

Consultation: Lifelong Loan Entitlement

A public consultation issued by Department for Education

Comments from ACCA to The Department for Education

6 May 2022

About ACCA:

ACCA (the Association of Chartered Certified Accountants) is the global professional body for professional accountants.

ACCA has a thriving community across the UK including **90,000** members and **71,000** future members, who work across a wide range of sectors, regions and business sizes. Our framework includes qualifications ranging from Levels 2 to 7. Through this we strive to uphold the highest professional and ethical values.

We offer everyone everywhere the opportunity to experience a rewarding career in accountancy, finance and management. Our qualifications and learning opportunities develop strategic business leaders, forward-thinking professionals with the financial, business and digital expertise essential for the creation of sustainable organisations and flourishing societies.

Since 1904, being a force for public good has been embedded in our purpose. We believe that accountancy is a cornerstone profession of society and is vital in helping economies, organisations and individuals to grow and prosper. It does this by creating robust trusted financial and business management, combating corruption, ensuring organisations are managed ethically, driving sustainability, and providing rewarding career opportunities.

And through our cutting-edge research, we lead the profession by answering today's questions and preparing for the future. We're a not-for-profit organisation. Find out more at accaglobal.com

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Lifelong loan entitlement ambition

The Skills for Jobs White Paper¹ details a shift towards an employer-led training system, which both SMEs and large organisations have welcomed. The LLE presents a significant opportunity for individuals to take a more active role in their lifelong learning, which can in turn contribute to a highly skilled UK workforce meeting labour market skills needs at a local level. The global pandemic has further underlined the critical importance of addressing long-standing skills gaps. While organisations are very aware of these skills challenges and the importance of bridging them, navigating the skills landscape presents challenges for both learners and business, particularly small and medium-sized organisations.

ACCA's founding principles are based on access for all, regardless of age, background or prior skill level. In 1909 Ethe Ayres Purdie became an ACCA member, the first woman to belong to a professional body. Inclusion, Integrity and Innovation are our core values² – for this reason, we support a range of learning routes to improve accessibility to adult education. This might include flexible study options such as:

- Self-study around existing commitments
- Online or face-to-face structured form of study
- Demonstrating competency on the job
- Asynchronous learning

We have a network of over 40 learning providers that support learners and employers with this activity across the UK.

We are committed to improving social mobility in the professional accountancy and contributing to building a more equitable future for all. In 2017 Access Accountancy, a group of professional accountancy firms and bodies (of which ACCA is a member), together with The Bridge Group, a social mobility research charity, produced a report that analysed socio-economic diversity data relating to almost 140,000 school leaver and graduate applicants to the profession. The report found that 40% of applicants had parents with no experience of higher education and that 76% attended publicly funded state education (as oppose to fee-

¹ <https://www.gov.uk/government/publications/skills-for-jobs-lifelong-learning-for-opportunity-and-growth>

² <https://www.accaglobal.com/gb/en/about-us/our-purpose-and-values.html>

paying schools)³. Professional occupations have a central role in addressing access to opportunity issues for the benefit of broader society.

ACCA is also committed to the United Nations Sustainable Development Goals⁴. We recognise the importance of all interconnected SDGs, and collectively, ACCA and its community can make our most significant commitment towards their achievement. This includes a commitment to Gender quality, and we are committed to promoting gender equality across our global community and to achieving gender equality across our employee population. Through our commitment to quality education, we will offer access to a quality finance and accountancy education, free from artificial barriers.

Providing individuals with access to a Lifelong Learning Entitlement can enable them to take ownership of their lifelong learning through flexible provision designed to meet employer skills needs. Allowing individuals to access an online account that will show their learning “balance” will further stimulate their interest in the system.

Potential barriers for learners

While making the system more modular and flexible will provide support for individuals with caring responsibilities, varied working patterns or a range of other personal circumstances – ensuring appropriate tailored guidance and support is available will be key to the success of the Lifelong Learning Entitlement (LLE). A broad range of ACCA provision is available in a modular format, which provides equity of access for individuals with individual needs and circumstances. We believe there is a significant opportunity for the LLE to act as an enabler of greater Social Mobility and a platform from which individuals can enter the professions and build a rewarding career.

A challenge associated with the broad range of provision available as part of the LLE is that learners have a significant number of choices to make, including the option to select individual modules from full qualifications. There is a risk that learners might undertake individual modules without fully understanding the expected level of competence attached to that specific provision. High-quality and accessible career guidance will help ensure individuals can access the advice and support they need to utilise the LLE successfully and achieve their personal goals.

³ <https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2018/january/Purpose-and-the-profession.html>

⁴ <https://sdgs.un.org/goals>

High-quality and accessible career guidance applies not only to younger people at the early stages of their lifelong learning, but to individuals of all ages seeking to reach the next level in their career or move into a new area to meet labour market needs. In 2018 ACCA research found that just 9% of members in the UK were influenced to start a career in accountancy via a teacher or careers advisor⁵. Furthermore, people from non-professional backgrounds sometimes lack the support networks which can help advise and guide them on career choices. For someone from a non-professional background navigating their way into a professional career is therefore likely to be significantly more challenging.

