



Department  
for Education

# **Lifelong Learning (Higher Education Fee Limits) Bill**

**Policy Summary Note**

**February 2023**

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## Summary

The following policy summary note provides information on the Lifelong Learning (Higher Education Fee Limits) Bill as it is introduced into Parliament.

## Lifelong Learning (Higher Education Fee Limits) Bill: Overview

### What is the purpose of the Bill?

The Lifelong Learning (Higher Education Fee Limits) Bill ('the Bill') brings in the next piece of legislation required to deliver the Lifelong Loan Entitlement (LLE) from 2025, following up on the measures brought in with the Skills and Post-16 Education Act 2022. This Bill will:

- Introduce a new fee limit method which limits the amount a provider can charge for a course or module based on credits. This means the amount a provider can charge a student is proportionate, whether the student takes up a short course, a module or a traditional full course.
- Enable the Secretary of State to set maximum chargeable credits per course year, so that students are not being charged disproportionately for whatever course they wish to undertake.
- Introduce the concept of 'course year' as opposed to an 'academic year', to allow fee limits to apply with greater precision according to when the course actually starts. This will support more flexible patterns of study.

This Bill will adapt the student finance framework to facilitate more flexible modes of study. It will support the introduction of the LLE from 2025, which aims to encourage a culture of upskilling and retraining throughout an individual's life and create a system which better responds to the needs of the economy.

### What is the LLE?

Through the LLE, the Government aims to introduce a more streamlined, efficient and flexible learning system that brings further and higher education closer together. This is integral to the Government's overall post-16 skills reform outcome – to level up productivity and employment by improving the skills pipeline and supporting people into work.

The LLE will transform access to post-18 education and skills by providing individuals with a loan entitlement, equivalent to four years of post-18 study (£37,000 in today's fees) which can be used over their working lives. This will be available for both modules of courses and full courses, whether in college or at university.

The Government believes that this lifelong funding system will better meet the needs of people, employers and the economy by enabling students to study courses and modules at a time, and in a way, that best suits them.

These new measures join a wider package of reforms, responding to the recommendation of the Review of Post-18 Education and Funding, and Sir Philip Augar's independent panel report, to introduce a "lifelong learning loan allowance".<sup>1</sup>

The Government has consulted on the LLE, seeking views on objectives and coverage, together with levels of modularity, supporting quality provision and flexible learning, and eligibility. The consultation did not request responses on the measures in this Bill - instead setting out the Government's policy intent on fee limits. The Government is carefully considering contributions on the wider areas of the LLE and will respond in due course.

## Why is legislation needed?

Through the Skills and Post-16 Education Act 2022, the Government introduced explicit provision for students to access funding for modules of higher education courses. This Bill will address the gaps in the existing fee limit system which, if unaddressed, could become a barrier to participation for those wishing to pursue modular or flexible learning.

The current system sets limits on how much universities or colleges can charge a student for each 'academic year' of a course. Without changes to this system, a student wishing to take a module of a course, or a short course, could be charged the same amount as a student undertaking a whole year of study. This would mean modular students potentially paying a disproportionately high fee compared to students on longer courses, which in turn could disincentivise students from modular study. We want students to have the flexibility without the disproportionate cost.

Legislation is needed to introduce a method of calculating fee limits which proportionately reflects the amount of learning a student undertakes in a course or module, ensuring they can access short courses and modules flexibly and at a fair price.

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<sup>1</sup> [Independent Panel Report to the Review of Post-18 Education and Funding](#)

## **What does this mean for learners?**

A key objective of this Bill is to make sure that it costs the same for a learner to study a qualification module-by-module as it would to study that same qualification in one go. This Bill seeks to prevent learners from being charged disproportionately for choosing to study flexibly and in a way that suits them, by setting fee limits in a consistent and appropriate way across modules and full courses.

With these measures, students who undertake a course or a module will not pay for more learning than they are actually getting.

This is because the new fee limit system will be based on credits which are a measurement of learning time, meaning the cost of learning will be directly linked to the quantity of learning.

