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OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

LIFELONG LEARNING (HIGHER EDUCATION FEE LIMITS) BILL

Second Sitting

Tuesday 21 March 2023

(Afternoon)

CONTENTS

Examination of witnesses.

Adjourned till Thursday 23 March at half-past Eleven o'clock.

Written evidence reported to the House.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

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The Committee consisted of the following Members:*Chairs:* JUDITH CUMMINS, †SIR ROBERT SYMS

Clarke-Smith, Brendan (<i>Bassetlaw</i>) (Con)	† Moore, Robbie (<i>Keighley</i>) (Con)
† Evennett, Sir David (<i>Bexleyheath and Crayford</i>) (Con)	† Morrissey, Joy (<i>Beaconsfield</i>) (Con)
† Fletcher, Katherine (<i>South Ribble</i>) (Con)	† Perkins, Mr Toby (<i>Chesterfield</i>) (Lab)
† Furniss, Gill (<i>Sheffield, Brightside and Hillsborough</i>) (Lab)	† Randall, Tom (<i>Gedling</i>) (Con)
† Glindon, Mary (<i>North Tyneside</i>) (Lab)	† Russell-Moyle, Lloyd (<i>Brighton, Kemptown</i>) (Lab/Co-op)
† Halfon, Robert (<i>Minister for Skills, Apprenticeships and Higher Education</i>)	Simmonds, David (<i>Ruislip, Northwood and Pinner</i>) (Con)
† Hughes, Eddie (<i>Walsall North</i>) (Con)	† Western, Matt (<i>Warwick and Leamington</i>) (Lab)
Hunt, Tom (<i>Ipswich</i>) (Con)	Sarah Thatcher, Bethan Harding, <i>Committee Clerks</i>
† Jarvis, Dan (<i>Barnsley Central</i>) (Lab)	
† McDonald, Andy (<i>Middlesbrough</i>) (Lab)	† attended the Committee

Witnesses

Matthew Percival, Programme Director – Skills & Inclusion, CBI

Simon Ashworth, Director of Policy, Association of Employment and Learning Providers

Sir Philip Augar

David Hughes CBE, Chief Executive, Association of Colleges

Dr Elizabeth Norton, Policy Adviser, Coventry University

Professor Sue Rigby, Vice-Chancellor, Bath Spa University

Public Bill Committee

Tuesday 21 March 2023

(Afternoon)

[SIR ROBERT SYMS *in the Chair*]

Lifelong Learning (Higher Education Fee Limits) Bill

Examination of Witnesses

Matthew Percival and Simon Ashworth gave evidence.

2 pm

The Chair: We now proceed, as this morning, with our witnesses to the Committee. We are sitting in public and proceedings are being broadcast. We will hear oral evidence from Matthew Percival, programme director of skills and inclusion at the Confederation of British Industry, and—on video—Simon Ashworth, who is director of policy at the Association of Employment and Learning Providers. Will you say who you are for the record, starting with Simon?

Simon Ashworth: I am Simon Ashworth, director of policy at the Association of Employment and Learning Providers—AELP for short.

Matthew Percival: I am Matthew Percival of the CBI.

The Chair: The Minister will start the questions.

Q76 The Minister for Skills, Apprenticeships and Higher Education (Robert Halfon): Thank you for coming today. Thank you also for the CBI's constructive support for the principles of the lifelong loan entitlement. How do you think employers will respond to the LLE? There was some discussion about that in this morning's sitting. Do you think they will respond positively and work with employees to make sure that they have the benefits? Some of them will actually support the cost of the LLE courses.

Matthew Percival: We are obviously in a situation that is very well documented at the moment—the extent of skills shortages combined with labour shortages in the economy. The topic is right up there in terms of the labour market as a business issue. One reason we have been strongly supportive of the principles that are looking to be embedded into the LLE is that they go with the grain of a number of the changes we see in the economy—in the nature of learning, in who learners are and what their needs are.

The way we see technology changing jobs now is more often evolving a job rather than replacing a job. The stock of learning needs in our economy is increasingly adults rather than just young people, and it is increasingly about incremental changes in a role rather than a fundamental retraining to shift occupation. There will still be people who fall into that category, but an element that we are particularly welcoming in the approach of the LLE is that it is taking a broader understanding of what quality is—that it is not just about whole qualifications but can be about keeping your learning topped up as well.

You asked about how employers will respond. We have a lot of work to do to improve employer awareness about the scheme. When we surveyed on it last year, 80% of businesses said that they were not aware of it. There is an extent to which that is not so surprising because it is largely a policy that considers the interaction between the state and the individual learner, rather than the employer being an integral component. We are all thinking about how we design the policy—not what is on the face of the Bill, but the policy—to minimise the risk that this becomes a transfer of things that employers used to pay for and now get funded through the LLE. We then need to have a positive vision for how this can leverage more business investment.

I would love to see adopted as an objective for the policy that we measure success also by the extent to which it leverages additional business investment. I am not sure that is an objective at the moment. This could have a really positive impact. Our last estimate work with McKinsey said that one in six people will need to retrain by 2030, but in only 25% of those instances of retraining will there be a return on investment for an individual employer to pay to get the learner from where they are today to where they need to be to make that transition. We either respond by saying the state or the individual has to step in and fund the entire gap to get somebody ready for the job, or we can be a bit more flexible, which is what I hope the LLE will allow us to do. How do we get somebody ready enough, to the point where there is now a return on investment more often for employers, and then get the employer to step in, and where we expect more of the employer—to step in and hire people with training involved?

Q77 Robert Halfon: How do you think it will be distinct—going back to part of your answer—in terms both of the normal training of an employee, and of an employee separately taking out a lifelong loan entitlement?

Matthew Percival: A couple of things could go on in parallel. We could see a situation where somebody is employed full-time by their current employer, but they want to be able to switch careers. It would be unusual to expect their current employer either to be funding time off to train, or to be funding the cost of their training, so that person will be able to leave the employer and go somewhere else. But you can see how some people could use the LLE in that kind of way to help them navigate through the labour market while having a job, and that more flexible approach helps them to do it. Personally, I do not see the LLE as a massive tool for employers to upskill and evolve their current workforce for the jobs they are already doing. Normally, that is where you would be trying to create a skills environment where you could leverage the business investment into that already, rather than the LLE doing it. We are talking about quite a small amount of a large amount of investment, but, in terms of the grand cost across somebody's lifetime—what their total training cost is likely to be—this will be a smaller element of it. You could use three quarters of it in a single undergraduate degree here.

The Chair: Shall we bring in Simon?

Q78 Robert Halfon: Yes. I want to put my final question to Simon. Simon, I again want to thank you for the AELP's constructive support for the principles of the Bill. It would be helpful to understand what you

think the impact of the Bill will be on your members. We have done a lot of work on further education and higher education this morning, but it would be good to understand the impact on your members and how they see it going forward.

Simon Ashworth: As you say, we are broadly in favour of the principles. We need a better mix between employer, state and individual investment in skills. For our members in the FE space, I guess awareness of the LLE is still underdeveloped. Probably the biggest impact for a lot of our members will be on those who already did not deliver advanced learner loan provision. That is a programme source that has diminished over the past few years as a result of the challenges around cost of living, and the free courses for jobs offer negating the need to take out a loan. We were particularly excited to see the move to offer a third pathway for regulation through the Office for Students. That is a really important move to ensure that our members are part of the landscape, and this does not just include an HE-provider dominated landscape; it is a true mix of FE and HE providers. Obviously, there is more work to do on what that registration process looks like, and to move more of our members to be recognised and regulated by the OfS outside the full degree-awarding powers piece.

