

Russell Group briefing on the Lifelong Loan Entitlement

Over time, the Lifelong Loan Entitlement (LLE) should give more people the opportunity to learn, upskill and retrain throughout their lives, helping to grow high-level skills, revitalise our local, regional, and national economies and level up opportunity across the UK. To deliver these gains, it must be developed in a way that continues to support the UK's internationally renowned undergraduate degrees and foundation years, as well as encouraging new modular delivery.

To maximise opportunities for learners, employers and providers, the LLE must:

- 1. **Develop flexible learning pathways** resulting in awards recognised by universities and employers, whilst protecting the autonomy afforded to higher education institutions.*
- 2. **Support high-quality modular provision** with the right resources for high-quality courses to be developed, including in the higher cost STEM courses critical to filling UK skills gaps.*
- 3. **Provide wrap around support for student success** recognising LLE students may have distinct needs from other learners.*
- 4. **Adopt a proportionate and risk-based quality assurance framework** to ensure all students can access a minimum baseline of quality, regardless of their course type.*
- 5. **Encourage take-up from prospective students and employers.***

The Government's policy intention and the Lifelong Learning (Higher Education Fee Limits) Bill

LLE represents one of the most significant reforms to UK higher education in recent years. Under the Government's plan, learners would have the option of accessing student finance for a combined equivalent of four years' worth of post-18 education (£37,000 in today's fees), over the course of their working lives. Government's recent LLE consultation response has confirmed that the LLE will replace the previous student finance system from the start of the academic year 2025/26. People in England up to the age of 60 will be entitled to a tuition fee loan for level 4-6 courses.

The Lifelong Learning (Higher Education Fee Limits) Bill would amend the Higher Education Research Act (2017) to enable the LLE to be introduced from 2025. The Bill is a technical document focusing on the establishment of a credit-based funding system for post-18 education. It introduces a new fee limit method which limits how much a provider can charge for a full course or module. To achieve this, the Secretary of State will be given powers to set a maximum amount for fundable credits available and determine what courses are non-credit bearing, setting a default value for these courses.

We support the passage of the Bill as a set of practical changes to primary legislation required to enable the LLE to be introduced, but have concerns about the potential unintended consequences to the future of standards, funding and course development.

Developing flexible learning pathways

We understand that Government wants providers to assess modules and provide students with a standardised transcript on completion in order to support credit transfer and facilitate labour market currency. We would encourage Government and the OfS to ensure transcripts reflect the nature of an institution and the type of provision offered, rather than attempting a one-size-fits-all approach.

Providers should have the ability to develop their own transcripts following guidance that has been co-developed between the sector, Government and the Office for Students.

University of Birmingham • University of Bristol • University of Cambridge • Cardiff University • Durham University
University of Edinburgh • University of Exeter • University of Glasgow • Imperial College London • King's College London
University of Leeds • University of Liverpool • London School of Economics and Political Science
University of Manchester • Newcastle University • University of Nottingham • University of Oxford
Queen Mary University of London • Queen's University Belfast • University of Sheffield • University of Southampton
University College London • University of Warwick • University of York

Central to LLE is the concept of credit, yet the Bill stops short of defining credit. The explanatory notes reference the understanding that one credit equates to 10 hours of notional learning (independent and guided learning) but fail to codify a sector-owned definition such as the QAA's Higher Education Credit Framework. **We are concerned that without a commitment to a sector-owned definition, the value of credit has the potential to shift over time without proper parliamentary scrutiny.**

Whilst both the Bill's policy summary and the Government's consultation response make clear that providers should have autonomy on whether or not to modularise a course or assign credit, there is still uncertainty around which courses the Secretary of State will set out in regulations as 'non-credit bearing'. Not all institutions use credit, and **we are seeking assurances from Government that in the future providers will not be required to assign credit to courses or fully modularise their current offers.** To do so would disrupt existing high-quality provision and undermine institutional autonomy.

