

Lifelong Loan Entitlement – Government consultation

University and College Union response – May 2022

Summary

Our underlying concerns around the current Lifelong Loan Entitlement (LLE) is that it reinforces the existing bias in education along class divides i.e. that full-time higher education is the realm of the more well-off, whereas part-time skills training is the option available for those from less well-off backgrounds. The same freedom of choice of subjects is not available to learners via the LLE route, compared to learners who do not need to rely on the LLE, which builds in inequality into the system. One way of combating that iniquity is to extend the LLE to a wider range of learners, with educational interests beyond the subjects chosen to qualify for LLE. We recognise the contribution that employers can make to the futures of learners; however, it is imperative that the voice of employers in education is not given more weight or value than that of professional educators. Professional educators are trained and experienced in the skill and art of educating learners. Employers may have access to equipment and technology that educational establishments do not; however, it has to be borne in mind that that does not mean that the educators will not be familiar with cutting edge developments – it simply means that government has not invested in their availability for educators/learners. The transition to the LLE model will impact on providers and their staff in an already highly challenging environment, due to the lack of investment in the sector, which has resulted in the work-force being under-paid and working long hours.

1. The University and College Union (UCU) represents over 120,000 university, further and adult education lecturers, together with related staff. UCU welcomes the opportunity to contribute to the Lifelong Loan entitlement (LLE) consultation.
2. The government's aim as set out in this consultation is to close the current skills gap and support future upskilling. However, our reading of the proposal has raised concerns that the changes could reinforce existing divides based on social class; specifically that students from more affluent backgrounds will go into full-time higher education while those from less affluent backgrounds will go into part-time education.
3. Additionally, we are concerned that students qualifying for and relying on the LLE, will have less choice on the topics they study as LLE will only give them access to a prescribed list of subjects and qualifications. This selection is determined by local employers to fill their skills gap.
4. The consultation (at p.18) talks about the DfE's vision where *"every student with the aptitude and the desire to go to university [should] to get the support they need"* where learners are *"given a real choice in life and not feel there is only one route to success"*. We agree with the principle of freedom of choice and about government intervention to facilitate that freedom in practice. However, the government policy is full of contradictions. On the one hand, the

government espouses a choice of educational routes, as it does here, when it fits their narrative. Yet, it acknowledges that “*many learners need to access courses in a more flexible way, to fit study around work, family and person commitments*”. This is correct, as learners from less affluent households will “need to access courses in a more flexible way, to fit around work” because, where education is not free, some learners will have no choice but to fit it around paid work.

5. The consultation seeks views on eliminating discrimination, based on the protected characteristics in the Equality Act 2010. This is a welcome and important consideration. It should, however, be noted that socio-economic inequality in the UK has deepened in recent years. For instance, according to the Joseph Rowntree Foundation,¹ a third of children lived in poverty 25-years ago, which fell to 28% by 2004/5 and reached its lowest levels of 27% in 2010/11. Since then, child poverty has been rising, reaching 31% in 2019.20. This pattern reflects changes in employment levels, earnings and benefits because families with children are more likely to be receiving benefits than families without children. Therefore for the consultation to coin lifelong learning as a choice to study “*at a time in their life that works for them*” (p.18) is an attempt to mask one of the underlying and overriding issues created by the current and previous Conservative government and that is, discrimination based on affordability and social class. To focus solely on the protected inequality characteristics in the Act is to shift the focus away from the discriminatory nature of the government’s education policies.
6. Learners who have to study on a part-time basis around paid work, will have their education spread out over a number of years. As a result, their careers will be delayed when compared to their counterparts who can afford to study on a full-time basis.
7. Some people who will have no choice but to study on a part-time basis around paid work, will delay the start of their studies due to affordability issues – in fact, some may be deterred from taking out a loan to study at all. There is plenty of long established research to indicate that students from poorer backgrounds are deterred from applying for loans due to the fear of debt (e.g. research by the Centre for Research on Learning and Life Chances at UCL: <https://www.lakes.ac.uk/wp-content/uploads/2021/03/RP-58.-Callender-and-Mason.pdf>, by the University of Manchester: [https://www.research.manchester.ac.uk/portal/en/publications/expressions-of-student-debt-aversion-and-tolerance-among-academically-able-young-people-in-lowparticipation-english-schools\(362cade0-3aae-4f40-a863-7e12dc08f363\).html](https://www.research.manchester.ac.uk/portal/en/publications/expressions-of-student-debt-aversion-and-tolerance-among-academically-able-young-people-in-lowparticipation-english-schools(362cade0-3aae-4f40-a863-7e12dc08f363).html)). Whilst the research relates to higher education, we believe the findings are equally likely to extend to further and adult education, especially as student loans have applied to both full-time and part-time higher education study alike for some years.
8. The funding that has been approved (by the OfS) for providers to pilot the LLE delivery is limited to subjects areas “such as STEM, Healthcare, Net Zero, Education and Digital Innovation” (p. 11). This indicates that the LLE pathway will be limited to these and similar

¹ [https://www.jrf.org.uk/data/overall-uk-poverty-rates#:~:text=More%20than%20one%20in%20five,housing%20costs\)%20to%20measure%20poverty](https://www.jrf.org.uk/data/overall-uk-poverty-rates#:~:text=More%20than%20one%20in%20five,housing%20costs)%20to%20measure%20poverty)

subjects, determined by employers to match the skills gap in their business, rather than to fulfil the aspirations of learners. This is clear education discrimination against those less well-off than their more affluent counterparts.