Q79 Matt Western (Warwick and Leamington) (Lab): Thank you both for joining us. Matthew, I have a couple of quick questions for you, and then I will come to Simon in a second. In the current economic environment, do you foresee a situation where a lot of employers, particularly small and medium-sized enterprises, will be cutting back on training? If that is so, what are the risks of this being very much individualised, by which I mean the training being left to the individual as opposed to the business? Obviously, what happens in most recessions—not that we are in a recession, but we are facing difficult times—is that training gets cut back.

Matthew Percival: We are certainly not meeting anybody's growth ambitions. It is a difficult economic position. Added to that, we are seeing some squeezing of training budgets, but there are two factors to that. It is not just the traditional case of, "If there is a slowdown in the economy, do we see some cutbacks there?"—often it is about protecting jobs in those sorts of recessionary situations. The current one is a lot of pressure being put on employers' budgets by things such as trying to do everything they possibly can to support employees with basic pay. I know a number of employers who have squeezed their training budgets and other discretionary costs like that in order to do everything they possibly can to support with a higher basic pay settlement at the moment.

From our own indications, the same survey I mentioned on our measurement of the extent of skills shortages still reports more businesses saying they intend to increase their spend on training than saying they would decrease it, and significantly so. But there is a weaker balance than the year before. The one bit of context I would add is that last year we saw a big spike to record levels of intent to increase, because the 12 months people were referring to previously was the heavily-disrupted period of the pandemic, and therefore that was a big increase.

Now we are back to levels in our surveys of similar intent as previous years, but I also note that our survey tends to end up being more optimistic of employers

telling us their intentions for the following 12 months than official measures of skills spend would show. It feels like we are in a similar environment to the five years before the pandemic rather than a different position at the moment.

Q80 Matt Western: I have a very brief question, again to you, Matthew. To what extent should lifelong learning be aiming also to improve the productivity puzzle in the UK?

Matthew Percival: There is an important link between productivity and skills, more so in individual productivity than in a macro sense. I tend to think that the ways in which we do jobs, and the ways in which technology supports us to do jobs, create the productive potential of a job. Our skills are the extent to which we manage to realise that potential in any individual job. There is always a risk that sometimes we train somebody to do a job but do not consider how to change the job itself. We make a worker more productive, but not the jobs in the stock of our economy.

I do not see that, though, as the principal objective of the LLE, because it feels like the LLE is more about how we help individuals to navigate their path through the labour market, rather than that in-role piece. If an employer adopts a new piece of technology or a new way of working that requires a skills investment to get the benefit of it from their workforce, I would expect to see that being picked up more by the employers rather than through the LLE.

Q81 Matt Western: Simon, could I briefly ask you what role the new platforms might play—online platforms particularly—in the delivery of LLE? How do we ensure that any new providers coming into this area provide quality?

Simon Ashworth: That is a really good question. You can look back in history at the individual skills accounts and some of the challenges. We have moved forward significantly and have some learnings, including ensuring that we have regulated providers who are delivering from a regulated list of qualifications. Some online platforms now negate some of the challenges we had historically around a paper-based system, which was probably a little bit of its time. There are key principles there around the controls and the providers.

As I said, the Office for Students regulates the provider base. I think we have moved on significantly from where we were previously in terms of access to providers and how the system can and does work. The whole concept of empowering learners and giving them an individual lifelong learning account is a really exciting move. It gives them much more control over where they access their provision, who they choose and when they choose it. I think it is a real game-changer for the individual. I would be less worried about some of the challenges we saw 20 years ago when we moved to a similar approach.

Q82 Mr Toby Perkins (Chesterfield) (Lab): Matthew, we always seem to talk about skills shortages, and it feels like the sense among employers that there are skills and labour shortages now is stronger than ever. However, a recent National Audit Office report showed that in 2018-19, businesses were spending less on training than they had been nine years before. What is your sense as

[Mr Toby Perkins]

to why employers who recognise there are massive skills shortages are at the same time not spending the extra amount you might expect on training in comparison to 10 years before?

Matthew Percival: There is an interesting dynamic at play, particularly at the moment, around labour shortages. Given the extent of the skills and labour shortages, there is a stronger incentive and a stronger need than ever to be able to meet your skills needs, yet, at the same time, there are forces pulling in the opposite direction. I mentioned that in this environment, we have had a lot of job-to-job moves within our labour market. People have been able to move into different roles for more money, and there is pressure around salaries on hiring and salaries for retention. If you do not do something on retention salaries, you incentivise everybody to move more and to swap employers, so you get that element of the squeezing of budgets.

There are other things that we see going on in relation to the current shortage environment. There can be an element of the off-the-job opportunity cost of a worker going off to do training. When you are already short on the frontline, it is even harder to free somebody up to go and put the time into the training, and we see a number of the providers in our membership—we have a mix; as well as the ples that we are most synonymous with, there are universities, colleges and independent providers in our membership—particularly the colleges feeling the pinch when there are these shortages. They also have their own workforce challenges, which often make it so much more difficult to be able to provide the training where the employer is willing to do so. It is more important than ever to be able to address the skills gaps, but it is also more difficult to be able to deliver that at the same time, rather than a universally positive driver towards unlocking more investment than we have.

I think we miss a trick in terms of policy to be able to think about the question of what it would take to create an environment to unlock higher levels of business investment in skills. A lot of our political debate around skills often gets focused on what the state will buy for the individual, rather than on how the state could play a role in creating an environment for higher levels of business investment. An imperative for us would be to have more of that conversation.

Q83 Mr Perkins: Simon, we just heard from Matthew that one of the reasons that businesses are not able to invest in training is their inability to access a course, maybe because the provider—whether it is from the public or private sectors—cannot recruit the lecturers or the course does not pay. One of the strengths of your members has been their relationships with employers, and what we have seen under the apprenticeship regime is that, since we have had more of an employer-led approach, the bigger employers have taken on more and more apprenticeships, and SMEs have quite often been left out. Given that one of the ideas in the Bill is that new courses will be produced—to be paid for by the learners—to what extent is there an expectation that learners at SMEs might miss out again? The bigger employers might be able to have a course with 10 to 15 employees who can come to the fore. Once again, we will have a skills system that excludes SMEs.

Simon Ashworth: I think there is a real possibility of that risk materialising. As you say, one of the big challenges for SMEs is the complexity of accessing and funding the system. We know that large employers have a significant influence, certainly on institutions, around course development and course design, so we could see some of the challenges that you have articulated replicated here in terms of the provision and some of the accessibility arrangements. As you say, on the apprenticeship side, the role of providers to support SMEs is pivotal, because SMEs and small employers tend to be time poor as well—I am thinking about their engaging with the system. But I would absolutely echo the challenges with the LLE that we have seen in apprenticeships.

Q84 Sir David Evennett (Bexleyheath and Crayford) (Con): Your comments so far have been very interesting. There are two things I would like to raise. First, you mentioned publicity, and a lot of firms do not know what training is available. That obviously needs to be addressed by employers, politicians and the Government.

