

A National Learning Entitlement: Moving Beyond University Tuition Fees

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Abstract

The paper sets out a proposal for a National Learning Entitlement as a means of supporting all post-secondary students. The proposal takes the debate beyond the current narrow focus on university education and student debt, to a broader and more inclusive system which would encourage learning at all ages by a diverse range of students, at a lower cost than the abolition of university fees.

The proposal is for a national learning entitlement which would enable free access to publicly provided, or publicly recognised, education and training for the equivalent of two years for all those aged 18 and above. It would be valid for further and adult education colleges as well as higher education. The entitlement would be pitched at around £5K per year, but could be used flexibly for part-time study, and spread over a lifetime.

By going beyond university students the NLE spreads public subsidy far more equitably and efficiently. It brings into play the other 50% of the youth cohort, as well as adults who have missed out first time round. It strongly encourages diversity of provision and so matches supply better to demand. It wins on fairness, efficiency and future orientation.

1. A new framework for funding student learning

The current debate on student funding in England is full of sound and not a little fury. It certainly signifies: at stake are lots of money and, more importantly, the futures of our learners and society more widely. But the debate is trapped within far too narrow a framework. We set out here a new approach to the whole question of how to fund learning – education and training - after age 18. Our proposal distributes support much more broadly than the current mix of loans and grants, or crude alternatives such as the abolition of university tuition fees. It is ambitious: it offers universal coverage, both across all young people and between different age groups. But its ambition does not come at the cost of relevance: it meets the diverse needs of today and tomorrow far more closely than the current system.

How should any system of student finance be judged? There are four key criteria. It should be *fair*, providing resources equitably to the different groups that need support. It should be *efficient*, supporting a diverse range of learning opportunities to match the diverse needs of the population and the economy. It should be *affordable*; exactly what level of spending is manageable is highly contested, but there have to be some limits on what is spent from the public purse. And it should be *flexible and future-oriented*: any system should be resilient enough to cope with the ever-changing social, demographic and economic demands of the 21st century.

The present ‘system’ fails badly on all these fronts. Its fundamental weakness - and of almost all of the debate about it - is that it focusses exclusively on patching up funding for young university students, when it should be catering for students of all ages in many different types of institution, including further education, community colleges and adult education. The consequence of this lop-sided focus is that we slide deeper and deeper into a morass of debt-laden recriminations, without questioning the overall purpose of student support in today’s circumstances.

It truly matters that people have access to learning opportunities that will enable them to anticipate, respond to and even shape upcoming social and economic changes. If you agree with that statement, doesn’t it make sense to have a system that promotes a variety of such opportunities, with courses of different lengths and modes, available at any time of life? Instead we have put our heads down and blundered into an increasingly monotonic learnscape,

dominated by the full-time 3-year degree populated by young people coming straight on from school or college.

The funding system grotesquely skews demand. In the university sector huge amounts are spent on squeezing more young (18-22) fulltime students into 3-year honours degree courses, whilst part-time and shorter courses – and therefore mature students - are disappearing from the scene¹. Meanwhile, funding for further education has shrunk by a quarter in five years, massively reducing the range of opportunities open to students outside HE. The numbers of students over 19 in further education and skills has slumped from 4 million in 2005/06 to under 2.5 million in 2016-17². The resources currently so concentrated on one part of the system could, we believe, create instead a wonderful diverse array of lifelong learning opportunities, giving learners far more choice.

Universities are now very nervous about two things: their public profile and future demand. Students face huge indebtedness, and for many of them the much-vaunted ‘graduate premium’ looks chimerical³. But if the debt fiasco is screwing things up for university students - past, present and potential - there is absolutely no doubt that those who want or need to study outside the university sector get an even worse deal, by a long way. Within any age cohort, university students get all the attention and the lion’s share of financial support. Difficult though it is to get comparable figures, per student funding for university teaching is something like four times the amount given to students in other post-school institutions, mostly further education colleges.⁴ Overall the funding for adult skills and education has been cut every year for 10 years, down to £1.5 billion. This leaves a tiny amount per capita for adult learning.

