**Student finance to be radically transformed from 2025**

New, more flexible system introduced to empower adults to upskill or retrain throughout their working lives.

People across the country are set to benefit from a complete overhaul of student finance, helping them get flexible loan funding to train, retrain and upskill throughout their working lives.

The Lifelong Loan Entitlement (LLE) will empower more people to study in a way that works for them, opening up opportunities for those that might have never considered higher education. This could help them balance training or studies alongside other commitments such as childcare or financial commitments, which will revolutionise social mobility and plug skills gaps.

Under the world-leading plans published today, the government has confirmed that from 2025, people will be able to access loans worth the equivalent of 4 years of post-18 education (£37,000 in today’s tuition fees) under the LLE and use them flexibly over their working lives to suit their circumstances – transforming the student finance system.

The loan can be used to pay for full or part time study, for a variety of courses – from degrees to higher technical qualifications, and including modules. Like a flexi-travel card, it allows people to jump on and off their learning, as opposed to having a ticket with a single destination.

Students will be able to keep track of their studies and see how much funding they have left in a personal account, and access information about the courses and modules they can spend it on. This will be available online, and operate much like a bank account.

Maintenance loans will also be available for students studying many more technical and part-time courses, including modules of courses for the first time. This will set the system on a par with traditional full-time study and open up new study and training opportunities for people from all backgrounds.

People who have previously studied will also be able to access this student finance, based on student loans they’ve already taken out. And under the new system, returning students will be able to study at an equivalent or lower level than they previously studied – something that the current system does not allow. For example, thanks to the new rules, from 2025, someone who previously had taken out a student loan to study a history degree will now be entitled to finance for a Higher Technical Qualification in Software Development.

The overhaul will not only empower people to learn throughout their lives and offer greater opportunities for learning, but enable workers to retrain and upskill to meet the needs of the cutting-edge industries and high-paid jobs of the future.

Education Secretary Gillian Keegan said:

I know first-hand the benefits of lifelong learning, having retrained and upskilled numerous times in my journey from apprentice to Education Secretary.

Lifelong learning is critical to career progression, helping to fill skills gaps and boost the economy, which is why this overhaul to our student finance system is so important.

The Lifelong Loan Entitlement will give people flexibility to study, train and upskill throughout their working life, in recognition that careers aren’t linear. In doing so, it will facilitate a complete culture shift in the way further and higher education is viewed and who it is available to.

The LLE will replace the previous student finance system from the start of academic year 2025 to 2026.

In the [LLE government consultation response](https://www.gov.uk/government/consultations/lifelong-loan-entitlement) published today:

* people up to age 60 will be entitled to the LLE, equivalent to £37,000 in today’s fees, including returning students who will have access to any remaining funding once previous student loans are taken into account. For instance, this means that people who studied a three-year degree will still be entitled to one year’s worth of funding, which could be used to fund another short course or module.
* we will encourage as many people as possible to retrain or return to study later in life, the “Equivalent or Lower Qualification (ELQ) exception rule” will also be removed. Previously, people could not return to study at an equivalent or lower level of qualification than they had already received. Under the new system, anyone wishing to retrain or study at an equivalent or lower level will have finance available to do so. As technological advancement ushers in a new era of work, the LLE will ensure changing paths is as easy as possible, or support people to upskill in their current career.
* technical study will be on a par with academic routes, maintenance support will be expanded to be offered across all eligible technical and part-time courses the LLE will fund, and offered for new modules of courses too.
* we will make student finance as simple as possible, and to increase the number of options available to people, Higher Technical Qualifications will also be funded through the new system. These are technical qualifications at level 4 and 5 (between A level and degree level) which provide essential skills needed for careers from software engineer, to nursing, to data analyst. Under the LLE personal account, HTQs will sit side by side with academic routes, transforming the way these qualifications are viewed.
* the LLE will provide funding for new modules of courses, which will be introduced in stages: first for Higher Technical Qualifications and some technical level 4 and 5 qualifications from launch in 2025, before expanding to further level 4, 5 and 6 qualifications from 2027. Modules must be part of a full course so they can be stacked towards full qualifications if people wish, with studying picked up and put down throughout people’s working lives as it suits them.
* students who have completed modules will receive a standardised transcript, in order to facilitate the transfer of credits.

Vivienne Stern MBE, Chief Executive, Universities UK said:

A more flexible approach to higher education funding is right for learners, right for employers and right for providers. Universities UK welcomes the direction of travel set out today and will be examining the detail over the coming days.

The removal of ELQ requirements and the expansion of part-time maintenance support should be celebrated and will help new and returning people access the courses they need to thrive. If we get the communication out to learners right and keep the burden on providers low, then the Lifelong Loan Entitlement has the potential to be truly transformative.

Jane Hickie, Chief Executive Officer, Association of Employment and Learning Providers (AELP) said:

AELP warmly welcomes the Department for Education’s response to the Lifelong Loan Entitlement consultation. The measures set out in the response really do have the potential to revolutionise the way in which adults access skills provision throughout their lives.