Ensuring careers guidance is clearly signposted and accessible from the LLE will be critical to supporting individuals at any stage in their lifelong learning journey. While the recently announced Future Skills Unit will play an important role in bringing skills data and information held across government together, we would welcome a focus on levelling up resources to support data collection on parity of careers advice and destination data to ensure learners from all backgrounds can access well paid and diverse careers via the LLE.

Lifelong learning account

Simplicity, transparency, and ease of use will be crucial to enabling learners of all ages to understand their options and engage effectively with their LLE. Areas of particular importance include eligibility criteria, interest rates, repayment terms and signposting to appropriate career guidance and advice. Current and future learners often look directly to education providers for guidance and support when considering a course of study. Learning providers must have access to the necessary support, tools and knowledge of the system from the outset, in order to guide learners and ensure consistency of information for individuals.

This guidance will be particularly important for individuals seeking to choose between technical and academic courses. As detailed in the ACCA response⁶ to the National Skills Fund consultation in 2021, consistent feedback from employers and learning providers highlights that recruits often lack basic skills to progress into more technical study, resulting in linked concerns around retention. For this reason, feedback within ACCA's network

⁵ <https://www.accaglobal.com/gb/en/technical-activities/technical-resources-search/2018/january/Purpose-and-the-profession.html>

⁶ <https://www.accaglobal.com/an/en/technical-activities/technical-resources-search/2020/november/consultation-submissions.html>

indicates more consistent levels of interest for Levels 4-7 from employers looking to bring on 'workplace ready' talent.

Level 7 qualifications are crucial for employers and the broader economy; extending the range of provision available under the LLE to include levels beyond 4-6 would encourage individuals to invest in their ongoing professional development and provide additional incentive to begin a new career or upskill in an existing area.

Modular study approach

Modular study can support social mobility across the UK by providing individuals with the opportunity to train, upskill or retrain alongside work, family, and personal commitments, as both their circumstances and the economy change. ACCA research⁷ conducted in 2018 found that that 92% of members stated that it was important that career opportunities are available regardless of people's social background.

However, it is critical that the necessary wrap-around support available to individuals seeking to navigate the skills and training landscape is available. To maximise the benefit of a modular approach for learners, modules should be credit bearing, and where relating to a profession CPD bearing. The attachment of credit or CPD would also support future mobility across England and the devolved nations. When considering a minimum number of credits per funding application, we agree that a minimum of 30 credits would be reasonable.

ACCA qualifications are currently offered on a modular basis, allowing learners to undertake one module at a time, with modules being individually priced. Learners are provided with a broad range of support and guidance when undertaking these modules to ensure they understand the pathway to complete the qualification.

We encourage the government to work with providers of these existing qualifications to understand how the approach can be applied for other sectors to benefit individual learners. Professional bodies and independent training providers work closely with a huge range of FE and HE institutions and employers. We believe the DfE has a vital role in linking all of these bodies together to ensure individual learners can access the most appropriate learning provision to match their unique needs and circumstances.

⁷ <https://www.accaglobal.com/gb/en/professional-insights/global-profession/Social-mobility-public-sector.html>

Scope of the LLE

To ensure the system is as transparent and straightforward as possible, we believe that The Lifelong Learning Entitlement should be available to all currently designated courses, including Foundation degrees integrated into a degree course, PGCE's and integrated masters.

This consultation proposes that the LLE will only cover levels 4-6; ACCA would favour a system which also covers levels beyond L6 to help develop a highly-skilled UK workforce and support the government's longer-term levelling-up agenda. Higher education levels 7 and 8 are an integral part of the education system and, by extending LLE to these levels, it would enable and encourage further individual progression to support current and future employer skills needs.

We would also encourage the government to consider ways to make loans available to people for entry-level qualifications; this would help those seeking to retrain into new career pathways but may involve training initially at a lower or equal level.

In order to keep the LLE as accessible and simple as possible, we believe that all courses over four years in duration which are currently eligible for student finance should have extended LLE's to ensure those courses remain accessible to all.

Another approach that could be taken here would be to fund based on the number of modules or credits completed rather than the duration of studies. This would take account of those who choose to study an accelerated degree or undertake part-time study.

Maintenance support

Maintenance support is crucial to ensure that all individuals can access and successfully complete training at any stage in their career. There are many examples of costs outside of tuition which could present as barriers for learners if appropriate maintenance support is not available such as travel, technology and subsistence.

Ensuring that maintenance support is available for all would also significantly reduce complexity and enable greater access and social mobility. Given that the new LLE system is being designed with the potential to take a modular approach, we agree maintenance support should be proportionate to the duration and mode of study.

The level of support available could vary based on the period of study and whether it is being undertaken on a part-time or full-time basis. In many cases, the availability of maintenance support would be the leading consideration for a learner's access to and progression through LLE funded courses.

Recognition and transfer

High demand for increased flexibility and credit transfer between training providers exists across the training landscape. We would encourage the department to consider a balance of flexibility and easier credit recognition between providers without too much prescription to awarding organisations, which may stifle innovation and competition within the market. We would welcome further consultation on options for proposed models for changes to regulation and credit transfer arrangements for public consultation.