We bear no ill will towards universities but anyone who pauses for even an instant can see that

¹ In 2012/13, the respective proportions of fulltime and part-time undergraduate entrants into English universities were 72:28; five years later they are 82:18, and the number of part-timers has dropped by 100,000, <http://www.hefce.ac.uk/analysis/HEinEngland/>. (See Tables 1 and 2 and Figure 1 in Appendix 2.)

² See Figure 2 in Appendix 2.

³ See Alison Wolf (2016) *Remaking Tertiary Education: can we create a system that is fair and fit for purpose?* Education Policy Institute, London, Ch 3.

⁴ See N. Porter and J. Simons, *Higher, Further, Faster, More*, Policy Exchange, London, 2015, and Alison Wolf (2015) *Heading for the Precipice? Can further and higher education funding policies be sustained?* The Policy Institute, Kings College, London.

it makes no sense to concentrate so much of post-school education funding on university students to the exclusion of so many others. Universities do research, and need appropriate resources for that distinctive role. Teaching also needs appropriate resources, whether via grant or fees. But public support should be for programmes that cater for the needs of all potential students and of the economy and society as a whole, in both higher and further education. Generally speaking further education colleges cater for students from poorer backgrounds. They draw more from their local communities. Programmes in FE colleges tend to be more skills-oriented, at levels ranging from basic skills to degree qualifications, though their higher level provision has shrunk significantly as a result of the expansion of university degree provision.⁵ Some of them, along with adult education institutes, also cover a range of general arts, humanities and craft courses. FE graduates bring to the labour market skills that are often just as much needed as their university counterparts, if not more so. As OECD and others have pointed out, middle level or intermediate skills are a crucial weakness in the British economy. The 2016 OECD report on England was quite categorical about the need for more attention, and a higher share of resources, to be devoted to education beyond universities⁶.

The social and economic rationale for treating all forms of post-school education together is strong. Yet further education and its students are grotesquely neglected in the public debate. We guess that colleges get less than 1/100th of the column inches devoted to universities. Unfamiliarity, snobbery and sheer prejudice are some of the reasons for this neglect. It's time that changed. More money needs to go into the system, but on a different and much broader basis.

2. The NLE proposal

Thinking and funding need to extend beyond universities and even further education colleges to embrace the notion of learning across the lifecourse, in a system that caters for everyone

⁵ See Wolf 2016.

⁶ It is quite rare for the OECD to be quite so specific in recommending a reallocation of resources:

‘Such students need postsecondary alternatives that will address their needs and tackle basic skills. Such alternatives need further development in England. Resources diverted from university provision should be redeployed, particularly in the FE sector, to support this.’
Malgorzata Kuczera, Simon Field & Hendrickje Catriona Windisch (2016) *Building Skills for All: A Review of England*, Paris: OECD, p16

over the age of 18. Our basic proposal is for a *national learning entitlement* which would enable *free access to publicly provided, or publicly recognised, education and training for the equivalent of two years for all those aged 18 and above*. It would take care of university tuition fees, but *for two years only and within a defined fee limit*. So for those who have their eyes fixed on university, the first two years (full-time, or its part-time equivalent) would be free, up to £5K per year. The same would hold good for students in further education.

Where universities or colleges charge more than £5K, students will still have access to loans, in order to cover the difference. (We argue below that our proposal will encourage the diversity of provision and price that is currently so sorely lacking.) Most will probably wish to go on to complete an honours degree; again, they can then take out a student loan for that final year. The current loan system should be reformed not abolished, so we would not be going back to square one. The loans that students would take out would be far smaller, and charged at a much lower interest rate than is currently the case.