Supporting high-quality modular provision

Introducing new flexible, modular provision will come with its own unique challenges. All providers will see new costs to adapt to the LLE and those looking to develop new modular provision will need to commit further upfront investment. However, the Bill's impact assessment includes no reference to financial support for providers to increase their modular provision, and the impact assessment published alongside the Government's consultation response significantly underestimates the cost of redesigning courses and replacing management systems, ignoring costs beyond immediate set-up. **We would like to work with Government to understand these costs better and to ensure the successful take-up of modular learning by providers and students.**

High-quality modular provision has the potential to increase opportunities for learners to study, retrain and upskill in order to respond to changing skills needs and employment patterns. In 2021, the Institute of Engineering and Technology reported a shortfall of over 173,000 workers in the STEM sector, estimated to be costing the economy £1.5bn per year. Modular options in STEM disciplines could help address these gaps. However, these high-cost subjects already operate at an average deficit of over £1,940 per student per year, despite additional funding provided by Government through the Strategic Priorities (SP) grant. We would also expect modular provision to incur additional costs as universities will not benefit from economies of scale and students are likely to require an increased level of wrap around support. **We urge the government to address the deficits in the current funding system and ensure the appropriate level of funding to enable high-quality modular STEM provision.**

Providing wrap around support for student success

Alongside high-quality teaching and learning, students require sufficient wrap-around support and opportunities to develop soft skills and social capital. This is likely to be more important for students undertaking modular study given they may not have been in formal study or training for many years. **Government and the sector should work together to better understand the costs of delivering effective wrap-around support and ensure these can be met to maximise benefits to students.**

In Government's response to the LLE consultation there is a commitment to extend maintenance loans for living costs and targeted grants, which is welcome as this will support a more diverse student population to access lifelong learning. However, we are concerned that Government's response also noted that entitlements under the current system may be reviewed in some areas to ensure an expanded system remains affordable. **To ensure access to LLE is not restricted we would discourage any per student reduction in maintenance support.**

Indeed, maintaining financial support for students is even more important in the context of the cost-of-living crisis, which is severely affecting students and increasing the risk that they will not complete their studies. Russell Group universities are investing tens of millions of pounds in additional hardship funding to support students. Reforms to maintenance support would help remove financial barriers for prospective LLE learners as well as other students. **Ahead of the 2023/24 academic year, we are asking Government to: uplift student maintenance loans to reflect inflation since 2020/21, review parental earning thresholds, and increase levels of central hardship funding.**

Ensuring risk-based and proportionate quality assurance

In expanding short courses or modular provision, quality must not be compromised. When adapting the regulatory regime, we need to ensure it is genuinely proportionate and risk-based using appropriate indicators to assure quality. Our universities are committed to delivering a high-quality education for our students, and we must ensure minimum baselines of quality apply across the sector regardless of the type of provision students are accessing. However, we do not think the current quality measures by which institutions are judged are compatible with modular provision. Monitoring student outcomes at a modular level would not be statistically robust and would disproportionately increase burden on providers due to small student populations. **We recommend that outcomes measures are not developed at a modular level, and the OfS should draw on course/provider level metrics to make quality judgements against baseline thresholds.**

Encouraging take-up from prospective students and employers

We have welcomed Government's scaled approach to the roll-out of LLE from 2025/26. However, we remain concerned about the lack of an evidence base gauging interest from students and employers in modular provision. Recent polling on the LLE demonstrated that it made no significant statistical difference in whether participants would retrain; the most common reason cited was not wanting to take on new debt. Furthermore, since the start of the OfS's short-course trial the Student Loans Company has only received 33 applications for student finance, with 104 courses made available to learners.

Despite this, there are a significant number of students currently undertaking short courses and continuing professional development at Russell Group universities and others institutions who may have opted for modular study if the option was available to them. To ensure the successful take-up of modular courses, more work needs to be done to raise awareness of the potential rewards for both the student and employer. LLE represents a fundamental shift in the way we think about accessing higher education, therefore more information and guidance on the new opportunities it presents will be crucial for learners of all ages. **As we build toward 2025/26, we are keen to work with Government and bodies such as UCAS to ensure both students and employers have a greater awareness of modular learning and the associated benefits.**