Secondly, one of the things we find when going around the country in various roles is that businesses complain that they are not getting people trained to have the skills they require. Do you think that the Bill will encourage more businesses to get more involved with universities and colleges, so that they can work together to make sure that they are encouraging colleges and universities to have the courses to fill the skills shortages? Subsequently, the firms will be able to participate in the upskilling, as well as individuals, or the Government.

Matthew Percival: I completely agree with the sentiment and the objective of how we get employers more involved in the system; I am not sure this is the mechanism we are pinning our hopes on for that. You would expect more of that objective to be achieved through a reform like the local skills improvement plans, which try to get that employer voice out to provide us with that bit more, rather than this being the specific mechanism for it.

To your earlier comment about employer engagement with programmes, the job we really have to do is not just to say, “Let’s make employers aware of the LLE”, but to ask whether we actually have a coherent story to take to employers and say to them, “This is what is valuable for you about engaging in this process and why you should do it.” If we have that story to tell, we can be a lot more effective in helping to engage people.

Often the way it comes across to employers is that there is a whole plethora of initiatives and they will say, “I am confused as to which one”. I know part of my job, as a representative employer, is to hold a bit of that challenge back to them and say, “Well, you can’t say both that you need it to be dead simple and there to be only one option, and when there is only one option say, “There isn’t an option that works for me.”

We need a plurality of different initiatives and options, but we also need to challenge and support employers to navigate that environment. Rather than just saying, “Let’s try to raise awareness” and getting them to tick the box that says, “I’ve heard of the LLE”, because they might have heard about it as individuals rather than as employers, it is about how much we can get to the objective of them giving us quite a consistent message

that, “This is the value in it for me, and I am confident that I know that element of it”, rather than just brand awareness.

Simon Ashworth: We refer to our members—providers—as the sales force. I think there is absolutely a role for Government to do with engaging employers. Our members—-independent training providers, colleges and universities—deal with employers all the time. It is important to harness their links with industry and employers around awareness of the LLE. Ultimately, the LLE and the entitlement is about the individual as well. There is the employer demand and the employer support, but there is also the individual because, at the end of the day, it will be the individual who takes out the loan entitlement. There is a role for organisations such as UCAS to help promote that.

I would certainly encourage the Government to work with stakeholders and providers, which could do some of the heavy lifting around awareness. I do not think it is just the Government’s role to try to reach a million employers. I think they need to pull on all the different stakeholders that can promote the programme and make it a success.

Q85 Gill Furniss (Sheffield, Brightside and Hillsborough) (Lab): I am glad that Matthew referred to the local skills improvement plans. I would be interested in hearing what your view is as to what connectivity they should have with the system that is coming forward. That is one question.

My other question is probably to Simon. I started work in the ’90s, and we definitely had a skills shortage then. It seems that we have always had a skills shortage, so why is that? What have we learned or not learned from it? What is wrong with the current system? How will this solve the problem?

Matthew Percival: I will answer both. On the way businesses are thinking about the LSIPs programme, the best model is if it is adding an employer voice into the system for those employers that are currently struggling to have a voice. A lot of employers that feel they are confident with their existing provider relationship—they are understood and are getting what they want—are taking a backseat from LSIPs, because LSIPs are not a skills plan for the area with the totality of all skills needs. It is an extra source of information to try to give a voice to the businesses that are struggling most for a voice at the moment.

If that was to feed into the LLE through a consideration of how we make that information available to learners to make informed choices—I spoke about the LLE being less about someone who is in a job already and how they progress with the current employer, and more about how they navigate the labour market—and we were able to say, “Actually, there is a demand in the local area,” it is the LSIPs that would help work out what the job opportunities are.

What LSIPs will not be able to do, and where there would need to be some extra support in the LLE system, would be giving advice on what training someone would buy that would get them to the point of readiness for an employer to hire them with training, rather than their being fully competent. That is an element to add. That would be the interaction between LSIPs and the LLE for me.

Simon Ashworth: On local skills improvement plans, we have been fortunate to be involved in some of the pilots. Some of the findings for us were that employers are just keen to get individuals with really good basic skills—maths and English—and who turn up on time. They are quite happy to support them with the technical skills. There is almost an acceptance now of getting people in and being willing to invest in them and train them. We should not lose sight, certainly on the local skills improvement plans, of some of those key employability skills.

The question on skills shortages is key. Some of it is a lack of coherence around the skills system—a lack of progression. Apprenticeships are a really good example, where the reforms started with the development of high-level programmes, and lower-level programmes tended to come later. Having progression pathways is important. We also rely too much on imported labour. We have seen that coming back again in the imported skills in construction announced recently.

We see a lack of synergy between some of the Government Departments—the Departments for Work and Pensions, for Education, for Business and Trade—and some conflicting programmes. They are very complex for employers to understand and for learners to access, whether it is the Skills Bootcamp or the Restart programme. They just operate in silos. We need a much more integrated system that does not overlap, which is less complex for employers, and a lack of reliance on foreign labour; those are some of the challenges that we would say are holding things back, as well as having those skills shortages.

Q86 Andy McDonald (Middlesbrough) (Lab): Picking up on Toby’s point about the squeezing out of small and medium-sized enterprises, has the CBI done any thinking or work about any fiscal advantages in favour of SMEs to encourage employer engagement in training? It seems that may be a block.

Clearly, we want employers to invest in training as best we can. If SMEs are being excluded, should we be considering, in addition to these measures, some fiscal settlement for SMEs to give them an advantage over the larger employers?

Matthew Percival: You mean outside of the consideration of the LLE—a broader question around skills investment?

Andy McDonald: Yes. You said the LLE was not necessarily the silver bullet.

Matthew Percival: Okay. There a couple of things going on there. Yes, I would agree with you, and it links into my point about having a stronger conversation about what it means to create the environment for every business to invest in their skills. SMEs will find different challenges and are in a different environment to larger firms.

One point that is sometimes misunderstood when we think about size is that a big business can be a small business in a place, and the skills conversations are all happening in different places. A number of larger businesses nationally, which have multiple sites, will tell us that they have got excellent provider relationships in one area because their business happens to go with the grain of the sector in that area and it is really prominent, like food manufacturing in Shropshire, and therefore they have got loads of providers available to them.

[*Andy McDonald*]

The same company in a different bit of the country tries to take the same approach and cannot, because there is not the same critical mass of similar businesses in the area to make it economic for the providers to offer to the same extent. Size can be the business's size to the local economy, rather than the business's size as a business individually. Both of those factors are at play here.

The Chair: With a brief final question, Toby Perkins.

Q87 Mr Perkins: Matthew, you were speaking about advertising the programme. When more businesses know about it, might some of them say, "Well, actually, I don't have to pay for training myself any more. I don't have to pay it through my apprenticeship levy pot. I can expect my employees to start investing in themselves, rather than me spending this money." Do you see the possibility of this shifting the burden of who pays for training?

The Chair: I would love to know the answer, but unfortunately it is now 2.30 pm.

Mr Perkins: Oh goodness!

The Chair: Thank you to both Simon and Matthew. If you have anything else to say, you can always do so in writing.

Matthew Percival: Happy to follow up.

Examination of Witness

Sir Philip Augar gave evidence.

2.30 pm

Q88 The Chair: We will now hear oral evidence from Sir Philip Augar. Would you like to introduce yourself to the Committee?