Students stopping after two years would not need to drop out without a qualification, as is generally the case now – a disastrous outcome for them, as they incur substantial debt with nothing to show for it. They would as a rule complete a Foundation/Associate Degree or a Higher National Diploma – models of qualifications which already exist and beg to be properly developed and expanded. Other equivalent qualifications would also be available. Many of these are already also offered by colleges, and would become far more widely promoted. Some students might want to stop after just one year, and they would gain a recognised qualification such as a Certificate or Diploma in HE. Again, there are well-established models for these kinds of award, though they are now sadly neglected.⁷

A flexible system of this kind, with multiple stopping-off and re-entry points, would enable students to weigh up their prospects and tailor their learning to their current circumstances, instead of plumping for a single one-off study period - a major cause of high university drop-

⁷ Foundation degrees, HNDs and HNCs have all shrunk drastically in numbers. They now account for under 4% of all UK higher education students. This decline is directly linked to the expansion of fulltime honours degrees, under a system which strongly nudges students in that direction (Wolf 2016 p23).

out rates among disadvantaged learners⁸. It would enable students to understand far better the options available to them, and to choose not only what suits them best, but to do so when they are ready and motivated to study.

A major advantage of our proposal is that it would encourage innovation and diversity on the part of educational institutions, both colleges and universities. This is exactly the reverse of the current supposed HE market, which has produced a singularly unhealthy uniformity of price and product. Universities themselves would be incentivised – an unattractive term, but appropriate - to offer far more variety in the length and structure of their courses. Some will respond by offering intensive 2-year degrees, which can sit alongside 3-year versions, or longer part-time equivalents. (Some degrees, such as engineering, are already often 4 years.) Others will maintain the existing degree structure, but offer shorter diplomas and certificates as well, often on a modular basis.

Most importantly, the learner entitlement would also encourage and enable other sectors and institutions to offer more opportunities for learners of all kinds. Colleges and adult learning institutes, voluntary organisations and private providers can be relied on to come forward with courses of all shapes and sizes. These would fit within an established framework that would allow credit accumulation and transfer, as the late Sir David Watson constantly argued for.⁹ This would enable students to move in and out of the system, and across it, instead of being locked into a single institution for a single course after a single choice made at age 17 or 18. Today's flexible fast-paced economy needs flexible responsive institutions, working together.

Providers would have to be rigorously monitored, with proper accreditation. There are currently over 100 universities, and some 250-300 colleges. But there are also over 100 accredited alternative HE providers, to say nothing to the myriad trainers on the apprenticeship register. For the time being the entitlement will be cashable only for formally organised programmes in recognised institutions. We are very mindful of the sad fate of the Individual Learning Accounts brought in some 20 years ago, when unscrupulous scammers brought down the initiative by enrolling students on fraudulent programmes. The lessons of that debacle have

⁸ Increasing numbers of students are now expressing dissatisfaction with that choice, see Andy Westwood (2014) *Quality, Quantity or Diversity?* Higher Education Academy

⁹ David Watson (2013) *Credit Risk? Reviving credit accumulation and transfer in UK higher education*, Leadership Foundation for Higher Education, London.

been learnt,¹⁰ and there are many minor ILA-type initiatives now in play. We suggest below that there should be space for exploring how to integrate a wider range of institutions and modes of informal learning, notably open web-based programmes, into the scheme.

Far from undermining HE, this new system would address many of its weaknesses. While students would need to receive far better guidance on the wider range of choices available, this might well reduce drop out after year one as existing students not comfortable with a 3-year programme choose alternatives better suited to their needs. HEFCE additional funding for teaching such as high cost science and medicine should continue but would be better targeted on a wider range of both academic and more professional/technical courses. There might indeed be a smaller number of students completing traditional 3-year degrees; but they would have made a clear choice to do so and hence be highly motivated, so there need not be a fall in students progressing to postgraduate or research courses, rightly prized by universities. A wider range of postgraduate courses, including more part time opportunities, would increase their numbers, including those on the professional/ technical courses which the UK economy particularly needs.

Some universities might fear a drop in overseas students, whose fee income subsidises UK students. But overseas students who were less inclined to attend a UK university due to a less exclusively traditional academic character should be more than balanced by those attracted by the wider range of more vocational HE courses. In any case, we should not let overseas fee income so dominate that it constrains progressive reform.

UK universities are rightly seen as highly efficient; but on the other hand as too exclusive. Despite brave efforts by some there is far too little access for the disadvantaged. Our proposals are certainly not anti-excellence but they are against unjustified snobbery and elitism. All educational institutions, including universities just as much as schools and FE colleges, should aim at excellent value added teaching and increasing social mobility. Yet the HE trend is in the opposite direction, towards increased social stratification¹¹. While there is a gradual shift away

¹⁰ See King A. and Crewe I., *The Blunders of our Governments*, London: OneWorld, Ch9 (2013).

