



Lifelong Learning (Higher Education Fee Limits) Bill

HL Bill 136 of 2022–23

Author: Claire Brader

Date published: 15 May 2023

On 3 May 2023, the first reading of the [Lifelong Learning \(Higher Education Fee Limits\) Bill](#) took place in the House of Lords. The House is scheduled to consider the bill at second reading on 19 June 2023.

The bill would introduce a new method of calculating the maximum tuition fees for higher education courses in England. The new method would be based on a measurement of learning time known as ‘credits’. This would replace the current system which sees fee limits set on a per-academic-year basis. As modules and short courses do not frequently coincide with a full academic year, the credit-based method would ensure the cost of qualifications would be priced according to the amount of learning they contained.

The government said it wanted to support learners to access education flexibly throughout their working lives. It stated its key objective with the bill is to ensure it would cost learners the same to study a qualification module-by-module as it would to study the same qualification in one go.

The bill forms part of the government’s wider plans to reform post-18 education in England. The introduction of a credit-based system proposed in the bill would support the introduction of the government’s lifelong loan entitlement (LLE) from 2025. The LLE would give people access to a loan worth £37,000 (based on current tuition fees) that could be used to enrol in short courses, modules or full courses at higher, technical and degree levels (levels 4–6). The LLE would form a key part of the government’s lifetime skills guarantee which is focused on helping people to upskill and retrain throughout their lives.

No amendments were made to the bill during its passage through the House of Commons. The bill received its second reading on 27 February 2023. It was considered in public bill committee between 21 and 23 March 2023. It had its report stage and third reading debates on 3 May 2023. Various MPs spoke in support of the bill during the debates. The Labour Party did not oppose the bill on the basis that it supported the lifelong learning principle. However, Shadow Minister for Education Matt Western questioned the extent of the delegated powers within the bill, amongst other things. Most of the debates’ discussion focused on the government’s wider LLE policy.

Stakeholders from the education sector expressed support for the bill. However, some called on the government to expand the scope of the LLE.

I. Background to the bill

I.1 Tuition fee limits

The government sets a cap on the maximum tuition fees that higher education (HE) providers in England can charge learners.¹ These fee limits are set out in regulations and are determined in accordance with schedule 2 of the Higher Education and Research Act 2017.

The government sets a basic fee limit and a higher fee limit per academic year. HE providers are responsible for setting their tuition fees at a level that does not exceed the limits set by the government. The fee limits applicable to each provider will vary depending on several things, including:

- the type of course²
- whether the provider has an approved access and participation plan in place³
- whether the provider has a high level of quality rating as set under the Teaching Excellence Framework⁴

More information on the current student finance and fee limits system can be found in the bill's [explanatory notes](#).

I.2 Lifelong loan entitlement

The government plans to reform post-18 education in England. It has set out an ambition to help more people access education to develop the skills needed to get good jobs and improve national productivity.⁵

The government has argued that the current student financing system does not encourage learners to study flexibly during their lifetime.⁶ This was because the system predominantly focuses on learners

¹ In January 2023, the government announced the fee limit for a full-time undergraduate degree for the academic year 2023–24 would be £9,250. More information on the announcement can be found on the [Department for Education's press release](#). The latest fee limits are set out in the Office for Students' '[Fee information for new entrants in 2023–24](#)' report, published in March 2023.

² Fee limits apply to 'qualifying courses'. A course will be qualified if it has been designated under the Teaching and Higher Education Act 1998 as being applicable for student finance funding and it is being offered by a HE provider [registered with the independent HE regulator for England, the Office for Students](#). Providers can choose to apply to register with the Office for Students in one of two categories: 'approved (fee cap)' category or 'approved' category. Both categories give providers access to similar benefits, however the key difference is providers in the approved (fee cap) category can charge students the higher fee limit set by the government if they have an approved access and participation plan in place (see footnote 3). They will also be eligible for direct grant funding to support the costs of teaching and research activities.

³ [Access and participation plans](#) set out how HE providers aim to improve equality of opportunity for underrepresented groups to access, succeed in and progress from HE. According to [Office for Students guidance](#), an English HE provider must have an approved access and participation plan if it is registered in the 'approved (fee cap)' category of the Office for Students Register and it wishes to charge above the basic tuition fee limit.

⁴ The [Teaching Excellence Framework](#) is a national scheme run by the Office for Students. This assesses and rates universities and colleges for excellence above a set of minimum requirements for quality and standards.