Sir Philip Augar: I am Philip Augar. I chaired the post-18 panel, which sat between 2018 and 2019 and was convened by the May Government. The panel disbanded about four years ago, almost to the month, and therefore I speak this afternoon in a private capacity.

The Chair: Thank you.

Q89 Robert Halfon: As the key architect of the lifelong loan entitlement, are you happy?

Sir Philip Augar: Thank you, Minister. I am not actually the architect. The panel that I convened were very much as one on this, and we built on the work of the Sainsbury review and the review of skills and vocational education written by Professor Alison Wolf, who was a member of the panel. I think, however, that all of us involved would indeed be very happy with the progress that has been made. There is clearly a lot of work to do to make this happen, but it has the potential to be a game changer and to address a lot of the issues raised by the previous witness and others.

Q90 Robert Halfon: Are you content that the approach in the Bill—as you know, it is in essence a technical Bill with three clauses—is the right one?

Sir Philip Augar: The approach looks sensible. It is clearly important to establish a mechanism whereby learners taking modules do not end up overpaying, and this Bill sets in place the framework to ensure that a fair price is set.

Q91 Robert Halfon: Finally, in terms of the phased approach, starting off at levels 4 and 5 and moving on to level 6, are you happy with the direction of travel and the timing?

Sir Philip Augar: I think this has to be an incremental approach. It would be a bad thing if this got off on the wrong foot. We have seen that with previous attempts to address the skills gap. I am very much in favour of starting small and rolling out. This may take several years to really kick in, but by the end of this decade, when the demography—the number of 18-year-olds—starts to fall away, there will be an incentive for providers to step up to the plate. By then, I think the awareness on the part of learners, schools, colleges and, indeed, employers ought to be much greater. I think we could have a real flier then.

Robert Halfon: Thank you.

Q92 Matt Western: Sir Philip, thank you for joining us and for all your work on this subject with your panel members. I am interested to know whether you have any thoughts about or concerns over the financial ramifications of what this might mean for institutions—as we currently have funding within this £37,000 budget. Do you have any views on financial sustainability?

Sir Philip Augar: I missed a word there. Is your question about the impact on institutions?

Matt Western: Yes.

Sir Philip Augar: I think, potentially, this could be very significant. It is a significant opportunity for independent providers. It is a significant opportunity for FE colleges, which could really see them enter the mainstream. I will be interested to see how the universities respond. For the next few years, there will be pressure on places, as the population of 18-year-olds increases. When that turns down in 2030, there might well be places at universities that require filling, and this modular approach could be a really good way to do that. I think there are positives, actually, for all types of institutions.

Q93 Matt Western: Thank you. On the Bill, we have a figure of £37,000 as the envelope for the personal lifelong loan entitlement. Say we are in 2033, 10 years from now: should it still be £37,000, or should we be, in some way, linking that to inflation? Clearly, someone could be doing a couple of modules now, and some in five years' time and in 10 years' time.

Sir Philip Augar: The panel that I chaired recommended that the total unit of resource—the amount allocated to each student—should remain frozen until 2025. We recommended a slight variation in the mix between the loan and a direct grant, but we felt that, by 2025, there would be a case for having another look at whether the unit of resource was right. That will be at £9,250.

Since then, we have had a period of substantial inflation. That would be the right moment to have another look at this to find out whether providers are spending the

money wisely and frugally in the public interest. Without carrying out that piece of work, I would not really like to say what the fee should be 10 years out, but, clearly, one would expect that inflation would have been reflected in it to some degree

Q94 Matt Western: But given the nature of what LLE is trying to deliver, it could be over a 20-year span, in terms of someone taking up their £37,000—

Sir Philip Augar: That seems a pretty reasonable assumption, given where we are with inflation.

Q95 Matt Western: Fine. Finally, can you give any thoughts about an individual trying to assess the choice of course they may undertake? How should we be measuring the relative quality of the modules?

Sir Philip Augar: That is a really good question. For this to work, we need a number of parties to respond to the opportunity. We clearly need providers to respond. We need them to understand the needs of the economy—the national and local economies—and to put on modularised courses. We need schools and colleges, in the form of their careers advice—the information and guidance that they give—to actually broaden that advice from what is currently; it is not just about universities.

We also need employers to step up to the plate. The local skills improvement plans are—and potentially could be even greater—a forum where employers can understand the needs of their local area. FE colleges are now obliged to take that into consideration, so we potentially have a joined-up system in place here. I think all that needs to happen before learners—and I suppose parents—can make a balanced judgment of the next, best step to take.

Matt Western: Thank you.

Q96 Mr Perkins: There are several things that could result in this not leading to the amount of take-up that we all hope for, and one of those is not enough institutions actually offering courses in this format. You spoke in your review about the incentives for higher education institutions needing to change, and those changing their behaviour. At this stage, are you able to see whether there is enough in this to mean that we are likely to get the enough course availability for people for this to be the game changer that you hoped?

Sir Philip Augar: That is a question that I ask myself quite a lot, Mr Perkins. It is hard to come up with a definitive answer. Obviously, for the independent providers and FE colleges, this is a massive opportunity. This is a chance to completely expand their market, and I would have thought that they are already on to it. For the universities, I am not so sure, because there is considerable demand from domestic and overseas students for the full three-year degrees.

I would hope that the forward-thinking institutions are looking at that demographic downturn in 2030 and thinking that it is not far away. This will come by very quickly. The cohort that starts in 2025 will have its three years and then we are into it. I hope that the forward-thinking institutions—the type that will be interested and able to offer modularised, credit-based lifelong learning—will be thinking about this: if not now, then pretty quickly.

Q97 Mr Perkins: I will not ask you to name the forward-thinking institutions, but is there a danger that the Russell Group universities will say this is not for them, and it will be what some people see as secondary HE institutions that do it? Is there a danger that it will get seen as a second-rate option at level 6 when we get to that?

Sir Philip Augar: That is clearly a risk, but a lot depends on how lifelong learning is portrayed by the schools and colleges that are speaking to young people and parents. Not everyone is suited to an academic route. That does not make someone who pursues a vocational route a less worthy person; it just makes them different. I very much hope that we can get away from thinking it is university or bust. It is absolutely not, and this is an important way to get us there.

Mr Perkins: Thank you.

Q98 Andy McDonald: Sir Philip, you talked earlier about the role of parents and pupils, and their ability to make informed choices. In the course of your work, did you come to any views about engagement with business? As MPs, we see a mixed bag in terms of business engagement in the education system and the transfer of knowledge about opportunity. Did you come to any views about whether, for example, there is space in the curriculum to develop this sort of awareness and engagement? How important is that?

Sir Philip Augar: It is a very good point, and the panel did engage directly with employers and representative organisations. We had a number of roundtable meetings and invited them all along. The response varied, frankly. Some representative bodies and some employers absolutely got it. There is possibly a sense in other quarters of, “Look, this really isn’t our problem. We can’t get the staff, you know.” Actually, that is your problem. I am a big fan of the LSIPs. The engagement between local business, local education providers, chambers of commerce and the rest has the potential to close the gap that you identify, and I agree with you.

Q99 Andy McDonald: But is there space in the curriculum in our schools and colleges?

Sir Philip Augar: I am not so sure that it is actually in the curriculum, but it is a close adjunct to the curriculum in terms of professional, carefully considered, disciplined provision of information and guidance about career opportunities and further and higher education opportunities—not just when you are leaving a place but throughout your life. It is a core part of the rounded function of a good school and college.