In particular, the development of lifelong learning accounts will help empower much greater choice for adults deciding how and where to undertake their future training needs. We are also pleased to see the introduction of maintenance support covering provision at Level 4 for the first time – as this will help more adults with the costs of living while retraining. Furthermore, the relaxation of the equivalent or lower qualification rules also represents an important step forward. This will provide learners with extra flexibility that has already been successfully used in apprenticeships to enable adults to develop additional skills in a rapidly evolving, fast-paced economy.

We look forward to supporting these vital changes as the [Lifelong Learning (Higher Education Fee Limits) Bill](https://bills.parliament.uk/bills/3410) makes its way through parliament.

Edward Peck, Vice-Chancellor and President, Nottingham Trent University said:

The Lifelong Loan Entitlement will transform the way in which every adult in England can engage with higher education, including those who have never done so before. It will redefine what it means to say you have been to university.

This will benefit individuals, employers, and society as people enhance their skills and productivity by studying courses in flexible ways that fit both their ambitions and their circumstances. Universities now need to rise to the opportunity by delivering programmes that enable leaners to make the most of this bold and innovative approach to funding fees and maintenance.

David Hughes, Chief Executive of Association of Colleges (AoC) said:

The Lifelong Loan Entitlement (LLE) has the potential to be a game-changer, as an important part of a stronger system of lifelong learning in England, so it is good to see the Bill and this publication. I hope that this heralds the beginning of a major cultural shift in England to change thinking about post-18 education and training. With people working for over 50 years amidst enormous technological and societal changes, flexible, modular learning needs to become more mainstream.

The Bill and this publication address some of the technical challenges of implementation, including the capacity of the Student Loan Company and the definition of modules. Beyond that, though, we need to see more thinking about how LLE fits into the whole tertiary education offer, including FE and apprenticeships, at every level and particularly at Level 3 and below, because demand at Level 4 depends on pathways for adults to take form lower levels.

Whilst the need for a lifelong learning culture is clear – with an ageing population, a lack of people with technical skills needed by employers, technological change and the need to move rapidly to a net zero economy, we need a whole system approach to ensure every adult has the capacity, motivation and opportunities to carry on learning throughout their lives at all levels. The LLE might help with that, but on its own it will not be sufficient to change the behaviours and priorities of the vast majority of people who believe that achieving a Bachelor’s degree is the gold standard.

Alex Hall-Chen, IoD Principal Policy Advisor for Sustainability, Skills, and Employment said:

The Lifelong Loan Entitlement has the potential to transform how individuals access training across their lifetimes, and we welcome the additional clarity provided by the government’s consultation response. In particular, enabling funding for individual modules as well as full courses, and removing ELQ restrictions to accessing funding, will support learners to access the training they need to train, retrain, and upskill throughout their working lives, helping employers to access the skills they need.

Professor David Latchman,Vice Chancellor of Birkbeck University of London said:

This year Birkbeck is celebrating its 200th anniversary as a specialist provider of lifelong learning ,so we welcome the announcement of the government’s detailed LLE proposals which will support people to learn throughout their lives.

The government’s excellent proposals will for the first-time place lifelong learning at the centre of our education system as is essential to meet the changes in the skills needed in today’s world.

We particularly welcome the abolition of the ELQ rule that currently prevents people from securing a loan to cover tuition fees for courses at a level equivalent or lower than those they hold already, even though these courses are essential for their future career development.

Clare Marchant, UCAS Chief Executive said:

Several hundred thousand adult learners sign up to UCAS every year. The lifelong learning entitlement offers an opportunity to dramatically expand lifelong learning and boost adult skills.

We look forward to working with government, as we are on apprenticeships, to ensure all courses under the LLE are available on ucas.com and showcased alongside the high quality, personalised careers advice UCAS is well known for.

To help ensure LLE is a success for learners, UCAS stands ready to be a national record of achievement where learning credits can be kept alongside careers advice for adults. We will also work closely with universities and colleges to help with credit transfers, allowing learners to pick and choose credits at different places.

Jamie Cater, Senior Employment Policy Manager at Make UK, The Manufacturers’ Organisation said:

As UK manufacturing becomes more technologically advanced and environmentally sustainable, higher-level technical skills are increasingly in demand by employers. A crucial part of manufacturers developing a more resilient workforce for the future will be ensuring that their employees can access the right options for upskilling and retraining throughout their careers. The introduction of the Lifelong Loan Entitlement is an important step forward in enabling this to happen – we welcome today’s commitment to introducing the LLE and look forward to continuing to work with the Department for Education to make it a success.

Alex Proudfoot, Independent Higher Education’s CEO said:

We welcome confirmation of the Lifelong Loan Entitlement, a policy which should herald a new era of innovation, flexibility and diversity in the choices available to students at all ages and stages of their lives.

The proposals for 2025 finally introduce parity in the funding system between our high quality degree offer and hands-on technical qualifications.

Industries across the UK are crying out for new recruits with cutting-edge skills, and they can’t always wait for degrees to catch up. Independent providers specialise in more flexible approaches to connecting students of all ages with the knowledge and skills they need to get ahead in their career.

This innovation has always come naturally to these education pioneers, but they have been waiting a long time for funding policy to catch up. Now it has.

To prepare for 2025, and to help more people access higher technical qualifications or higher technical education, the government has made £20 million available to support around 80 colleges and universities across England. The funding will be used to support providers to deliver courses in areas such as digital, health and science and engineering and will ensure more people can access the right training to support them into work.