⁵ Department for Education, '[Skills for jobs: Lifelong learning for opportunity and growth](#)', 21 January 2021.

⁶ [Explanatory notes](#), p 2.

undertaking three-year undergraduate degrees. To address this, the government said it would increase flexibility in post-18 education to encourage adults to continue learning throughout their working lives.⁷

From 2025, the government plans to introduce the lifelong loan entitlement (LLE).⁸ The LLE would give people access to loans equivalent to four years of post-18 education to use flexibly throughout their working lives. This would be equivalent to £37,000 based on current tuition fees. LLE loans would be used to pay for post-18 education courses at higher, technical and degree levels (levels 4–6) on a modular, part-time or full-time basis. The government has likened the LLE to a “flexi-travel card” which would allow people to “jump on and off their learning” throughout their working lives to suit their circumstances.⁹

The then Prime Minister Boris Johnson first announced the LLE policy in September 2020.¹⁰ The LLE would form a key part of the government’s lifetime skills guarantee which aims to help people upskill and retrain throughout their lives. Since this announcement, the government has taken several steps to support the LLE’s implementation. This included introducing the Skills and Post-16 Education Bill in 2021 which gave the LLE legislative underpinning. The [Skills and Post-16 Education Act 2022](#) came into force in April 2022 and made several changes to the Teaching and Higher Education Act 1998. This included modifying powers to ensure student loans could be set on a basis other than an academic year and introducing the concept of ‘modules’ to ensure student finance could be made available for modules.

In February 2022, the Department for Education (DfE) launched a consultation on the detail and scope of the LLE. The DfE published the consultation outcome on 7 March 2023.¹¹ This set out various things the government would do to support the LLE’s implementation, including a commitment to introduce legislation on fee limits during 2023. This bill is in response to that commitment and would be the government’s next legislative step to implementing the LLE.¹²

2. What the bill would do

2.1 Overview of the bill

The DfE said the bill’s key purpose is to ensure that a learner who wanted to study a course module-by-module would pay the same as someone who wanted to study the same course in one go.¹³ To meet this purpose, the bill would do the following:

- It would introduce a new method of calculating tuition fee limits based on ‘credit’ for HE courses. A ‘credit’ is a measurement of learning time. The DfE said this would ensure fee

⁷ Department for Education, [‘Student finance to be radically reformed from 2025’](#), 7 March 2023.

⁸ Department for Education, [‘Skills for jobs: Lifelong learning for opportunity and growth’](#), January 2021, p 5.

⁹ Department for Education, [‘Student finance to be radically reformed from 2025’](#), 7 March 2023.

¹⁰ Prime Minister’s Office, [‘PM’s skills speech: 29 September 2020’](#), 29 September 2020.

¹¹ Department for Education, [‘Lifelong loan entitlement: Government consultation response’](#), 7 March 2023.

¹² Department for Education, [‘Lifelong Learning \(Higher Education Fee Limits\) Bill: Policy summary note’](#), February 2023, p 3.

¹³ As above, p 5.

limits were consistent across modules, short courses and full courses, so that learners who studied flexibly would not be charged disproportionately. The bill would not specify how much learning time one credit would represent. However, credits are already used in the HE and further education (FE) sectors and have recognised standards which define one credit as representing 10 hours of learning per student.¹⁴ This includes learning time delivered by the provider as well as independent self-study.

- To support flexible study patterns, it would introduce the concept of a ‘course year’ to replace ‘academic year’. This would allow fee limits to apply from the point a course began.
- It would enable the secretary of state to use regulations to set the maximum chargeable credits per course year.¹⁵

2.2 Bill provisions

This section contains a summary of the bill’s clauses. More detailed information can be found in the following:

- [Explanatory notes](#), 3 May 2023
- Department for Education, [‘Lifelong Learning \(Higher Education Fee Limits\) Bill: Policy summary note’](#), February 2023
- Department for Education, [‘Delegated powers memorandum’](#), 1 February 2023

The bill contains three clauses.