## **What does this mean for providers?**

Providers currently set fee limits for each year of a course based on whether it is full-time or part-time. Under the LLE, providers will 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 (the rates for which will be set by the Secretary of State in regulations). In addition, for full courses providers will not be able to charge students for more than any maximum number of credits set by the Secretary of State for the overall course or for each course year. For example, providers may not be able to charge for more than 360 credits for a three-year bachelors degree with honours, to ensure the cost to students remains consistent and fair.

As with the current system, different fee limit rates will continue to apply based on whether the provider has participated in the Teaching Excellence Framework, and/or has an approved Access and Participation Plan, and certain specific course types may have different maximum fee limits set by the Secretary of State in the regulations. Providers will continue to be able to set fees lower than the maximum fee cap set by Government if they choose.

Providers will not be required to use credits for full courses. There are some courses (such as nursing) which are not well suited to a credit-based system and will be treated as non-credit-bearing for fee limit purposes. The Secretary of State will set out in regulations when a course year is treated as credit bearing or not, and separate rules will apply to the fee limit calculation for these non-credit-bearing years. These rules will be designed so as to provide consistency with the current fee limit rates for these courses, and also proportionality with the wider credit-based fee limit system.

Where a course year is non-credit-bearing, the fee limit for that year will be calculated using a credit value set by Government (called a 'default' number in the Bill). The Secretary of State will set the default credit values for non-credit-bearing course years in regulations, based on standard sector practice.

Providers will also continue to have full autonomy to allocate credits to their courses and modules, in line with the requirements and expectations set out by the relevant regulatory bodies.

## **Key questions and answers**

### **What courses can the LLE be used to fund?**

The aim is for the LLE to fund provision between levels 4 and 6 including, but not limited to, first degree courses, Higher Technical Qualifications, Higher National Certifications and Diplomas.

The Government has consulted on the scope of the LLE. It is now considering the contributions, including those related to the designation of courses for LLE funding, and it will publish its response to this consultation in due course.

### **Why can't this be delivered sooner?**

The Government is committed to delivering at pace in order to introduce the LLE from 2025. However, delivering this vision will require extensive changes to the student finance system and the types of courses available.

The Student Loans Company (SLC) currently handle over £10 billion in tuition fee loans annually. The LLE is a long-lasting systemic reform, set to affect generations of future students. It is imperative that the utmost care is taken of both the nation's finances and our future generations' education – giving the time, consideration and consultation they deserve.

The current student finance system is underpinned by primary legislation and a complex suite of regulations. The Government needs to make extensive amendments to these regulations, as informed by consultation, to introduce the LLE.

As part of the pathway towards the LLE, the Government is piloting short course provision, through the Higher Education Short Course challenge competition which will inform development and delivery of the LLE.

## **Will all LLE-funded provision be eligible for maintenance support?**

The Government is clear on the important role maintenance support plays in allowing learners to access and participate in their studies. We are therefore considering how maintenance should be adapted for the delivery of the LLE.

On 6 May 2022, the Government concluded the consultation on the LLE, including on how to support students to engage in lifelong learning. The Government is carefully considering the contributions and will publish its response in due course, which will provide details on maintenance support available under the LLE.

## **Who will be eligible to access the Lifelong Loan Entitlement?**

The Government is considering eligibility conditions for access to LLE funding and has consulted on its detail and scope. A response will be published in due course.

### **What else is the Government doing?**

The introduction of the LLE forms part of the Government's wider reforms to skills and higher education, progressing the Skills for Jobs White Paper, recommendations from Sir Philip Augar's Independent Panel report to the Review of Post-18 Education and Funding in 2019, as well as the Skills and Post-16 Education Act 2022. The Government announced significant reform to student loans in February 2022 to put them on a fairer and more sustainable footing for students and taxpayers as well as extending the tuition fee freeze until 2025. These student finance measures are projected to save £34.4bn for taxpayers over the next 5 years.

These reforms complement the significant changes to the FE and HE education systems which will be introduced from 2025 through the LLE. The LLE is a central part of the Government's existing skills strategy and will enable more flexible study across an individual's lifetime, and a means of supporting upskilling and retraining. The current system does not incentivise or offer a clear route for an adult to study flexibly over their lifetime. Through the LLE, the Government aims to introduce a more streamlined, efficient and flexible learning system that brings further and higher education closer together. This is integral to the Government's overall post-16 skills reform outcome – to level up productivity and employment by improving the skills pipeline and supporting people into work.

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