Andy McDonald: Thank you.

The Chair: We are coming to the last couple of minutes. A brief question from Matt Western.

Q100 Matt Western: Just a brief question in the remaining seconds. I am not asking this for personal reasons, but do you have any views on the age cap of 60 for accessing the lifelong loan entitlement? Given some of the skills shortages, the expertise and the Government talking about returnerships, do you think there would be an advantage in making it later than 60?

Sir Philip Augar: If I were thinking of a lifelong loan, I am afraid I would be excluded by that barrier. We live in the real world. It would be great to extend it right through for much longer than that, but if these loans are not repaid, they are picked up by the general taxpayer. We have to be realistic about that, and 60 seems to me to be a reasonable number. It could be a little higher, but it seems a reasonable number.

The Chair: Thank you very much, Sir Philip.

Examination of Witness

David Hughes gave evidence.

2.45 pm

Q101 The Chair: We now move back to Zoom. Welcome, David Hughes, chief executive of the Association of Colleges. Would you like to introduce yourself?

David Hughes: Good afternoon. I am David Hughes, and I am the chief executive of the Association of Colleges.

The Chair: Good afternoon. Minister, would you like to start with questions?

Q102 Robert Halfon: Thank you. David, when I have met you in the past, you have often said, “What about the colleges?” That is the catchphrase you shout frequently, and I agree with you. The previous witness, Sir Philip Augar, said that this measure would benefit further education quite significantly. Do you agree with that? What do you think the impact of LLE will be on FE in general?

David Hughes: I was listening to Philip, and I agree with everything he said. I think it is an opportunity for colleges, but you will not be surprised to hear me say that more needs to be done. The LLE can be a real game-changer as part of a suite of changes that are needed. We need to understand what the LLE is for. It goes back to Philip Augar’s report, which said that we have a tale of two halves: half of young people are going into higher education by the age of 30, and half are not. It seems to me that the LLE is about particularly trying to help the other half who have not been into HE to have a higher education experience. That, almost always, will need to be local, will need to be flexible and will need to be affordable. The LLE helps enormously with that, and colleges should be at the forefront of delivering particularly modules at levels 4 and 5 and sometimes level 6 and beyond. We need to think about what is happening below level 4 and the investment needed to get more adults to level 3, because about 62% of 25-year-olds have a level 3, but we need more of the ones who have not to be able to get a level 3 as an adult in order to use the LLE.

Q103 Robert Halfon: There is an issue that 10% of the adult population have levels 4 and 5, so there is a concentration on that. Earlier, we heard about the collaboration between Nottingham Trent University and the college in Mansfield in terms of delivering the LLE. Do you think there will be a lot more collaboration between HE and FE once the lifelong loan entitlement has come through?

David Hughes: I hope so. The Nottingham Trent and West Nottinghamshire College example is a really good one. There are others—London South Bank University has some really good work going on, and Derby University has. Around the country there are good examples, but sadly, there are also examples of colleges and universities not collaborating effectively, and there are not really the incentives to do so. I would like to see more work carried out to try to get better links, particularly to give young people the option of doing one or two years in a college, getting their level 4 and maybe their level 5 without having to go residentially to get their bachelor’s degree, but perhaps topping up with an extra year or two at university. We need to help colleges and universities to collaborate better. The system needs to help, and we need to look at the regulation and the metrics of achievement, because some of it militates against that collaboration.

Q104 Robert Halfon: Finally, we have talked about credit transfer in terms of HE. What do you think the response of colleges will be to credit transfer? Do you think they will embrace it, or do you think some colleges will do it more than others?

David Hughes: Again, I think it will depend a lot on their relationships with universities in particular. There is a lot of potential for young people and adults to do some of their higher education in their local college and perhaps transfer that credit to a university somewhere else, if that is what works well for them, but that needs individual relationships to be good. In some parts of the country we will definitely see that. It would be great—wouldn’t it?—if there was a much more open sector in which those options of credit transfer became quite normal and part of what we offered to every adult of every age, but I think it will take some time to get there.

Robert Halfon: Thank you.

Q105 Matt Western: Thank you for joining us, David. I am concerned that, although there will clearly be some advantage in terms of driving and hopefully improving the numbers who access FE and HE through this route, there are, as we heard from previous witnesses, costs associated with delivering this proposal, in terms of the administration not only for students but more widely. Given the financial circumstances of colleges, to which you alluded, what should be the concerns? Does this idea need much more funding to make it viable?

David Hughes: The problem colleges have is that they do not have any of what the private sector might call risk capital: they cannot set up new courses unless they are absolutely certain that those courses will be successful. I think that will make them cautious, and when you are trying to introduce a very different type of higher education, caution is a real barrier. I would love to see the Department for Education supporting colleges to share some of the risk and to pilot courses.

One of the things that colleges do really well is work very closely with local employers. It would be lovely to see some more work, in specific sectors of the economy where there are skills shortages, to pilot colleges and employers working together to develop modules that are attractive to individuals and that help them to get into those skills-shortage jobs. To imagine that will happen just by chance is stretching reality; I do not

think it will require tens or hundreds of millions of pounds, but it will need investment to make sure the risk is shared. If we do that, we could really get the ball rolling and show it works, and then more organisations—more colleges and employers—would engage. It is incumbent on the DFE to really start with that investment and risk sharing.

Q106 Matt Western: You mentioned that you would like to see, as I think we all would, greater progression from levels 1 and 2; what more should be done to encourage progression from those levels to level 3 and maybe level 4?

David Hughes: The investment in adult education has plummeted over the past 12 years, so there are fewer opportunities now than there were in 2010. That is a major problem. The funding rate for colleges has not changed for 10 years. That is a major problem. We need more investment in colleges just so that they can recruit the skilled staff to be able to deliver.

There is an investment question, then, but there is a pathway issue as well. We need to make it much more straightforward for people to understand how they can get from wherever they are—whatever level—through to the sort of skills acquisition that really works in the labour market. Adults with children, mortgages, car loans and whatever other responsibilities need to see a return on their investment. The LLE is a fantastic opportunity, but it is not going to be taken unless it is super clear that getting that level 2, level 3, level 4 or level 5 will actually make a difference to a person's chances in the labour market and, let's face it, to their income to help with the cost of living crisis.

Q107 Gill Furniss: You have more or less answered quite a few of my questions. My concerns are about the disparity in pay between school and FE and between FE and HE. It worries me that this proposal cannot be successful unless the Government put in some investment to make it more equitable, because, as you say, recruitment and retention is a massive difficulty, particularly in specialist subject areas where people can earn far more in business. Do you agree?

David Hughes: I completely agree, and it looks as though it might get worse in the short term. The Government are negotiating with the teachers' unions at the moment; if teachers get a better settlement, the gap between schoolteacher pay and college lecturer pay will get wider. It will get even more difficult. I know that the Minister is aware of that; I have talked to him about it. It is a difficult one, but we absolutely need college staff to be paid the right wage to attract and retain them.

Q108 Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): Following on from that, given the modularisation and the ability for people to draw down things and then use the credits in other institutions later on in life to build up a portfolio of higher education, is there a danger that some universities will be less willing to take on students who need additional support and will wind up pushing them into the Association of Colleges members to do the work that sometimes they have to do? We see that a bit in the American system. People go to a community college, which is where the

heavy lifting is done to get someone ready to learn, and then they go off and do their final year at an institution, and the institution gets all the kudos. Is there a danger of something similar happening with this?