9. We are concerned that restricting LLE choice to the local skills gap will be counter-productive, as learners will be led to study for subjects that is not right for them, adding to the burden on staff and in turn, the mental health impact on both learners and staff alike. Research has found that learners thrive when they study for the subjects that they are interested in and subjects that are right for them, not necessarily what the local employers need. Support is required for learners who want to study for subjects outside the current LLE subjects but who cannot afford to go to university.
10. It is clear that although the consultation speaks of 'choice' in post-18 education, the reality is the choice is more restricted for those accessing learning through LLE i.e. the learners are more likely to be from less well-off background.

Theme 1 – LLE ambitions

Overcoming barriers to accessing/drawing on LLE

11. While the LLE is packaged as an opportunity for everyone, regardless of socio-economic groupings, to upskill and retrain, we are concerned about the inequality within the LLE proposals where it appears that it will limit study to the subjects deemed required to fill the skills gap by local employers. We recognise this could present opportunities for some learners but it will not for others. It erects a needless barrier. This barrier should be removed to extend the LLE to a wider range of learners with interests outside the subjects selected by local employers (Q2).
12. The consultation is interested in views on how best to ensure that the LLE will encourage FE and HE providers across the country to offer a provision that closes the current skills gap and supports future upskilling (Q5A). The consultation also asks how the DfE can help FE and HE providers to provide modules and courses that offer value to employers and improve employment prospects for learners. In this respect the following points are relevant:
 - i) The current government's skills agenda places employers at the heart of the reforms. It is recognised that employers have a role to play in the upskilling of learners however; it is important to recognise that educators, trained in the discipline of education, are the experts in delivering education. It is important not to undermine and to fully respect that skill and their knowledge of potentially developing technology that local employers themselves may not yet be aware of.
 - ii) Notwithstanding the fact that educators are the experts in designing and delivering education curricula, closing the current skills gap and upskilling in subjects such as STEM, Net Zero and Digital Innovation will require proper investment in educators so that their skill and knowledge continues to be at the forefront of their fields. Budgeting for continued professional development of the

educators, therefore, in line with what is expected of them to deliver, will be key to the successful delivery of the LLE and upskilling programme.

- iii) While England is one of the most expensive places in the World to receive post-18 education, the pay and conditions of its staff are amongst the worse in the western world, where educators work long hours, ex gratia, outside their contractual hours to prepare and plan lessons. Pay in the FE sector has decreased in real terms over the years, with FE salary lower than secondary school teachers' salary by about £9,000, which amounts to about a 30% pay gap in the FE sector. Continuing to undervalue the FE sector, for instance by underpaying its educators, will not encourage FE and HE providers to offer provisions to close the current skills gap. Paying educators commensurately is going to be a central feature of the upskilling programme, to ensure its optimal success.

13. We welcome your focus on the potential impacts this policy/consultation will have on people with protected characteristics (Q.6) and in particular, on the barriers they may face in accessing/drawing on their LLE (Q.7).

Theme 2: Scope of the LLE

Further eligibility criteria: should there be limitations on borrowing other than those which define provision?

14. The consultation expect that some age-related restrictions on LLE borrowing will be “necessary”, so that the Treasury sees a return on its investments (Q.21). The consultation also proposes (Q.22) that only individuals taking modules that are derived from a full course should qualify for LLE funding. We see the benefits to learners of taking modules that are derived from a full course; however, we have concerns about age restrictions because the state pension age has increased from 65 in 2018 and will reach 67 by 2028. As such, it is imperative that the opportunity to study, and therefore to borrow from the LLE to fund those studies, is available for individuals throughout their working lives, especially given that education is no longer available free or within the reach of many working people. The value of education and continuous professional development cannot be overstated, with education providing both personal and societal benefits.²
15. This consultation is considering restricting the LLE by level and subject and is seeking views (Q.24) as to how the government can ensure that the LLE is used for high-value learning that meets the needs of employers and the economy. It is our opinion that restricting LLE choice to the local skills gap will be counter-productive as learners will be led to study for subjects that is not right for them, adding to the burden on staff and in turn, the mental health impact

²See for instance, <https://www.uopeople.edu/blog/benefits-of-education-are-societal-and-personal/#:~:text=Those%20who%20get%20an%20education,overall%20health%2C%20and%20civic%20involvement.&text=Lack%20of%20access%20to%20education%20is%20considered%20the%20root%20of%20poverty>

on both learners and staff alike. Also, it is not in the interest of employers to have employees who study under those conditions or who have studied for subjects because those were the only options open to them. Learners thrive when they study for the subjects that they are interested in and subjects that are right for them. This is part of the way to ensure that we have thriving learners, education establishments, employers and economy.

