



Sutton Trust response to the government's consultation on the Lifelong Loan Entitlement

How can we best ensure that, compared to the current student finance system, the LLE will better support learners to train, retrain or upskill throughout their lifetime?

The Lifelong Loan Entitlement has huge potential to be transformative to educational opportunities and to provide genuine choice to learners across different qualifications and modes of study. Learners of all ages will benefit from greater flexibility and the ability to gain qualifications at various stages of their lives. It could be particularly beneficial to those from low-income backgrounds, giving important flexible opportunities for social mobility.

In principle, the Sutton Trust is very supportive of the introduction of the LLE. However, implementation is key and there are a number of important issues that the government must consider carefully to ensure that all learners, and particularly the most disadvantaged, are able to benefit from the new system.

Introducing an entirely new system for accessing student finance and moving towards more modular learning is necessarily complex. To ensure that the LLE will support learners to train, retrain or upskill throughout their lifetime, there must be a focus on ensuring that the system is easy to navigate and understand, as well as ensuring that all learners have the right information, advice and guidance to make appropriate choices, at various stages of their lives, which will help to open up new employment opportunities. This will likely be very different for a school leaver than someone older and already in the labour market.

In schools, all teachers and careers leaders should be provided with the training and support they need to provide high quality IAG to their pupils on how to access and make the best use of their entitlement. Sutton Trust research has highlighted that current careers guidance is highly variable, with gaps between private and state schools, and that it is often more geared to traditional routes (e.g. university) than new or technical routes (E. Holt-White, R. Montacute and L. Tibbs (2022) *Paving the way*. Sutton Trust. Available at: <https://www.suttontrust.com/our-research/paving-the-way/>). It is therefore vital that when introducing a new system, these existing gaps are addressed and students from all backgrounds are able to access the information they need to succeed.

For mature learners, the government should consider how best to provide high-quality information and resources to learners who do not have the key education touchpoints. As well as providing high-quality online resources as part of the LLE website, there should also be consideration of how to provide face-to-face support, including whether this support could be provided through colleges, employers or job centres. For hard-to-reach communities especially, it will be important to have a 'High Street front door' where face-to-face and accessible advice is available. The government could also consider other activities such as social media campaigns. The government must consider how to get this information to harder-to-reach areas, and whether a programme of outreach across all regions would be beneficial.

The Trust strongly welcomes that the LLE will bring tuition fee support under one system, to make a move towards re-balancing academic and technical routes. We also welcome that the government is considering options for introducing maintenance support as part of the LLE, and believe this is absolutely fundamental to the success of the entitlement and ensuring that people take up the entitlement on the first place and have a genuine choice over their mode of study. The need to cover living expenses while studying could be a key barrier to taking up the LLE, particularly for disadvantaged young people and mature learners who may have existing financial commitments. Introducing maintenance support is essential to ensuring that the LLE achieves its aims of re-



balancing academic and technical routes. The LLE provides an important opportunity for students to make more informed choices about their next steps – but students may be discouraged from pursuing the best route for them due to lack of access to support for living costs and instead choose well funded routes which suit their talents and aspirations less.

As well as maintenance support, the government should consider repayment terms of the LLE and how this fits in with existing student finance. The repayment terms for the LLE should be at least as attractive as those for current HESF. If repayment terms are worse for some courses, this could act as a disincentive to choosing certain routes and will not achieve the aims of re-balancing routes and providing learners with a genuine choice.

An efficient credit transfer system is also vital to the success of the LLE, and we very much welcome that the government aims for the LLE to make it easier for students to transfer credits between providers – something the Trust has long-argued for and which is well established in other systems, such as the US. Students from lower socioeconomic backgrounds are more likely to drop out of previous study, so a well-designed and easy to navigate credit recognition system will allow these learners to dip back into education and not lose credit for the study that they have already completed, which would be inefficient and unfair. There would also be great benefits to increasing portability of credits across FE, HE and apprenticeship learning, potentially facilitating greater progression between levels, as well as reducing duplication of learning.

The government should carefully consider eligibility for the LLE when it is introduced. If the entitlement is only introduced for new students aged 18, current issues around mature and part-time study would not be addressed. When introduced, the LLE should be available to any student who has not yet accessed HE.

What barriers might learners face in accessing/drawing on their LLE and how could these barriers be overcome?