David Hughes: I think it is happening now. It happens as part of the system. We have a system in which if you have good level 3 and good A-level results or BTEC results, you get into a university. If you are an adult and you have not got quite the same simple set of results, it is much harder to get into a university, and colleges open their arms to that group of people. So we already have that schism between a university sector that does not include those people and a college sector that does. It might get worse. A lot of adults need to build their confidence and learn how to learn, and colleges are very good at doing that. Often universities are not as good at doing that. They can teach someone a subject and can teach the research. Colleges are experts at teaching and universities are experts at research. Somehow we need to accept that and applaud it and use it to deliver to the right people.

Q109 Lloyd Russell-Moyle: Is that fair? When we talk about the cost basis we are talking about the same for both institutions rather than understanding that colleges, rather than having less than they have at the moment, might need more to do this than a university would.

David Hughes: Yes, I think that is absolutely right. If you think about the extra learner needs and the high number of young people and adults in FE colleges with additional learning needs and disabilities, it is enormous—much higher than in any other sector. That learning support needs to be fully invested in. Students tend to come from poorer backgrounds as well, so bursaries and support with their finances are equally important.

Q110 Lloyd Russell-Moyle: Finally, could I ask about diversion from what employers are paying at the moment? The Association of Colleges will have lots of your members running adult education and lifelong learning courses that employers pay for because they want to upskill their workers. Are there significant protections in the Bill to stop employers offloading that to the personal debt of the individual and then not putting the professional development money in that they should do?

David Hughes: I think employers in this country generally pay less than in other OECD countries, so we are not doing very well on employer investment. Some employers are brilliant; many are not. I think there are massive dangers. We need to make sure that universities, colleges and private providers do not allow that to happen, because I am absolutely certain that some employers will want to do that. In my 32 years' experience of working with employers and skills, we know that some will want to game the system, so we absolutely need to be alert to that. It will be a small number, but it could be significant. We must think about how to drive that out of the system. The providers need to make sure they are not playing that game as well.

The Chair: I am afraid we have run out of time, so there is no time for further questions. Thank you very much for your contribution to the Committee this afternoon, David Hughes.

Examination of Witnesses

Dr Elizabeth Norton and Professor Sue Rigby gave evidence.

3 pm

The Chair: We now hear evidence from Dr Elizabeth Norton, policy adviser from Coventry University, and Professor Sue Rigby, Vice-Chancellor of Bath Spa University. Please can you start by introducing yourselves?

Dr Norton: Hi. My name is Dr Elizabeth Norton. I am a policy adviser at Coventry University and I specialise in Office for Students regulation.

Professor Rigby: I am Sue Rigby. I run Bath Spa University. As a member of the board of the Quality Assurance Agency for Higher Education, I rewrote the credit framework in 2021.

Q111 Robert Halfon: Do you think that introducing the fee limit method based on credits is sensible from a higher education and university perspective?

Professor Rigby: In theory, it makes lots of sense. Nearly every university uses credits, with the exception of Oxford, Cambridge and medical schools. The exceptions in the Bill allow for that. I am worried about unintended consequences, and they focus on students who may fail a course or who may need to resit.

At the moment, the failure and the resitting is bound up within the fees for a year. We have clarity from the Department for Education that, in the provisions in this Bill, students would be responsible for paying for both the course they have failed and for the resit course.

The premise of the LLE is that the minimum fee quantum will be 30 credits. Most students will fail subsets of that—we run 10s, 15s, 20s. I think there may be some unintended consequences to explore to make sure that students are not disadvantaged.

Intellectually and theoretically, this measure will work beautifully, but in practice, I would love to see a risk analysis on unintended consequences for my students.

Q112 Robert Halfon: On the OfS, there will be registration for new providers. What is your view of that? Is that the right way forward?

Dr Norton: It is absolutely right that there will be a third category of registration—if a new entrant to the OfS provider system is only doing modular provision, it will need to be regulated separately—but the OfS will need to consult the sector widely on how it integrates monitoring student outcomes, progression and completion of modules to really ensure that standards, in terms of access, student experience and value for money, are maintained.

Q113 Robert Halfon: What is your view on the provisions working for FE providers who are fairly new to this system?

Dr Norton: I think a lot of FE providers have already joined the OfS register. I cannot speak for them entirely—we are a university—but I think the main barrier for them, from my point of view, might be that there is a lot to be done to keep up with OfS regulation and to keep up with compliance. I worry about the amount of bandwidth that FE colleges have to do that—it is its own little

cottage industry. That would be my main concern: do they have the capacity to integrate these new regulation challenges?

Q114 Robert Halfon: Professor Rigby, you talked about unintended consequences. What is your view on how they should be dealt with?

Professor Rigby: Probably, in this Bill, the solution resides in that course year. If one could identify a course year with a loose allocation of credit—let's say, plus or minus 20 or 25—that would not break the intent of the lifelong loan entitlement being a 30-credit minimum, but it allows 18-year-olds to fall over once or twice during a year and to be picked up in-year, rather than getting another £3,000 taken off their lifelong loan entitlement.

Q115 Mr Perkins: You will be aware that the legislation envisages moving from an academic to a course year, which can start at any time and run for 12 months from there. Universities, like colleges, are traditionally much more used to a big intake at the start of the academic year, checking out later on. Often, they have monetised their facilities over the summer, encouraging foreign students in that period. What sort of challenges will moving to the proposed approach pose for universities? In practical terms, do you see a lot of courses starting at other times of the year or, as it is broadly up to universities what they choose to run, will they end up choosing to run in line with when they do currently?

Dr Norton: Coventry has multiple start dates throughout the year already—we have six, I believe—so the volume of applications may increase throughout the year, which would cause some capacity issues, but overall I think it is a positive.

Professor Rigby: Most universities currently have multiple start dates, even the research-intensive ones, mainly because a lot of international students start their master's courses in January. In the Bill as written, this is a technical realignment, which means that instead of someone starting partway through a year and their fees running through four years if they are on a three-year course, their fees will run over three years but in practice they will start and end in the same month. It is a technical change.

Throughout the Bill, I have identified a multitude of technical changes that will affect the provision of probably a couple of million existing students in order that, in '27-28, we will start to see the roll-out of the LLE. Intuitively, I wonder why form does not follow function, in that we should design the LLE and then make sure that the funding system will permit it, rather than changing the funding system ahead and precluding some of the design opportunities that would otherwise reside in the LLE.

Q116 Mr Perkins: On your own institutions providing level 4 and 5 courses—with level 6 coming further downstream—do you anticipate offering significant numbers of those courses, or will you wait predominantly until the level 6 offer?

Professor Rigby: All undergraduate degrees tend to be 4, 5, 6. We currently accept top-ups into 5 and into 6, but there is limited demand at the moment for that provision. The real opportunity here exists in growing

this ecosystem almost organically, and colleges working with their cognate universities—we are federated with Bath College, for example, and New City College in London. We are developing novel provision in that space, assuming that the funding will permit it. There is little that the funding will not permit; it is just not so obvious to the person in receipt of it. There is little in terms of top-up, one-year, short courses that we cannot do currently, but we sometimes have to look for something from commercial entities, rather than individuals taking out loans.