Clause I would introduce a new method for determining tuition fee limits. It would do this by amending various sections of the Higher Education and Research Act 2017. These amendments would do the following:

- It would introduce a new ‘credit-based method’ for determining tuition fee limits, as well as retain the existing regime known as the ‘fixed method’. Ministers would have the power to specify in regulations which method would apply in certain circumstances.
- Both the credit-based and fixed methods would apply to a ‘course year of a qualifying course’ which could be a full course or a module. A ‘course year’ would be defined as a period of 12 months starting on the first day of the month in which the qualifying course began. This would replace the concept of the ‘academic year’ and cater for modular study. The clause would also allow the fee limit to be broken down into 12-month segments.
- The secretary of state would be required to set out in regulations the circumstances in which credits would be attached to a course year of a particular course or module. The government’s delegated powers memorandum provided hypothetical examples of the type of circumstances which the secretary of state could prescribe in future regulations.¹⁶ For example, it said they could introduce regulations that impose certain process

¹⁴ [Explanatory notes](#), p 5.

¹⁵ Department for Education, [‘Lifelong Learning \(Higher Education Fee Limits\) Bill: Policy summary note’](#), February 2023, p 3.

¹⁶ Department for Education, [‘Delegated powers memorandum’](#), 1 February 2023.

requirements on HE providers that must be met before credits would be attached to a course year. For instance, they could require providers to give certain information to the Student Loans Company or other system administrators. The DfE said some courses such as nursing would not be well suited to the credit-based system.¹⁷ In these instances, the course year would not have credits attached to it but instead be treated as ‘non-credit bearing’ for fee limit purposes.

- The secretary of state would be required to set in regulations the maximum and default number of credits that could be applied to each course year. The government said a cap would be needed to prevent providers attaching an excessive number of credits to a course year and causing tuition fee inflation.¹⁸ The maximum would act as a cap on the total number of credits that providers could charge for a course and apply to course years which have credits attached to them. The default credit number would apply to non-credit-bearing course years. The government said the default number would ensure an appropriate limit could apply where providers did not attach credits to all or some elements of their courses.¹⁹
- It would introduce formulas that HE providers would use to calculate the fee limit for credit-bearing course years and non-credit-bearing course years.
- The secretary of state would also have discretion to specify in regulations when credits could be attached to ‘credit-differentiated activities’ such as placements that occur during a course year. The clause would introduce an alternative formula for HE providers to use when calculating the fee limit for course years that contained credit-differentiated activities.

Clause 2 would introduce related amendments, including to:

- ensure that any references to ‘fees payable to the provider’ in the Higher Education and Research Act 2017 would include institutions that provide qualifying courses on behalf of a registered provider (for example under a franchise arrangement)
- provide that a module could not be considered a ‘qualifying course’ if its credit is not attached to the course year
- ensure the secretary of state could only prescribe fee limits to courses and modules that were designed to receive student loan support
- require the Office for Students to include in its annually published list of HE providers subject to fee limits²⁰ the fee limit method used for qualifying course types and the relevant per-credit or fixed limits
- require HE providers’ access and participation plans to include details of how the per-credit and fixed fee limits are determined for each course year of a qualifying course
- insert a new definition of ‘module’ to ensure consistency across the Higher Education and Research Act 2017 and the Teaching and Higher Education Act 1998
- apply the affirmative parliamentary procedure to all regulations made as a result of the bill

¹⁷ Department for Education, ‘[Lifelong Learning \(Higher Education Fee Limits\) Bill: Policy summary note](#)’, February 2023, p 5.

¹⁸ Department for Education, ‘[Delegated powers memorandum](#)’, 1 February 2023, p 8.

¹⁹ [Explanatory notes](#), p 7.

²⁰ The Office for Students is responsible for maintaining a register of all the HE providers that the Office for Students has officially recognised. Information about the register and its contents can be found on the [Office for Students’ website](#).

Clause 3 would extend the bill to England and Wales but apply the bill to England only. This is because only English HE providers within the meaning of section 83 of the Higher Education and Research Act 2017 can be registered with the Office for Students and be subject to a fee limit condition.

3. House of Commons scrutiny of the bill

3.1 Second reading debate

The bill's second reading debate in the House of Commons took place on 27 February 2023. Whilst the discussion mainly focused on the government's wider LLE policy, various MPs spoke in support of the bill and the principle of the LLE. However, the Labour Party questioned some of the bill's content, including the delegated powers contained within certain provisions.

Introducing the bill, Secretary of State for Education Gillian Keegan explained how the bill would adapt the student finance framework to make studying more flexible and accessible to the public.²¹ Ms Keegan explained how the existing framework saw fee limits set per academic year of a full course.²² If this were to remain, she said it risked disadvantaging individuals who wanted to study flexibly because fee limits for modules or short courses could be set too high. The minister stated the new credit-based method for calculating fee limits as introduced by the bill would address a "lack of fairness" in how learners choose to study. She summarised three key ways the bill would address this:²³

- To ensure tuition fee limits for all types of courses were consistent, the bill would enable tuition fee limits for all types of courses to be based on credits rather than per academic year of a full course.
- To ensure fees for short courses and modules could be set more accurately, the bill would introduce the concept of a 'course year' rather than an academic year.
- To prevent modules and short courses from being premium-priced, the bill would give the government the power to set a cap on the total number of credits that could be charged for each type of course.