¹¹ See the excellent HEPI Occasional Paper 17 (nd) on *The Comprehensive University* by Tim Blackman, vice-chancellor of Middlesex University <http://www.hepi.ac.uk/category/publications>.

from the "finishing school" model of a university, with around one third of HE students living at home, too few universities take this as a norm. Many universities have made brave efforts to diversify courses, experimenting with innovations such as accelerated degrees or credit transfer. Yet the current funding system constantly blocks any significant progress. Our proposals would certainly cause turbulence in the HE world, and adequate funding and support would be needed to help make changes. But universities would emerge stronger, alongside a set of more valued and supported colleges and other institutions.

Appendix 1 gives examples of how the entitlement might work, for learners, institutions and employers.

3. How much would an NLE cost?

We have made the case for a national learning entitlement against three of our four criteria: fairness, efficiency and flexibility. Let's get to the nitty-gritty: affordability. The entitlement should encourage flexible learning, freeing us from the constraints of the full-time mould, but for the purposes of cost calculation it makes sense to use full-time equivalent (FTE) figures. So we base our very rough estimates on FTEs, relating to current practice. We focus on teaching and learning costs, not maintenance. But our proposal would anyway reduce average maintenance costs, by shifting away from long residential courses as the student norm; studying at home or away should be a positive choice, for both college and university, not a default pattern. Our estimates are crude and need refining into a range of options; but they are close enough to reality to justify our NLE proposal as a genuine contender for implementation.

We suggest that the basic entitlement unit should initially be around £5K per FTE year¹². This is above the current further education unit cost, but below the university level. To some extent the choice is arbitrary. If we wanted to reset the dial differently, not using higher education as the norm, we could take £2.5K as the approximate standard further education FTE unit cost and work from there.

¹² This figure is close to that used recently by John Denham, former Secretary of State. Denham argues a similar case to ours for more differentiated provision, but restricts it to higher education.

At £5K, a two-year entitlement would mean £10K per person¹³. The annual cohort of school leavers number 700,000. So universal uptake by them of a complete £10K entitlement would amount to £7bn pa. An 80% uptake would mean £5.6bn; and a 60% uptake a little under £4.2bn. Some would not use the full two years equivalent, choosing shorter options at lower cost. Crucially, those who didn't take up the full entitlement at the earliest opportunity would retain it for later use (see also below on older students). Even then they would not necessarily spend out the full amount. Balancing out these different factors suggests that for a rough budget purposes we should assume between £4.5 and 5.5 billion (i.e. between 60% and 80% uptake, with not all students using the full amount); the midway point of £5 billion is reasonable as well as round.

A more drastic reform would be to provide only a single year entitlement. This would halve the above figures, and score more strongly on our affordability criterion. It would have a more dramatic effect on course structures. But it would probably be too large a reform for the current system and institutions to swallow. A 2-year entitlement, by contrast, is eminently manageable. There may be some subjects where a minimum of three or even four years is genuinely essential, but the great majority could be adapted to offer an initial qualification after 2 years with no loss of curricular integrity, nor of input from research active academics. So institutions would not be able to argue that they are unable to adapt.

Inevitably universities, and maybe some colleges, will say that some of their courses cost far more than £5K pa. In the case of many courses such as medicine and laboratory- and studio-based courses this is certainly true, so provision will need to be made for covering the shortfall. We have no means of estimating this accurately, but a reasonable provision would mean setting aside a further £2 billion for these additional teaching costs, making up much of the gap on the current fee income. Colleges could also bid for this money, for instance for high level technical or professional courses in crucial skill shortage areas such as nuclear energy or mechatronics. As already noted, where the fee charged is higher than £5K, students will have access to loans.