As outlined above, a key barrier is providing all learners with high-quality IAG on accessing and drawing on the new entitlement. Young people from disadvantaged backgrounds who may not have support from elsewhere – for example friends and family - may face particular barriers in accessing the LLE. Mature learners who want to access the LLE throughout their lifetime will also face barriers if IAG is not available. A new modular system will provide welcome flexibility, but there must be particular support and guidance around how to ensure individual modules will result in a meaningful qualification which has currency with employers.

As outlined above, living costs may also act as a key barrier for learners in accessing and drawing on their LLE. If maintenance costs are not provided for many of the qualifications available as part of the LLE, some learners will be unable, and certainly more reluctant, in taking certain qualifications, even though this may be in their own long-term interests, increasing their chances of social mobility, and for society, by making them more productive in the labour market and filling future skills needs. As highlighted throughout our response, maintenance options for both academic and technical routes is key to ensuring that students have a genuine choice about their qualifications.

Current ELQ rules are also a potential barrier. The Trust supports the recommendation in the Augar review to end ELQs if an LLE were to be introduced. Without at least a relaxation of the rules, some learners will face barriers to retraining. In a rapidly changing economy, the relevance of qualifications can quickly change, as well as people's desired career trajectory. Adults who achieved a qualification many years ago that is no longer appropriate for the needs of the labour market, or their own progression needs, should be given the opportunity to upskill. Adults who took a



qualification in one area while they were young should have the opportunity to retrain in another discipline, at the same or lower level if necessary, that may better fit the needs of the labour market and unlock routes towards career progression. Over the course of a working life, many may benefit from undertaking a lower-level qualification and this should be permitted, to encourage retraining and to meet economic needs.

How the LLE interacts with the government's proposals for Minimum Entry Requirements (MERs) will also need careful consideration and may result in learners facing barriers to access. The Trust's response to the government's consultation on Higher Education Reform details our concerns in this area, especially the risk that MERs are a blunt tool which may especially impact lower income learners. If MERs are introduced, we believe there needs to be a number of exemptions in place to mitigate their impact on social mobility – and in the context of LLEs, consideration given as to how to avoid a 'cliff edge' where learners are cut off from LLE options until they reach a certain age.

What information and guidance should be displayed in a lifelong learning account to support learners to understand their options for using their LLE?

It is vital that there is clear guidance around which combinations of modules lead to which qualifications. Learners should have guidance on whether their career ambitions are best served by taking a few short modules or a full qualification.

Where possible, there should also be information on the likely career prospects that come from taking a particular qualification, particularly what levels are required for what types of jobs. Wherever possible, high quality and up-to-date data should be readily made available on the likely labour market outcomes for courses, based on the trajectories of previous recipients.

It should also be clear how the funding works throughout a lifetime, so that learners make full use of the entitlement and make early decisions which do not jeopardise likely future choices. This could include, for example, highlighting that if a learner doesn't use all of their loan immediately, they are able to use it later in life. Case study examples of different ways a learner could use their allowance would be helpful, especially those unfamiliar with the education landscape, or who have been out of education for some time. This guidance should be available for learners of all ages.

Other information which should be readily available for students include records of the previous modules/qualifications undertaken, records of loans taken and the repayments, and potentially prompts around future courses that could be of interest. It should be as easy as possible for students to apply for study from the LLE site.

How can we best ensure that the LLE will enable learners to access technical as well as academic courses at levels 4 to 6?

Accurate and appropriate IAG, as mentioned above, has a key role to play here in making sure that learners make choices that are best suited to their aspirations and future career needs. Beyond that, it is also critical that there are sufficient high quality technical courses available, which have good labour market outcomes, so that they are seen by all learners – whatever their age and background – as a credible alternative to academic routes. We know, for example, that many young learners do not consider technical routes as they do not receive equivalent information on these, or have similar opportunities to experience what study would be like, as academic options during advice sessions at school.

Ensuring maintenance support is available across all courses, and at equivalent levels, is also critical. If maintenance is available for traditional HE courses, for example, but not for technical courses



under LLE, then especially for lower income learners, the choice will be led by cost factors rather than what is in their best interests for future career progression.

How can we best ensure that the LLE will encourage FE and HE providers across the country to offer provision that closes the current skills gap and supports future upskilling?

The LLE provides an important opportunity to address skills gaps, but it needs to be developed in direct consultation with employers, at a local and national level. The government should engage with employers throughout the development and implementation process, and consider appropriate incentives for course providers to develop modules and qualifications that meet regional and national skills needs. This sort of strategic direction could be an important part of the LLE contributing to the levelling-up agenda, by addressing low levels of education and bolstering the economy in key areas (eg Education Investment Areas).