Overall, the secretary of state said the bill would support the LLE's introduction.²⁴ She said this would provide more flexible opportunities for people to retrain and progress during their career, as well as support businesses to find people with the right skills for their job vacancies.

Responding on behalf of the Labour Party, Shadow Minister for Education Matt Western said the Labour Party would not oppose the bill.²⁵ This was because the Labour Party supported the principle of lifelong learning, Mr Western said. However, the shadow minister questioned certain aspects of the bill. For example, he argued the bill would give the government a "surprising amount of power" to

²¹ [HC Hansard, 27 February 2023, col 528.](#)

²² [HC Hansard, 27 February 2023, col 529.](#)

²³ [HC Hansard, 27 February 2023, col 529.](#)

²⁴ [HC Hansard, 27 February 2023, col 531.](#)

²⁵ [HC Hansard, 27 February 2023, col 531.](#)

determine fee methods for courses and fee limits.²⁶ This, the shadow minister stated, could reduce opportunities for Parliament to hold the government to account and prevent the government from unilaterally redefining the student finance framework. The shadow minister also requested further information on the bill's underlying policy, including what the financial impact on the education sector would be for running modular-based courses. To ensure employer and student confidence in the education system was maintained, he also sought clarity on how the bill would support existing regulatory and quality-assurance mechanisms.

The bill's second reading debate took place before the publication of the government's response to the LLE consultation in March 2023. As such, various MPs asked the government to provide further information on how the LLE policy would work. These included the chair of the House of Commons Education Committee, Robin Walker, and the Liberal Democrat spokesperson for education, Munira Wilson.²⁷

3.2 Committee stage debates

A public bill committee sat four times between 21 and 23 March 2023. No amendments were made to the bill. The government published its response to the LLE consultation prior to the bill's committee stage.²⁸

Eight divisions on amendments moved by the shadow education minister took place. This included amendments that sought to:

- require the government to consult with stakeholders when determining the fee limit method for courses and when defining in regulations what activity should be considered a 'credit-differentiated activity'²⁹
- ensure the definition of 'credit' was consistent with the sector-recognised standards³⁰
- require the government to have various considerations when determining the maximum number of credits for a course year and require it to publish an equality impact assessment³¹
- require the government to have regard to additional costs associated with the delivery of modular study and the financial sustainability of providers when exercising powers in the bill³²
- require any regulations on transitional arrangements related to the commencement of the bill's provisions to be laid before 31 January 2024³³

These amendments were defeated on division.

²⁶ [HC Hansard, 27 February 2023, cols 534–5.](#)

²⁷ [HC Hansard, 27 February 2023, cols 537 and 538–9.](#)

²⁸ Department for Education, '[Lifelong loan entitlement: Government consultation response](#)', 7 March 2023.

²⁹ House of Commons Public Bill Committee, '[Lifelong Learning \(Higher Education Fee Limits\) Bill \(Third sitting\)](#)', 23 March 2023, cols 65–75 and 79.

³⁰ As above, cols 75–9.

³¹ As above, cols 83–6.

³² As above, cols 87–101.

³³ As above, cols 110–12.

3.3 Remaining stages

The bill's report stage and third reading were held on 3 May 2023. The bill passed both stages without amendment.

Two new clauses were moved by the shadow education minister during the bill's report stage. These new clauses sought to do the following:³⁴

- New clause 1 would have required the government to carry out and publish an annual review of the act from 2025. This review would have considered the act's impact on various factors such as learner uptake of modular study, employer spending on lifelong learning, and the provision of HE and FE courses on offer.
- New clause 2 would have required the government to publish a revised impact assessment before laying regulations under the act.

Only new clause 1 was pressed to a division and was defeated.³⁵

In addition to these new clauses, the shadow minister moved other amendments which were not pushed to a division. The amendments sought to require the government to publish a written ministerial statement before laying regulations under the act, amongst other things. The shadow minister said the new clauses and amendments were designed to ensure parliamentary oversight, sector engagement and continuous monitoring of the legislation's impact on LLE policy.³⁶

On behalf of the government, Minister for Skills, Apprenticeships and Higher Education Robert Halfon said the government would not support the amendments. The bill completed its report stage without amendment.