¹³ As we said at the outset, this proposal applies to England only, as post-secondary student support systems in the four nations have diverged considerably. In Scotland, there is now a proposal to offer a similar sum - £8.1K - as a basic support, though under different terms. See Jayne-Anne Gadhia et al, *Fairness, Parity, Clarity: a new social contract for Scottish students*, Scottish Government, Autumn 2017
<http://www.gov.scot/Resource/0052/00527875.pdf>.

But surely we are going directly against our own principle that learning should be lifelong, if we construct this budget on the basis of a youth cohort? Absolutely not: what we are doing is laying the basis for a long-term vision of a learning society. This will develop over the generations, as young people take advantage of their entitlement, either immediately after secondary education or later after gaining some experience. But in addition to making the entitlement available for the entire cohort of young people as they hit their eighteenth birthday, we would also offer it to adults without a degree level qualification. So older people such as ourselves who have benefitted from public generosity in the past would not be eligible, but there are plenty of adults who have not had that kind of support and for whom opportunities would be welcome. The potential numbers here are very large but we are realistic about the likely uptake, even with strong promotional activity and guidance. Of those who do decide to return to college, many will want to study for less than a full year's equivalent. Our guesstimate is that £1bn would be sufficient to draw in a million adults who had not previously benefitted, reversing the decline in investment which has seen the loss of 2 million adult learners outside higher education since 2003. This boost to demand would give a tremendous reviving shot in the arm to the proud tradition of adult learning in the UK, a tradition that is in sad danger of disappearing.

There will be transitional costs, including of designing new courses and qualifications. As noted, the programmes of study should fit within a credit framework so that people would not have to spend all their entitlement on a single continuous piece of study but could move in and out. We would also expect to see innovation in integrating open and web-based learning into the programmes. To some extent such innovation would be driven by individual choice within our proposed funding system, but we recognise that institutions need support to make the transition to a new world. We would provide a relatively generous annual £0.5 billion for this, at least over a 5-year transition period and perhaps routinely after that.

To recap: we are recasting the student support system to make it broader, fairer and more effective. We will not entirely scrap fees or loans, which would load too much onto tax support, but we will greatly reduce student indebtedness and at the same time help students to make more informed choices about what they want to pay for. Instead of students paying fees of £9K plus – or rather, pretending to pay, since the majority of them are not expected to repay the debt – our NLE involves support for up to £5K for a single year. The entitlement can be drawn down in chunks over the lifecourse, up to a limit of £10K.

Using, somewhat reluctantly, FTEs as the basis for calculation, our estimate of the costs is as follows:

- a. For the individual student: 2 years NLE @£5k pa for 700,000 18 year-olds, with take-up of 60-80%, and not all using the full £10K = c£5bn. The entitlement can be spent on all recognised post-secondary institutions, i.e. universities but also further education colleges, adult education institutes and accredited other providers.
- b. £1bn for adults who have not taken a degree but wish to return to study.
- c. For institutions, primarily universities, that offer high-cost courses such as medicine, an annual additional allocation of £2bn.¹⁴
- d. An innovation fund to encourage design of new courses, especially to fit within a modular framework for credit accumulation and transfer: £0.5bn.

Total annual public commitment: £8.5bn

On the other side of the ledger we would expect employers to contribute to course costs which went above a certain level, and indeed to the entitlement generally. The apprenticeship levy is in itself a reasonable idea, but it is poorly designed and the resources raised can be spread beyond just apprenticeships. Currently it is estimated that at least one third of the levy will be unspent as employers struggle to cram their training programmes into the apprenticeship mould. Of those who pay the levy, a clear majority would prefer a general levy, compared with just 17% who like the current form¹⁵. Loosening the levy rules so that the apprenticeship budget could support the entitlement could yield a further £1bn.

In addition to the levy, employers would be able to provide benefits directly for their employees, topping up the Learning Entitlement. Some organisations might tie their contribution closely to their own skill needs, others might take a more expansive view and encourage employees into a broader range of learning. There is huge scope here for organisations to establish themselves reputationally as employers who are committed to their

¹⁴ Our estimate is that if universities continue with the same offer, they will experience a shortfall of just under £1billion. This is compared to their current income, which of course derives from a high level of student debt on the one hand and public debt (from non-repayment) on the other. So the proposal rebalances the system, and provides arguably about the level of incentive needed to induce more diverse provision. The figures can be varied (up or down) depending on what combinations of options are chosen. We are providing a basic template for discussion, not a fully detailed and costed final version.

