

Modelling the costs and benefits of the Lifelong Learning Entitlement: Information request

Response of the Association of School and College Leaders

A. Introduction

1. The Association of School and College Leaders (ASCL) represents nearly 25,000 education system leaders, heads, principals, deputies, vice-principals, assistant heads, business managers and other senior staff of state-funded and independent schools and colleges throughout the UK. ASCL members are responsible for the education of more than four million young people in more than 90 per cent of the secondary and tertiary phases, and in an increasing proportion of the primary and further education and skills phases. This places the association in a strong position to consider this issue from the viewpoint of the leaders of schools and colleges of all types.
2. ASCL welcomes the opportunity to share thoughts on this modelling as the student loans system is being reformed with the introduction of the Lifelong Learning Entitlement (LLE), merging the two separate loan systems that currently exist for further and higher education.
3. As the Institute for Fiscal Studies set out in its report on the Green Budget in October 2023, the LLE has the potential to reshape the post-18 student loan landscape. However, progress in implementing the LLE has been very slow. Important questions remain about how the system will be designed, including which courses will be covered by the new loan entitlement. This leaves both providers and learners wondering how the new system will work.
4. The government should, therefore, provide clarity on all aspects of the design and implementation of the LLE and ensure that it is introduced in a cautious, but timely, manner.

B. Answers to specific questions

Question 1: How are providers planning for the introduction of the LLE, particularly the changes in student loan eligibility for modular and level 4 and 5 courses?

5. Our members tell us that they are planning for the introduction of the LLE and are seeking as much information as they can about how the LLE will be administered for modular programmes. They are also seeking to find out how it will differ from the current loan system. However, they also report that the details about how the new system will be administered have been slow to disseminate, which is surprising, given that we envisage some new learners will want to access the LLE as soon as possible.

Question 2: What are providers' expected benefits, costs, or challenges from the changes brought by the LLE?

6. Providers expect the benefit of the LLE to be the availability of lifelong financing for modular provision as well as for full programmes; in theory meaning that more people can access study programmes at levels 4 and above. They also expect there to be some provision for maintenance for learners whilst on a programme. However, any new system needs to be properly administered and this will be at a cost to providers, increasing workload for their student finance staff. Providers also cannot be certain that all potential learners will feel confident about taking out a lifelong loan, which will require an element of financial counselling by staff.

Question 3: In particular for the change related to flexible and modular provision, what are providers' expected benefits, costs or challenges?

7. See our answer to question 6 above. In addition, some providers will develop new modular programmes, whilst others will reshape existing provision to make it modular. If provision is reshaped, the order in which the modules are planned, delivered and taken may mean that student numbers in each module fluctuate, increasing the cost of delivery and uncertainty for providers.

Question 4: What is the appetite for modular and flexible study from providers?

8. Providers tell us that, at present, the interest in modular provision is not high. This may change as more information comes out about the nature of the LLE and the extent to which learners can take out a loan to pay for a module or a whole programme of modules. Our members are generally taking the process of modularisation slowly until more detail is available about how the funding will work, both for their organisations and for learners.

Question 5: Has there been any collaborations, or plans to work together, between employers and providers in developing modular courses to address skills needs?

9. There are a few examples of employers and providers working together to develop modular courses to address skills needs. Specific examples are in engineering, where employers are asking for modules of study which existing staff need to take to address current product requirements. In some cases, new modules are being added to existing programmes, for example in the carbon neutral and green industry subjects.

Question 6: What level of awareness do employers have of LLE reforms and their likely impact on the labour market? Are employers making any plans to prepare for these reforms?

10. Our members tell us that, generally, small and medium size employers are not specifically aware of the LLE or the reforms underpinning this system. However, large employers seem more aware and are looking at how this might suit their needs. It seems likely that large employers will be particularly interested in how this might work to their business benefit whilst staff are taking degree apprenticeships.

Question 7: What are employers' views on the value of modular study and qualifications in comparison to existing study or full qualifications? Do employers think modular courses will have value and help them fill skill gaps?

11. Generally, employers like and value the idea of study which can be undertaken whilst on the job and which will not take the learner away from the workplace for significant lengths of time. This is why many large employers like the idea of modular degree apprenticeships, where they can help their staff pick and choose modules which most suit their roles.

Question 8: Will the LLE reduce employers' plans and funding for employee learning & development?

12. This is not easy to predict and there is likely to be a different response depending on the size of the business. Generally, large employers are not likely to reduce plans for employee learning and development as they appreciate how important this is to the business. Small and medium size employers may have to reduce their funding on employee learning and development in order to survive, and will expect their employees to take out loans instead of funding the learning and development themselves.

Question 9: What could be the impact of the user-friendly personal account on enrolment and course choices.

13. Again, this is not easy to predict as making a system user-friendly does not, of itself, encourage people to take it up. If providers increase the amount of modular learning they offer, then this is more likely to increase enrolments, especially if the courses are work related and employers are involved in developing them, as many colleges now encourage. However, this does not mean that the LLE will automatically and substantially increase the number of enrolments.

C. Conclusion

14. Our response relies heavily on feedback from our members and others in the sector. We hope that the new system will be embraced by learners and providers alike, but we also know that more information is needed about the system before there is significant change.

15. The amount currently lent to further education students (£124 million) is less than 1% of the amount lent to higher education students (£19.9 billion) and so the numbers currently in further education are relatively small. We want the new single system to have a positive impact on the numbers taking modules, degrees and Higher Technical Qualifications in further education colleges. However, we do not assume that the higher education market will respond in the same way as it has in the past as, following the cost of living crisis, providers, employers and learners alike are very aware of the cost of learning.

16. We hope that this response is of value to your consultation. ASCL is willing to be further consulted and to assist in any way that it can.

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