The Trust is not in favour of LLEs only being applied to a small courses deemed by government to be of strategic importance or to have a certain level of economic return; this data is likely to be uncertain, and the needs of the economy will change. However, as mentioned above, it is appropriate for learners to have the information on labour market outcomes available to make informed choices for themselves, and for the government to consider further incentives to boost take up in certain key geographies or sectors.

Do you think the move to the LLE will have any particular impacts on people with protected characteristics? If so, which groups and in what ways? Your answer could include information about both the potential challenges and the positive equality outcomes of this policy.

While not a protected characteristic, the government should carefully consider any impacts on learners from lower socioeconomic backgrounds.

There is a strong intersection between socio-economic disadvantage and race, with some groups far more likely to be facing material poverty than others. Our concerns on those from lower income homes accessing good quality IAG, having the confidence to navigate the system, and in the crucial importance of maintenance support, will apply to many from BAME communities.

What barriers might learners with protected characteristics face in accessing/drawing on their LLE and how could these be overcome? Your answer here could include previous consideration of an alternative student finance product for students whose faith has resulted in concerns about traditional loans.

Previous Sutton Trust research has found that British Pakistani and British Bangladeshi students are over six times more likely than White students to stay living at home and study locally – with this increasing substantially since the increase in fees to £9,000 (M. Donnelly and S. Gamsu (2018) Home and Away. Sutton Trust. Available at: <https://www.suttontrust.com/our-research/home-and-away-student-mobility/>). The government should develop a Sharia-compliant student loan product. This would enable Muslim students to borrow money in accordance with their religious beliefs. The introduction of the LLE and other HE reforms could be a good opportunity for the government to introduce alternative student finance to ensure that all students can benefit from this entitlement. If this is not introduced, as outlined in the government's equalities impact assessment, this could have a negative impact on those from lower-income households, as Muslim families are over-represented in lower economic households. It is important that people from all faiths and socioeconomic backgrounds are able to access this entitlement.



Should all level 4 to 6 courses which are currently designated for HESF funding be treated as automatically in scope for the LLE? If not, why not, and what additional criteria for inclusion should be considered?

Yes.

Specifically, do you think that the following courses, which currently attract HESF, should be incorporated into the LLE, under the same repayment terms as other provision (i.e. fee loans count towards an individual's four-year fee entitlement)?

- o A foundation year integrated into a degree course**
- o PGCEs**
- o Integrated Masters (3 years undergraduate plus 1 year Masters)**
- If not, please explain why? (free text)**

Yes

What arrangements should be made under the LLE for courses which are over four years and are currently eligible for student finance – including medicine, dentistry and architecture?

From a social mobility perspective, it is important that these courses are in scope for LLE so that adult learners have the opportunity to access these key routes into well-regarded and highly paid professions. While we understand that the government will want to minimise exceptions to the four year limit, it will be important to ensure a process is in place for recognising qualifications which are necessarily beyond this time period, but which are the only feasible routes into certain jobs.

We are proposing that all HTQs should be in scope of the LLE. Should approval as an HTQ be the sole route for qualifications that are ALL-funded to become eligible for the LLE? If not, why not, and what alternative route(s) would be appropriate? Please include detail on the process and eligibility criteria that would be used in any alternative route

The Trust welcomes the introduction of HTQs to support learners with the skills they need for future employment. All HTQs should be within scope of the LLE, however given that HTQs in many sectors are yet to be rolled out, eligibility for the entitlement - at least at first - should not be restricted solely to HTQs. There is a risk that some sectors may be missing from HTQs, and the new qualifications should be given time to bed into the system and any issues worked out before becoming the sole route to LLE eligibility. It is important that a broad range of qualifications across sectors are offered as part of the LLE.

In a system where modularised study is widespread, how can we ensure that learners and employers understand what programmes of study deliver the skills that employers need?

As mentioned in previous answers, it is vital that all learners have a good understanding of the benefits of particular modes of study, the skills they develop and the career prospects they offer.

When considering restrictions by level and subject, how could the government ensure that the LLE is used for high-value learning that meets the needs of employers and the economy?

It is right that the government is aiming to boost skills and support learners into careers through the LLE, so some prioritisation is to be expected. However the approach taken should be as inclusive as



possible within that goal, given the wide variety of courses that can aid the development of individual learners in different contexts and at different stages of their careers.