¹⁵ CIPD survey, January 2018.

staff's learning and careers. The fourth industrial revolution, not to mention Brexit, should put further pressure on employers to upskill. We cannot count on this, given their low historical commitment to training and their constantly declining expenditure on it over the last decade, but it may be a matter of train or go under.

We should not forget, given lifelong learning's role in meeting the challenges of economic change, that a larger than normal proportion of the population will need retraining. Longer working lives raise the probability of individuals losing their job at some point in their careers. Estimates of the impact of robots and other forms of new technology vary widely, but that there will be higher levels of redundancies is certain (even leaving Brexit aside...). A specific additional allowance for all those affected could be added in, with DWP joining the DfE party in a rare example of interdepartmental collaboration. More generally, mid-career changes could be supported, building on the very encouraging pilots of mid-career reviews already carried out.

In short, we could expect our entitlement system to bring in additional inputs, so the overall costs would be somewhere between £7 and 8bn, depending on how positively some of these other initiatives are supported. Are these net additional costs, or not? It is hard to make direct comparisons with the current system, as our proposal has a much broader range and we are not suggesting a wholesale replacement. Even the best analysts struggle to give a precise estimate of the cost of the current system, which depends heavily on assumptions about the level of loan repayments. The IFS's exemplary guide to HE funding options, published earlier this year, shows the total upfront cost of student finance under the current 2017 system at £17bn, with long-run costs to government (i.e. after loan repayments) of £5.9bn, down from £9bn under the 2011 system¹⁶.

The Labour Party's manifesto for the last election carried the promise to abolish university tuition fees. The annual cost for this is estimated at a little over £10 billion, additional to current spending. It has the advantage of simplicity, but it doesn't fare well against all our

¹⁶See Chris Belfield, Jack Britton, Lorraine Dearden & Laura van der Erve, *Higher Education Funding in England: past, present and options for the future*, IFS Briefing Note BN211, 2017, p10. <https://www.ifs.org.uk/uploads/publications/bns/BN211.pdf>. The Office of Budget Responsibility estimates that the implications of student expansion for national debt rise from around 4% of GDP currently to 11% by 2040 (see Wolf 2016 p59).

criteria. Most importantly, it addresses only university students, and so fails the equity test unless non-university students are treated equally generously. The Labour Party's current intention is to abolish fees also for further education, but this will fail the affordability test, and is anyway hard to apply given the variety of provision at this level. The anti-austerity case for more public support for (post-school) education is gaining ground, but £10bn extra on university students alone is too high. Our proposal would involve less additional public expenditure than that, and spread it much more widely. Over time, as the system changed, as we learn what works, funding could be expanded.

Finally, there are interesting proposals afoot for an all-age graduate tax¹⁷. This meets the fairness criterion, and helps affordability. It could well be built in as part of our proposed system. For example, the personal burden of the post-entitlement years could be shifted from loans to a graduate tax. This would reduce the disincentive for people to carry on after their entitlement was used up.

4. Wider benefits

So much for costs and budgets. Contrary to some of the banker-speak surrounding the issue, education is not all about financial investment. We will not indulge here in rhetoric around the wider benefits which such a renaissance of learning would bring, in individual fulfilment and civic engagement as well as the urgently needed improvement in career and occupational skills. The benefits are often commonsensical, and are backed up by an increasing body of research, some of which converts the benefits into financial returns¹⁸.

We want to highlight one area where the impact would without any question be large, and would benefit the whole population, not only the students themselves. Everyone knows we live in an ageing society. Older people who take part in learning gain in mental and physical health. They are less dependent and more able and motivated to look after themselves. We are all

¹⁷ See Andy Green & Geoff Mason, *The Case for an All-Age Graduate Tax in England*, LLAKES Research Paper 61, UCL Institute of Education, 2017.

