provisions would commence, and its short title.

Education is devolved in the UK under all three of the devolution settlements in Place in Wales, Scotland, and Northern Ireland. Clause 3 states the Lifelong Learning (Higher Education Fee Limits) Bill would extend to England and Wales. The Bill applies to England only.

The Bill extends to England and Wales, but applies to England only, because it amends provisions in the Higher Education and Research Act 2017 that concern the fee limits of English higher education providers, and the ability of the Office for Students, which is the higher education regulator in England only, to ensure compliance with these fee limit conditions.

## What is the difference between extent and application?

The **extent** of a Bill refers to the jurisdiction in which it forms part of the law. The United Kingdom has three separate legal jurisdictions:

- England and Wales
- Scotland
- Northern Ireland.

The UK Parliament is sovereign and can pass Bills for the whole of the UK, but also just for England. Since England and Wales share a legal jurisdiction, a Bill passed by the UK Parliament for England will extend to both nations.

The extent of a Bill can be different from its **application**, which refers to where any practical effect of a Bill's provisions would occur.

The distinction between the territorial extent and application of a Bill is discussed in more detail in the Cabinet Office's [Guide to Making Legislation](#).<sup>73</sup>

Clause 3 also states clauses 1 and 2 of the Lifelong Learning (Higher Education Fee Limits) Bill would come into force on a day determined by the Government in regulations.

The Lifelong Loan Entitlement is not due to be in place until September 2025. The Government has said it intends for clauses 1 and 2 to come into effect "during 2024", along with the necessary associated secondary legislation.<sup>74</sup> This is to give higher education providers enough time to advertise course entry requirements and available funding.

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<sup>73</sup> Cabinet Office, [Guide to Making Legislation](#), 2022, pp85-88.

<sup>74</sup> Department for Education, [Lifelong Learning \(Higher Education Fee Limits\) Bill Explanatory Notes](#) (PDF), February 2023, p10.

## 6 Reaction and commentary

### 6.1 Reaction from the education sector

Across the further and higher education sector, the Lifelong Learning (Higher Education Fee Limits) Bill was welcomed, but many groups have called for more detail on the Lifelong Loan Entitlement (LLE) policy ahead of its introduction in 2025.

#### Federation of Awarding Bodies

Focusing on the impact of the Bill on adult learners, the Chief Executive of the Federation of Awarding Bodies, Tom Bewick, praised the potential of the Bill to help create an education system that is “genuinely cradle to grave”.<sup>75</sup> He said:

Following the landmark Skills and Post-16 Education Act, I’m delighted to see this Bill enter the legislative process. The LLE Bill has the potential to be the most radical entitlement to adult education, skills training and retraining (delivered at the point of need), ever introduced.

That’s because it breaks with over a century of tradition of the state only really supporting the education of young people, delivered in a linear way.

This Bill can help make the learning system genuinely cradle to grave, with individuals able to access the financial support they need, when it is most relevant to them.<sup>76</sup>

#### Universities Association for Lifelong Learning

The chair of the Universities Association for Lifelong Learning, Jonathan Michie, highlighted the need for new funding to improve the provision of adult education and lifelong learning.

He said the Bill would not “do anything to reverse the damage that has been done to the provision of adult education and lifelong learning over the past wasted decade and a half of austerity.”<sup>77</sup>

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<sup>75</sup> [“Sector Reaction to the Lifelong Learning Bill \(LLE\)”](#), FE News, 1 February 2023 (accessed 10 February 2023).

<sup>76</sup> [“Sector Reaction to the Lifelong Learning Bill \(LLE\)”](#), FE News, 1 February 2023 (accessed 10 February 2023).

<sup>77</sup> [“Entry restrictions absent as bill focuses on lifelong learning”](#), Times Higher Education, 2 February 2023 (accessed 13 February 2023).



Jonathan Michie also said: “Funding needs to be provided to enable providers to design and deliver high-quality courses at affordable fees”.<sup>78</sup>

## Open University

The Open University has said it supports the introduction of the LLE and credit-based fee limits because:

[T]hey could make a real difference in helping adults to access flexible lifelong learning, thereby addressing the decline that the sector has experienced for some time in England.<sup>79</sup>

However, the Open University argues there are currently “too many unknowns” about how the credit-based fee system and the LLE will work in practice. It has highlighted that part-time, distance learners in England are excluded from receiving maintenance support and said changing this will be a “key aspect of a successful LLE”.

The Open University posed several questions ahead of the Bill’s second reading:

- Will the per-credit fee limit be the same for every course regardless of mode of study/subject?
- Will credit-based fee limits be available for all courses rather than only those initially included in the LLE from 2025?
- Will the LLE be accessible to all from 2025 or will it be introduced gradually for different courses, modes of study, and/or age cohorts?
- Do Ministers intend to provide maintenance support for all modes of study in England, including distance learners, who access the LLE?

## Association of Colleges

The Association of Colleges (AoC) [welcomed the Bill as the “important first step”](#) towards making the student finance system more flexible, but it also highlighted a number of remaining challenges, particularly with regards to how maintenance support will work under the LLE. In its response to the Bill, the AoC said:

There is still work needed to explain who will be eligible for the Lifelong Learning Entitlement, where they will be able to use it and how those institutions will be regulated. Colleges already have a track record of teaching HE on a more part-time, flexible and individualized basis to adult learners but this activity has diminished in recent years creating a genuine challenge in

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<sup>78</sup> [“Entry restrictions absent as bill focuses on lifelong learning”](#), Times Higher Education, 2 February 2023 (accessed 13 February 2023).

<sup>79</sup> Open University, Briefing note from the Open University ahead of the Bill’s second reading, February 2023.

rebuilding capacity, at a time when the UK needs higher skills to boost productivity and grow the economy.