Third reading took place immediately after report stage. Commending the bill to the house, the minister for skills, apprenticeships and higher education said the bill would "transform lifelong learning" in England by enabling people to get qualifications through flexible and modular learning throughout their lives.³⁷ On behalf of the Labour Party, Shadow Education Minister Matt Western acknowledged the important role the bill would play in rolling out lifelong learning provision in England.³⁸ However, he raised concerns about the delegated powers in the bill. He called on the government to engage with the education sector and other stakeholders when creating regulations to implement lifelong learning.

4. Sector reaction to the bill

Reaction to the bill from the education sector has been positive overall. However, some have called on the government to expand the scope of the wider LLE policy.

³⁴ [HC Hansard, 3 May 2023, cols 158–61.](#)

³⁵ [HC Hansard, 3 May 2023, cols 165–7.](#)

³⁶ [HC Hansard, 3 May 2023, col 158.](#)

³⁷ [HC Hansard, 3 May 2023, cols 167–8.](#)

³⁸ [HC Hansard, 3 May 2023, cols 168–9.](#)

Following the bill's introduction in the House of Commons, Arti Saraswat, HE senior policy manager at the Association of Colleges, said the bill marked an important first step in making student finance more flexible.³⁹ However, Dr Saraswat argued that further work on the overall LLE policy was needed. She said that whilst the LLE and credit-based student loans were important “technical fixes”, access to maintenance support would be essential to ensure learners could afford to undertake flexible study.

Tom Bewick, chief executive of the Federation of Awarding Bodies, described the bill as the “most radical entitlement to adult education, skills training and retraining [...] ever introduced”.⁴⁰ Mr Bewick said the bill would help to shift the existing framework from one that focused on providing financial support for young people's education to one that enabled people to access support at the most relevant time to them. However, on the LLE policy itself, he said additional support would be needed to ensure learners would take up the LLE. This included grant and maintenance support as well as reform of the universal credit system, he said. Reform of the universal credit system was also raised by Michael Lemin, head of policy at educational awarding body the NCFE.⁴¹ Mr Lemin said reforms to universal credit eligibility would be needed because “many people face[d] losing their benefits when undertaking learning”.

Kirstie Donnelly, chief executive officer at awarding body City & Guilds, spoke in support of the LLE.⁴² However, she argued certain “essential” elements were missing from the policy for it to be transformational. These elements included extending LLE eligibility to adults at all educational levels (including below level 4) and increasing the types of courses that could receive LLE funding. Michael Lemin from the NCFE also argued that the omission of level 3 from the LLE eligibility would be a “missed opportunity to break down barriers between FE and HE”.

Universities UK, a representative body for HE providers, supported the LLE programme overall but raised concern with clause 2(2)(c) of the bill.⁴³ This provision would limit the effect of section 10(7) of the [Higher Education and Research Act 2017](#). Section 10(7) requires that qualifying courses cannot be prescribed for fee limit purposes in such a way that would discriminate between courses at the same or comparable level based on subject or area of study. Clause 2(2)(c) of the bill would disapply that prohibition so as to allow certain courses or modules not to be designated for student loan funding and to therefore exempt them from the fee limit regime, where appropriate. Universities UK argued this could weaken the safeguards against charging variable fees based on course. It said this provision should be tightened to remove the possibility of differential fees based on subject or course.

5. Read more

- Department for Education, '[Lifelong Learning \(Higher Education Fee Limits\) Bill: Policy impact assessment](#)', February 2023

³⁹ Association of Colleges, '[AoC responds to Lifelong Learning Bill](#)', 1 February 2023.

⁴⁰ FE News, '[Sector reaction to the Lifelong Learning Bill \(LLE\)](#)', 1 February 2023.

⁴¹ As above.

⁴² As above.

⁴³ Universities UK, '[Lifelong Learning \(Higher Education Fee Limits\) Bill: Universities UK briefing—second reading](#)', 27 February 2023, p 2.

- David Kernohan, '[What's in the 2023 Lifelong Learning \(Higher Education Fee Limits\) Bill?](#)', Wonkhe, 2 February 2023
- House of Commons Library, '[Lifelong Learning \(Higher Education Fee Limits\) Bill 2022–23](#)', 24 February 2023
- House of Commons Library, '[The lifelong loan entitlement](#)', 27 April 2023

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