Q117 Matt Western: May I start with a couple of questions to you, Professor Rigby? On how the legislation is written, I have sensed concern elsewhere about giving the Secretary of State powers to remove modules or to say that they will not be funded. What is your view of how such powers might be exercised were we to have an institution or organisation where there is, not a vendetta, but a certain sense of action against it?

Professor Rigby: As I read the Bill as written, nothing gives me direct cause for concern, but it does give permissions for things to happen down the line that are not part of what is conceptualised at the moment in the lifelong learning entitlement. For example, nothing in the Bill would stop the Secretary of State in future refusing to fund a module or course in a particular discipline. Universities are worried about that, because we have seen the removal of extra funding for courses such as archaeology and design over the past few years. It makes us conscious that the Bill, while not designed for that function, gives permission to the Secretary of State to set fees at whatever level they might want for a degree that they might like, or to refuse funds at any level for a degree that they do not like. All of us around the table might worry about archaeology—notwithstanding that you did it; people do move on later—but most of us would see that design is something that is broadly useful to the economy.

Q118 Matt Western: For the measurement of quality, how do you see modules being given some sort of sense of currency by OfS or whoever?

Professor Rigby: The geek in me would say that all modules have currency because they count for credit. We already have transfer schemes between colleges and universities and between universities—one with another—that will accept aliquots of credit at a particular level and allow that to stand in lieu of partial learning. So I could take half a year's work, I could get entry into a different university and I could be let off that half-year of study, despite the fact that the curriculum might be slightly different.

To an extent, any 30-credit module taken under the lifelong loan entitlement will have currency. It would be useful to badge or brand them with a series of designations that would make a lot of sense. If I turn up and say I have a 30-credit module at level 6, you are probably not that impressed, but it is about the same amount of effort as an A-level, for example, and at a higher level of intellectual demand. It would be useful to badge and brand these things so that they made sense to everybody. However, in their raw form, as long as they carry credit, that will make sense not just here but internationally, so you can go through the four nations and into Europe with that attribution of credit.

Q119 Matt Western: Dr Norton, do you want to come in on that? Then I have a specific question for you.

Dr Norton: I was just going to say that the LLE consultation response document says that there are plans for transcripts to be standardised. If that could be integrated into the LLE gateway system, along with advice and guidance, it would give a lot more clarity to students and employers. There is a real issue of brand recognition, I think, in the value of modules, especially to employers, who might view 30 credits differently to how we in the sector do.

Q120 Matt Western: The sector has made it clear that some of the regulatory burden it faces is far greater than it was, say, five years ago. What concerns do you have about the introduction of the LLE in terms of the additional administrative burden it might bring on an institution? I am conscious, Dr Norton, that Coventry is at the vanguard as one of the early adopters of modularised learning. What, in your experience, does that look like in administrative terms?

Dr Norton: We in Coventry have an open-framework approach to certain areas of provision. The one that springs to mind is a professional development course that ends up in a BA or BSc for professional athletes. Through that approach, all the different campuses within our group structure are open to students, who can take modules from across the spectrum of what we deliver: sports science, business management, and exercise and life sciences. Students can complete over six years, allowing them to continue their sporting career, because obviously time is important to athletes in terms of completing their career. It is more about having standardised processes.

There is administrative burden, but it is more in terms of curriculum transformation. Adaptations will also have to be made again in advance of the LLE, once the Secretary of State has made decisions about which subjects are to be prioritised and things like that. The main burden I am worried about is financial forecasting and the behaviour of students towards admissions. We do not really know yet how popular this offer is going to be. At the moment, we run on five-year financial forecasting and have largely three-year cycles. It becomes extremely difficult to plan if you are only taking modules. So we do not have an idea of learner demand fully yet. Although we are at the vanguard of LLE provision, as you kindly say, it is only a small part of our portfolio at the moment.

Q121 Matt Western: Related to that financial forecasting, one concern that the Government have been raising in the last year or so has been about continuation completion. What is your experience with modularisation? Are you seeing lower, higher or similar numbers of drop-outs?

Dr Norton: I am afraid that I would have to come back to the Committee with actual student figures on that. I do not have access to them here, but I would be happy to submit them as evidence.

Professor Rigby: Can I briefly come back on those questions? In terms of the regulatory burden, it is significant. I would estimate that the cost of regulation to my university over the last year has been in excess of half a million pounds. We might have been lucky or unlucky—I do not think that data is collected across the sector.

[*Matt Western*]

Once we break that down into subject areas—I run around 80 different subject areas—we amplify that level of bureaucratic oversight potentially by 80. Breaking that down into modules means that every one of my degrees, which at the moment are a unitary entity, is broken down into 12 pieces, any one of which could be the focus of oversight by the Office for Students. You are amplifying my administrative or overhead burden of regulation by 80 times 12, which is significant, given that it is not cheap.

Everybody wants to be well regulated. No university is trying to escape its burden, but I think that that burden is worth considering because the metrics on which the risk assessment is based for universities will not operate for a module. I cannot come here and pretend that one 30-credit module will change someone's entire career. I cannot assume that the progression for a module will be as high as it would be for an entire degree, mainly because the demographic of students taking a single module will be very different to the demographic of students taking a full degree. We are in different regulatory risk metrics; the risk is that those metrics will then be less broadbrush than they currently are, and there will be another amplification of the regulatory burden. So it is something that is worth considering, even if you fillet out from that the natural excesses of a vice-chancellor getting regulated.

Q122 Katherine Fletcher (South Ribble) (Con): Listening to what you are saying, I am trying to chase through a real-world example because I do not have your expertise in the field. I am hearing that we need some kind of standardisation within the modules that allows for a certain transferability. For example, if you are doing artificial intelligence, a basic tick-box, “I understand what a black box AI system is,” would be worth 30 credits in theory, and would be applicable across the piece. I am also hearing that to get to that level of granularization across your full curricular suite is going to be burdensome.

Is there an argument that says we start small, by introducing it only for level 4 and 5, with level 6 to come, and that we focus on the more technical, easy-to-define areas of study at levels 4 and 5? They also have the happy coincidence of being in demand in the job market. Is it possible that we could go some way without having to modularise, for example, archaeology? I love archaeology, but you know what I mean. Can you help me understand what I have got wrong in that sentence?

Professor Rigby: Modularising a degree is easy. We did it at Bath Spa just for fun, to see what the answer to your question would be. We took it right through the formal processes. We have a fully stackable, modularised degree on our books, where every module has individual value. The solution to your problem is that in any degree, there are core modules that you have to do, and optional modules that you choose to do. You make sure that your core modules are, for example, your black box AI at levels 4, 5 and 6, and then your options can change over time and keep current. If ChatGPT was not part of your degree four years ago, you can do a module on it now. You can slot that in at the right academic level, and when you have enough tokens, you automatically get the next qualification, whether that is a year of study, a diploma of higher education, a

certificate of education or a degree. That is easy. It is also easy to modularise every degree that is not taught by Oxford, Cambridge or a medical school, because they all bear credit, so they are already modular. What we cannot pretend is that some of our later modules have standalone value irrespective of earlier-level modules. You cannot just drop in to a third-year module on advanced ecology unless you have done it in second and first year. That is where we need to be clever, because if people are taking time out of the workforce, they cannot necessarily come back in.

