

THE RELEVANCE OF THE NEW UK FUNDING SYSTEM, THE LIFELONG LEARNING ENTITLEMENT (LLE) TO ULLL IN EUROPE

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ABSTRACT

The Lifelong Learning Entitlement (LLE), a new funding mechanism for both further and higher education in England, commences in 2026/27. It represents a core system change based on national economic imperatives and the need for flexibility to deliver these through learning. It introduces a new single funding system, access to loans for learners aged 18 to 60, flexible study options in further and/or higher education and freedom to move in and out of learning for different reasons. The LLE signals a major shift in the focus of government to the value of lifelong learning and continuing education. The LLE potentially represents a future model for European ULL.

INTRODUCTION

This discussion paper provides a high-level summary on the introduction of the new Lifelong Learning Entitlement (LLE) in England through the lens of three major impacts for higher education (HE) and three for lifelong learning (LLL)/Continuing Education (CE).

The LLE is a new funding mechanism for both HE and Further Education (FE) and is now scheduled to be rolled out from the beginning of the 2026/27 academic year with a phased approach in the FE sector. It represents a core system change and is driven by both the need to build flexibility and fluidity into the system to enable changes over time and a clear rationale (and funding mechanism) for technical and higher education based on the needs of the economy.

The LLE entitles individuals from the age of 18 up until the age of 60 to take out a government loan for study at FE and HE, and also provides flexibility to move in and out of learning (e.g., full course, part course, individual modules) for different reasons, for example, training, retraining or upskilling, and potentially across different institutions or types of learning provider. The introduction of the LLE also includes the creation of a single funding model for both HE and FE, a breakdown of the binary view of the roles of university (academic) versus further (vocational and technical) education, and a new portal for students to access information on their loan entitlement across their lifespan. Individually and together, these create important impacts for the HE sector as a whole.

WHY IS THE LLE RELEVANT TO LLL/CE AND EUROPE?

For readers of this journal, the LLE represents a major shift in the narratives about the role of both FE and HE, as well as a potential model for how education and learning needs to be funded going forward. As such, other European countries may also choose to adopt it. Although the LLE has yet to be implemented and will pose challenges for both the HE and FE sector, it signals an important shift in the priorities of governments and the role of LLL/CE.

An in-depth analysis on the challenges inherent in the rollout of the LLE and other aspects is covered in a detailed analysis published by the author in *Education Sciences* in 2024 (Mahoney & Kiernan, 2024). Despite a general election in July 2024 that resulted in a loss for the sitting Conservative Party government to the Labour Party, very little has changed with respect to the LLE since its initial announcement in 2020 and early pilot projects. The education sector continues to be concerned by the lack of clarity on key areas of its implementation. However, the UK government has recently released the long-awaited *Post 16 Education and Skills White Paper*, which provides a crucial piece of the policy jigsaw and contextualises the LLE in the light of the Labour Party's vision and priorities. (HM Government, October 2025)

THREE MAJOR IMPACTS FOR HE

The Department for Education (DFE) website's lead statement on the LLE says that the UK Government is "committed to ensuring the country develops the skills needed to: drive sustained economic growth, break down barriers to opportunity, improve the living standards of hardworking people" and that the new funding system will deliver transformational change by "broadening access to high-quality, flexible education and training, supporting greater learner mobility between institutions, ... and enable individuals to learn, upskill and retrain across their working lives.... create[ing] opportunities for both young people and adults to develop the skills needed to succeed in life, contributing to growth across the entire country." (DFE, October 2025)

At a macro level, there are three radical shifts arising from the LLE's introduction and these are reflected in the discourse relating to the rationale for the LLE as a whole and its components. As the DFE's lead statement shows, the discourse linked to the rationale for the funding changes for FE and HE to the new LLE demonstrates a marked shift from 'individual' to 'national' benefit achieved through skills, productivity and growth as the principal drivers, i.e., the utilitarian role of education. This represents a major impact as the statement moves away from the previous notion of 'individual' benefits of learning and education per se to a narrative that implies that a new focus on skills, productivity and growth will allow both individuals and their communities to prosper. The explicit positioning of skills, productivity and growth creates a clear challenge for HE institutions who offer specific types of programmes that do not explicitly or directly lead to jobs or tangible economic gains and/or who focus on learners who are far removed from the job market. This positioning will also pose a challenge to learners who wish to learn simply for learning's sake, where economic growth priorities rank low or not at all on their reasons for study or choice of course. All of these aspects are of relevance to LLL/CE.

It is not surprising that the role of education in supporting England to thrive through growth, innovation and skills has become the principal rationale for the new FE/HE funding methodology. The drivers for this approach are very easy to find in the English context through the long shadow of BREXIT, which resulted in the loss of skilled workers back to European countries and England's isolation from EU research and innovation funding and

collaborative working, as well as the long-term impacts of COVID on the national economy and the rapid expansion of technology globally.