Do you think a future system should include a facility for provider-based bursaries, which providers allocate directly to students?

While any additional financial support for learners is welcome, the Trust would prefer a more comprehensive system of maintenance support available through the LLE than provider-based bursaries, which are likely to be patchy in availability. Nonetheless, the integration of such bursaries into the LLE would be valuable from an access and IAG point of view, reducing the burden of finding out about such opportunities. The LLE provides an important opportunity to allow learners to make a genuine choice on the qualifications and type of study that is right for them. Without maintenance support, learners may be encouraged to study for a traditional, full-time degree, as they will be able to receive support with living costs under this route.

Should maintenance support, like fees, be proportional, so that e.g. modules which amount to one-quarter of a full-time year of study carry an entitlement to one-quarter of the maintenance support that the latter does?

Yes.

Are there courses or circumstances for which maintenance should not be offered (e.g. where students are studying below a certain level of intensity)?

It will be crucial that any maintenance support is adequate to allow learners to pursue the courses which are in their best interests. A full-time course which requires the learner to give up work will likely require a different approach to maintenance support than one which is part time. Careful judgements will need to be made about the intensity of study and the level of living cost help provided to ensure it is fair for the individual and the system.

Currently means-tested elements of the maintenance system relate to family income. Should this be reconceptualised for a system with more adult participation, and if so, how?

For mature learners aged 21 and above, the means-tested elements of the maintenance system should be based on household income, rather than parental income.

To what extent do you think maintenance support would be a consideration for learner access to, and progression through, LLE funded courses?

Maintenance support would likely be a significant consideration for learner access to LLE funded courses. Particularly in the context of the rising costs of living, ensuring that learners are financially supported and able to choose the qualification and mode of study that is genuinely right for them and their labour market aspirations is vital. This will also be in the government's interests, as this is more likely to put them in a position to repay their loan, than if sub optimal choices have been made for cost reasons.

Mature learners will likely be in employment and may have existing financial commitments and family responsibilities. Those in low paid or part-time jobs are far less likely to receive financial support from their employers to study part-time (Callender, C., Hopkin, R., and Wilkinson D. (2010). Futuretrack: part-time students career decision-making and career development of part-time higher education student. Manchester: Higher Education Careers Services Unit. 132.). If they are not able to access maintenance support as part of their course, this may dissuade them from certain modes of study.



Do you think a maintenance offer should differ by course type, mode of study (e.g. part-time), or learner circumstances such as age, income, or caring responsibilities?

As mentioned above, the maintenance offer should allow learners to make the best choices for their future job prospects, rather than be constrained by money worries. There is a rationale for maintenance levels to be related to intensity of study, as long as risks around complexity and particular 'cliff edges' can be mitigated.

The Trust would like to see maintenance grants introduced in place of loans for those on low incomes. Under the current HESF system, the poorest students have to take out additional maintenance loans, adding to their debt burden and leading them to graduate university with the highest levels of debt.

Research has found that debt averse attitudes are higher among lower class students, controlling for other factors, and that this debt aversion is contributing to lower rates of planned higher education participation (C. Callender and G. Mason (2017) *Does student loan debt deter Higher Education participation? New evidence from England*. London: Institute of Education). The socio-economic gap in financial worries is also reflected in Sutton Trust polling, which has found that prospective students from low affluence families are more likely to be worried about the cost of university (66%) compared to those from high affluence households (46%) (C. Cullinane and R. Montacute (2017) *Fairer fees*. Sutton Trust. Available at: <https://www.suttontrust.com/our-research/fairer-fees-student-finance-reform/>).

Debt aversion should also be considered for mature learners, who are more likely to be price sensitive and debt-averse than younger students.

The introduction of the LLE provides an opportunity to reconceptualise the student finance system with fairness in mind, and ensure that the poorest learners are not forced to take on the highest levels of debt.

What are the barriers to encouraging greater credit recognition and transfer between providers?

Creating a credit recognition and transfer system will be complex and will require buy-in from a wide range of different providers. But the impact could be transformative, especially in social mobility terms as it is often lower income learners who are more likely to drop out of courses, or to not take up 'first chance' educational opportunities. It will also be especially important that all parts of the sector – including the most prestigious institutions – are part of the overall system, so that the concept beds in and establishes value.

The creation of such a system is fundamental to the success of the LLE, and will particularly benefit disadvantaged students who are more likely to drop out of their course. Credit recognition and transfer will allow students to dip in and out of study more flexibly and not lose any progress that they have made towards a course.