You are absolutely right. The easiest thing is to start with the equivalent of first year at university—level 4—and then develop on, but you can do it through a series of generic technical qualifications from now. You can devise a degree in health or computing or business. Those things are amenable to immediately meeting all the LLE requirements. It is just a matter of good design in the background. If we can do it, so can any university.

Q123 Katherine Fletcher: Okay. So while the modularisation of the 80 subjects is a potential issue, it is not a day one issue but can happen over time as well?

Professor Rigby: Imagine doing a computing degree over 10 years. If I described the degree to you now, it would be completely irrelevant in a decade, because the things you would need to know would have changed dramatically. With archaeology—and palaeontology, which is my subject—you can go 100 years and not have to redesign your degree an awful lot.

Katherine Fletcher: So the Elrathia trilobites that we probably both have at home are still 500 million years old.

Professor Rigby: The beauty of this is that you could design a degree that has a core that is significantly generic.

Q124 Katherine Fletcher: And that would achieve 4 and 5, but it is 6 where the problem kicks in.

Professor Rigby: Six is still fine. The opportunity is to put in those optional modules that are current and not prescribed by the degree description.

Q125 Katherine Fletcher: Sorry to interrupt, I just want to understand you. Surely at that point, the individual who has agency within their learning, whether by their employer or from their own heft, has the ability to choose. You can get through 4 and 5 and potentially have a positive impact in the labour market, and then when 6 comes along you can move forward. I am just trying to understand why it stops the spirit of the lifelong loan entitlement, which is to give people modular access to learning.

Professor Rigby: I do not think there is any reason why level 6 is structurally different. At the moment, if I made an offer to you to read a degree, I would need to specify for data protection issues exactly what you would learn through the duration of the degree, right up to the last module you would do in your third year. The LLE degrees will have to be different from that, because the subjects move too quickly. If you take a degree over 15 or 20 years, for me to specify at the beginning exactly what the content is at the end—

Katherine Fletcher: I would agree with that. I started off coding visual basic C, and I can code ABAP 4 and VBA. You would get quite close to a computing degree—that is 20 years' worth of technology.

Professor Rigby: All you need is to define your module as coding and they will stick into it what you need. I don't think modularisation is a problem. I don't think level 3, going below degree level, or 4, 5 and 6 are a problem. I think what you probably want to do is bespeak some qualifications that fit that, rather than just modularising everything that we offer and hoping that somebody wants to do research methods in the third year of their archaeology degree.

Katherine Fletcher: Fine—now I understand you. Ecology might not be top of the list—I am a biologist who did a lot of ecology so I can say it—and that is a bit like archaeology. The initial stuff at level 4, 5 and, ideally, 6 could be more granular in detail and perhaps more obviously tied to a job—moving satellites around in space or whatever. Thank you very much for putting up with my questions.

Q126 Lloyd Russell-Moyle: That was very interesting. At the moment with a three-year degree something that protects students from universities completely destroying their course is that universities have to honour the programme they started with. You will allow a cohort to continue. I have been in many fights while representing the unions when universities have done that. I should make a reference to my entry in the Register of Members' Financial Interests on that. With a modularisation process over 10 years, is there a danger that someone starts a process of collecting credits and modules that they want to pursue over a long period and ends up at a dead end, where they have used up all their money and credits but are not able to get the degree because it does not exist any more? How can that be mitigated?

Professor Rigby: I do not think we can avoid that risk. If we imagine that the lifelong loan entitlement will be drawn down from 18 to 50, that is 30 years of continuity, and we have not had 30 years of continuity in higher education in the last century. It is quite possible that an organisation or, indeed, a subject area would cease to exist during that time. You are working from the premise that people would start an LLE in a modular form always intending to get a degree as an outcome, and I am not sure that they would not then just do a degree, because they could do that at any age. The commitment of time might stop them, but I doubt that many people over 30 years would have their eyes set exactly on a particular degree outcome; they would surely be moving in and out of the workplace, revisiting their own choices of modularity. It would be lovely if those modules stacked so that they end up as a generic degree, but I would have thought that the risk is only if we over-specify what that degree would be on graduation. If we say it is a geology degree, that is fine. If we say it is a palaeontology degree on vertebrates that can only be delivered by the University of Bristol, we would have to be assuming that it would have continuity of delivery through 40 years. It probably could, but others might not.

Q127 Lloyd Russell-Moyle: So there has to be some acceptance in other courses and pathways and possibly other institutions of these credits and modules. That happens on a case-by-case basis, building up institutions'

networks. Does there need to be more co-ordination or somewhere for that information to be published, so that, rather than having to go to a university and find out whether it accepts a module, a student can go to a portal and see whether a module is accepted and where they can transfer it, or is that unnecessary?

Professor Rigby: It is complicated. It would be adorable, but universities will always have the right to reject people. My son went for an interview at Oxford, and he did not get in. His qualifications were recognised; he just was not quite over the line. Universities will always have the capacity to be selective, and that means that any qualification may be insufficient for entry. I suspect that for the bulk of people, the reason for their not being admitted would be something other than the status of the qualification they have brought through the LLE.

Q128 Lloyd Russell-Moyle: Where would the support come from for people wanting to design that journey, not from the institution's point of view but from the learner's perspective, to understand what those modules mean, rather than just having lots of institutions shouting at them, "Come to us"?

Dr Norton: That is where the OfS can step in. The student protection directions under the OfS have needed a review for quite a long time, but they are certainly not capable of dealing with the level of consumer protection that the LLE will demand. As Professor Rigby said, we cannot have a totally pick-and-mix approach; there would need to be certain pathways followed and competencies gained as someone bundles together, so that they can learn in the proper order. The OfS can step in and provide advice and guidance. It already has Discover Uni, which contains a lot of information regarding student outcomes, and that could be added to one of its websites.

Q129 Lloyd Russell-Moyle: At the moment, a student who is choosing different modules in a course will have guidance from their institution—for example, they will speak to their tutor, who will say, "Actually, maybe that's not the best one to do"—to make sure they are following the right pathway. Should it just be the Office for Students, or do institutions have a role in that beyond the fixed period during which someone has studied with them?

The Chair: It will have to be a short answer.

Professor Rigby: Any institution will have a vested interest in giving that advice, because having put all the effort into recruiting somebody and training them and realising they can learn with us, we will not want to lose them later on. The risk is that it will be partial advice, not impartial advice. The assumption has to be that the lifelong loan entitlement will be something that someone takes through mature adulthood, so they can temper to an extent their own expectations with an increasing degree of curatorial ability as they move through a career. In a sense, we are presupposing that people will remain ignorant of this system, whereas actually, they will quickly work out what works in it and what works less well, and those mores will guide someone through a career. It is not like they will do it all immediately and with the open-mindedness that we are presupposing before it starts, I suspect.

The Chair: We have come to the end of the session. Thank you very much for your evidence. There have been some interesting comments. The Committee will meet again on Thursday at 11.30 am for line-by-line consideration of the Bill.

3.30 pm

The Chair adjourned the Committee without Question put (Standing Order No. 88).

Adjourned till Thursday 23 March at half-past Eleven o'clock.

Written evidence reported to the HouseLLB01 ResPublica on behalf of the Lifelong Education
Commission

LLB02 The Open University

LLB03 Mike Ratcliffe

LLB04 The WEA

LLB05 Staffordshire University