A second major impact of the shift to skills, productivity and growth is that the mechanisms for achieving these need to be embedded in the funding model. More flexible and permeable approaches are required from FE and HE to enable learner movement at different points across their lives and careers. The LLE replaces the current Adult Learner Loan system that operates in FE and the Student Loans Scheme that operates in HE. Merging these will allow learners to undertake learning in radical new ways currently precluded by these funding systems and the current regulatory frameworks operating in FE and HE. Increased partnership working between both FE and HE and approved private providers is embedded in the LLE and the skills priorities will be determined nationally as well as regionally through an emphasis on the needs of 'place.' Exactly how these differing priorities will be satisfied is still largely unknown and remains a point of tension for FE and HE in determining curriculum offerings.

These changes result in a need for very clear communication with learners so they understand how the complex technical and higher education systems operate, the study choices available, the pros and cons of each, the potential financial liabilities they will incur and the scope they have for long term planning to build a LLL 'package' that reflects their career needs up to age 60 (if indeed they even have a clear career plan.) For employers, the challenges are similarly complex. Additionally, there is sector-wide criticism that if the LLE is truly lifelong, then the postgraduate funding regime should also be included in this system change.

THREE MAJOR IMPACTS FOR LLL AND CE

Beyond these direct impacts on HE, the roll out of the LLE is generating other equally important impacts that, until the release of the *Post 16 Education and Skills White Paper*, had not been clearly articulated but were still understood by LLL/CE professionals, policy organisations, and some universities. Tacit in early documentation was an understanding of the vital role of LLL/CE and the need for increased LLL provision as mechanisms to underpin its success linked to the rationale of skills, productivity and growth. This came as no surprise to the LLL/CE community given that a key driver for its work in HE is enabling adults to return to learning to retrain, upskill or change careers, along with other reasons.

The Universities Association for Lifelong Learning, the national LLL association, lobbied hard for the successful change of title to lifelong 'learning' entitlement rather than lifelong 'loan' entitlement but was not successful in increasing the age limit beyond 60 or for the LLE to include postgraduate study. Within LLL/CE there are three clear impacts resulting from the LLE: a major growth in LLL/CE provision, branding, and risks to non-skills focused provision.

The HE sector is rapidly understanding this new driver for innovation in HE and the role and value that LLL/CE play. This is creating radical shifts in both the understanding of the role and value of LLL and a rapid increase in prioritisation of all forms of LLL/CE, largely driven by potential market forces and growth opportunities. New departments are being created within universities branded to show LLL/CE provision. The professions¹ concerns associated with this are that 'LLL' tags will simply be added to existing course/module descriptors and marketing without acknowledging or understanding the need for changes to

¹ Here, "the professions" refers to professionals working in the field of lifelong learning and continuing education (LLL/CE), including practitioners, programme leaders, policy experts, and professional associations involved in the design, delivery, and governance of adult and continuing education within higher education institutions

reflect this type of provision or learner need. Using LLL as a marketing tag without consideration of additional learning needs is unethical and could result in a learner failing or not completing their studies while still being liable for the debt associated with the course or module. Similarly, the focus on skills, productivity and growth has the potential to remove any non-skills focused LLL/CE provision, including programmes that are designed to support new adult learners or those who are returning to learning. There is the capacity for radical growth and innovative new modes and models of learning in LLL/CE provision, and we continue to anticipate what develops in this space. The LLL/CE sector in the UK is diverse and strong and welcomes the opportunities that the LLE can potentially bring. It will continue to support and guide these developments.

A STEP TOO FAR FOR THE STRUGGLING HE SECTOR?

The final potential impact of the LLE represents one of the largest fears for universities as they will only be funded on the basis of modules completed by a learner rather than full course funding. Broader support and infrastructure costs associated with education provision also need to be covered. As such, one major impact that cannot be overlooked for many English universities is that the LLE brings with it enormous uncertainty around how to operate within the context of a radical funding model that moves away from full course or year of study fees plus a proportion of part time learners and commercial and research income. The LLE is being introduced into an already stressed HE sector which is shrinking weekly in terms of provision and staffing.

In conclusion, the introduction of the LLE in England will be watched carefully as it represents a tangible approach to creating a more flexible FE/HE system with a potential focus on LLL needs of people, place and nation. The scope for innovation in both HE and LLL/CE provision is exciting and vitally important but whilst the 'known unknowns' can and are being managed, the 'unknown unknowns' on financing, student support and levels of demand remain incredibly worrying for the HE sector as a whole.

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