There are wider challenges involved in reinvigorating adult higher education. The LLE and credit-based student loans are important technical fixes but are not enough on their own. Access to maintenance support is essential to ensure students can afford to study on a flexible basis.<sup>80</sup>

## NCFE

The head of policy at the vocational and technical awarding organisation NCFE, Michael Lemin, described the omission of level 3 courses from the Bill as a “missed opportunity” to better integrate further and higher education. He also argued for reforms to Universal Credit so claimants could maintain eligibility while studying. He said:

The ability to access modular learning will also support those whose personal circumstances don’t allow them to study full time. It will be vital to support learners to take up this new entitlement with additional access to maintenance and reforms to Universal Credit eligibility, as currently many people face losing their benefits when undertaking learning.

The proposed LLE will support learning at Level 4 and 5. However, the omission of Level 3 is a missed opportunity to break down barriers between FE and HE. There are significant skills gaps in occupations at Level 3 and those needing to learn at this level will not be able to enjoy the flexibilities it offers.<sup>81</sup>

## 6.2 Impact assessments

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

The [impact assessment](#) (PDF) published alongside the Bill did not give a detailed or quantitative analysis of the impacts of the Bill on learners, providers, the Exchequer, and the wider economy and society. This was because of “two key sources of uncertainty”, namely questions about the broader Lifelong Loan Entitlement policy and the possible response from providers and learners.<sup>82</sup>

It therefore took a “a proportionate, high-level approach to analysing LLE fee limits in principle, and as an isolated policy change.”<sup>83</sup>

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<sup>80</sup> Association of Colleges, [AoC responds to Lifelong Learning Bill](#), 1 February 2023.

<sup>81</sup> “[Sector Reaction to the Lifelong Learning Bill \(LLE\)](#)”, FE News, 1 February 2023 (accessed 10 February 2023).

<sup>82</sup> DfE, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#) (PDF), February 2023, p6.

<sup>83</sup> DfE, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#) (PDF), February 2023, p6.

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>84</sup>

## Lifelong Loan Entitlement impact assessment

The Bill’s impact assessment refers to the [impact assessment of the Lifelong Loan Entitlement](#), which was published in February 2022 as part of the consultation.

This assessment also highlighted the uncertainty about the impacts on students and providers. It identified three potential behavioural responses to the LLE:

- An increase in demand for further education courses or shorter higher education courses from individuals that previously would have stopped study at level 3.
- An increase in demand for further education courses or shorter higher education courses from employed individuals looking to upskill or retrain.
- A shift away from three-year undergraduate degrees towards level 4 and 5 qualifications or standalone modular study.<sup>85</sup>

According to the impact assessment, regardless of the behavioural response, the costs will largely fall on the Government and education providers, but the precise costs would depend on how the policy affected demand for student loans.<sup>86</sup>

Additional outlay could be significant if a large number of new learners use their entire loan entitlement – the equivalent of four years of post-18 education – to study flexibly over the course of their careers. Alternatively, it could be minimal if the number of new learners is small, or if each learner only uses a small proportion of their entitlement.

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<sup>84</sup> DfE, [Lifelong Learning \(Higher Education Fee Limits\) Bill Policy Impact Assessment](#) (PDF), February 2023.

<sup>85</sup> DfE, [Lifelong loan entitlement: impact assessment](#), February 2022, p14.

<sup>86</sup> DfE, [Lifelong loan entitlement: impact assessment](#), February 2022, p16.

Employers are also expected to incur some direct costs in the process of familiarising themselves with the new system and adjusting pay to account for their employees income-contingent loans.

While it is expected that students will benefit generally from the increased choice and flexibility, the impact assessment predicts the benefits to students will vary “significantly” depending on the type and amount of study chosen.<sup>87</sup>

The Government has yet to publish a response to its consultation on the Lifelong Loan Entitlement.<sup>88</sup>

## 6.3 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>89</sup>

These courses were to form part of a three-year higher education short course trial. 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.<sup>90</sup>

As part of the trial, students taking these short courses are eligible for tuition fee loans.<sup>91</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>92</sup>

The Lifelong Loan Entitlement (LLE) 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

<sup>87</sup> DfE, [Lifelong loan entitlement: impact assessment](#), February 2022, p16.

<sup>88</sup> DfE, [Lifelong loan entitlement consultation](#), 24 February 2022.

<sup>89</sup> OfS, [New short courses give students flexible opportunities to learn](#), 17 December 2021.

<sup>90</sup> See the OfS’ webpage on the [Higher education short course trial](#) for more information.

<sup>91</sup> Student Loans Company, [Higher Education Short Course Loans](#), August 2022.

<sup>92</sup> DfE, [New bursaries to help learners to upskill and retrain](#), 15 July 2022.

provision to deliver modular study, and how the Students Loans Company (SLC) can build systems and processes to best support future learners.<sup>93</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>94</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>95</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>96</sup>

In February 2023, the higher education website Wonkhe reported there have been **just 33 applications for tuition fees since the start of the short courses trial**.<sup>97</sup>

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<sup>93</sup> Department for Education, [Lifelong loan entitlement consultation](#), 24 February 2022.

<sup>94</sup> [PQ 51914 \[Higher Education: Admissions\] 27 September 2022](#).

<sup>95</sup> [PQ 51914 \[Higher Education: Admissions\] 27 September 2022](#).

<sup>96</sup> [PQ 135430 \[Higher Education: Admissions\] 7 February 2023](#).


<sup>97</sup> [“What’s happening with the short courses trial?”](#), Wonkhe, 8 February 2023 (accessed 13 February 2023).

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