Maintenance

16. The consultation also seeks views (Q.30) as to whether maintenance support should be a consideration for learner access to LLE funded courses and whether any maintenance offer should differ by course, mode of study or learner circumstances such as age or income (Q.31). We are of the opinion that it is necessary to fund maintenance support during the period of LLE study. There is a certain amount of illogicality in offering an LLE fund to pay for fees without offering a commensurate maintenance fund. The consultation suggests that any maintenance fund could be means-tested. In our opinion, it is not helpful, given the aim of the LLE, for any maintenance loan to be means-tested.

Theme 3: Supporting quality provision and flexible learning

17. The consultation asks (Q.38) for opinions on the barriers to encouraging greater credit recognition and transfer between providers. We are supportive of greater credit recognition and transfer between providers. We are, however, reassured that there is no expectation for all qualifications and courses to be modularised (p.23), due to the foreseen increase in the workload of providers during this transition, in particular for the educators and associated staff.
18. It is reasonable to foresee an increase in the administrative/managerial and academic burden from making current courses modular and facilitating credit transfer between providers. Research shows (UCU Workload Survey 2021) that FE staff work an average of 49 FTE hours a week as it is i.e. that the FE sector relies on the good will of its educators. Further education staff are already buckling under the pressures associated with over a decade of underfunding; therefore the impact of this transition on staff must be factored into the planning.

The Impact Assessment

19. It is encouraging to see the Impact Assessment of the LLE programme recognising (p.4) that one of the 'main affected groups' are the providers with "additional costs associated with this programme... likely to fall primarily on providers...".
20. The Assessment sees (p.5) that "the possible redistribution across education pathways, that the LLE may encourage, could represent a significant cost to providers in the form of reduced tuition fee income, particularly if there is a shift away from 3 year degrees towards modular study". The Impact Assessment broadly expects (p.13/14) that the overall impact of this policy could include:

- 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; and
 - A shift away from 3-year undergraduate degrees towards level 4 and 5 qualifications or standalone modular study.
21. The Impact Assessment also sees (p.14) that “the LLE will create new *opportunities* for providers to offer more flexible learning pathways for students and, associated with that, potentially develop new business models”. A few points are relevant in respect of this assessment:
- i) A potential reduced income for providers is likely to impact on their staff. The consultation appears to believe that the cost to higher education providers will be greater than to further education providers (p.15, note 27) as higher education providers may lose out to lower fees in further education. Therefore the higher education sector must be alert to the potential risk that the LLE will have on staffing levels in higher education.
 - ii) The Impact Assessment recognises (p.15) that a further cost to providers is the potential administrative burden associated with a significant change to the student finance system and a potential shift towards standalone modular study: “Where providers would need to spend time familiarising themselves with the new loans system, this would represent a regulatory burden and an opportunity cost to staff”. We are particularly concerned that the Assessment views this impact as an “opportunity cost to staff”. We recognise the potential challenges to the providers; however, this is likely to be a challenge passed on to staff, especially if the providers do not train current staff in the changes or employ more staff, as required, to fill any increased work load. The reality is that staff already shoulder very many changes on a good will basis, outside their contractual hours, and without the formal training that would have been available before the cuts in funding that deepened from 2011. The Impact Assessment, therefore, needs to factor in the business case for potentially additional staff and/or training for existing staff.
 - iii) The Impact Assessment also recognises (p.15) that “There might also exist additional costs [to providers] if the LLE leads to a significant increase in the number of learners undertaking – and obtaining qualifications in – modular courses that are not currently catered for. In this case, providers would potentially need to consider factors such as how best to award qualifications and how to ensure they receive sufficient labour market recognition”. Similar to our point immediately above, we are very concerned that the Impact Assessment fails to expressly identify the potential increased staffing costs to providers of this potential impact or the ‘knock-on’ impact on staff if the providers do not or cannot increase the number of staff. Increased learners result in increased workload for staff in terms of increased marking, increased student queries and increased pastoral care. It is remiss of any Impact Assessment not to consider these major issues that impact on staff, on providers and the quality of education that they

can provide their students. The Impact Assessment, accordingly, needs to factor in the business case for potentially additional staff.

- iv) A new business model will impact on providers and accordingly their staff. The Impact Assessment repeatedly recognises (e.g. p.14) that the potential costs associated with the introduction of the LLE are likely to fall primarily on providers (and government), without identifying the commensurate impact on their staff. The Assessment identifies the most likely primary cost to providers as being reduced tuition fee income from learners choosing to study fewer credits, yet it only fleetingly considers “any costs associated with changes to course delivery such as development of new modular programmes” (p.17). Whilst there is great focus on the cost impact to businesses in the Assessment, there is very little focus on the cost impact to providers, including their staff. Factoring in the costs/investments that providers will need to make in their staff to change course delivery, such as developing new modular programmes, will be central to the success of the LLE and the upskilling agenda. This, we submit, will rest on the dual aspects of upskilling the educators themselves, as required, and recognising the pay claims of both the higher education and further education sectors respectively.

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