¹⁸ The most recent addition is a report showing that half the population have less than primary school numeracy skills losing £20bn to the economy. A modest 10% increase in numeracy skills could save £2bn a year. *A New Approach to Making the UK Numerate*, National Numeracy 2017, https://www.nationalnumeracy.org.uk/sites/default/files/nn124_essentials_numeracyreport_for_web.pdf.

aware of the pressures on our NHS budget; our national learning entitlement would make a substantial contribution to easing these, as older people maintain their independence longer. A major AgeUK study involving 15000 people showed that two out of the three most important factors in wellbeing in later life are participation in creative activity and cognitive stimulation; adult education provides exactly these¹⁹.

The example serves to underline the critical need to rebalance the debate, so that it deals with the population as a whole and does not identify learning with youth. It is an investment that benefits us all. We could put plausible numbers and £signs on the effects, but leave that to others.

5. Summary

To sum up, here are the key advantages of our proposal for a National Learning Entitlement:

- It taps into the impetus which is building for a new approach to student needs, converting that into a *broader vision, treating all adults as potential students*.
- By going beyond university students it spreads public subsidy far more *equitably and efficiently*. It brings into play the other 50% of the youth cohort, as well as adults who have missed out first time round.
- It strongly encourages *diversity of provision* and so *matches supply better to demand*. Instead of a monoculture of fulltime 3-year degrees we will see a proliferation of offers suiting tastes of all kinds.
- It increases the chances of *students making good choices*, for instance by enabling people to get a taste of higher education without committing themselves to a full degree course.
- It preserves the *positive features of a system of fees and loans*, tailoring the funding system to student needs instead of loading students all with large debt.
- It enables students to *combine vocational and personal learning* more easily.
- It redesigns the system so that it can *respond better to economic and social change*, including longer working lives and technology-led job employment change.

¹⁹ Age UK (2017) *Index of Wellbeing in Later Life*

- It addresses the *intergenerational* issue; it gives a strong message to young people that there are opportunities for all of them, but also includes older people who have missed out previously.

There are already encouraging signs that a wider discussion of our future education system is on the cards – notably with the idea of a National Education Service.²⁰ There has been a renewed interest in targeted learning accounts, in this country and abroad, with for example Singapore and Finland experimenting currently with accounts. Our proposal fits very well with this direction of thinking, but takes it much further. We face a very very uncertain future, politically and economically; access to learning can play a big part if the citizens of the country are to face the challenges of such a future.

²⁰ Kate Murray (ed.) *Life Lessons: A National Education Service that leaves no adult behind*, Fabian Society/UCU, London, 2017

Appendix 1: National Learning Entitlement: Illustrative Perspectives

Gill got good grades at A level, through very hard work. Neither of her parents had had any higher education; they were a bit apprehensive about her going on to university, but overall supportive. Gill had no commitment to a particular subject of study, and she took a year out, working in a local solicitor's office to save money and then travelling round South America. On her return she used her NLE to go away to university on a law course. At the end of Year 1 she had done well, but was still not sure she wanted to be a professional lawyer. She decided nevertheless to carry on, and after two years completed a Diploma in Legal Studies. She returned to the solicitors and worked for them for two more years. During this time the firm paid for her to go on to a couple of short professional courses. She then completed her law degree at her local university, on a part-time basis over the next two years. The university had developed a number of professional options as part of the final year, so Gill could take a specialty in intellectual property. She paid half of the fees for this herself, and the firm paid the other half. She is now considering whether to go on to gain a full professional qualification as a solicitor.

Ahmed was a bright school student, but inclined to rely on his native wit and messed up his A levels. He fancied his chances of making a living as a DJ, and began to get work at local clubs. After three years he was doing well and earning decent money. He enrolled on a short course on music technology at the local FE college. Being in the college meant that he realised that he needed a broader skillset, and this led him to use his NLE to take a Business and IT Certificate. For the year that it took he could just about combine this with a reduced level of paid work. He is now back to his previous level of DJing but thinking of setting up with two friends as an agency in the music world. He has no debt.

In the past Westhampton University had had a flourishing extramural programme, but this had almost died out because it did not contribute enough directly to the university's bottom line. The local community had protested, to no avail. Now the university found that demand for shorter courses mushroomed as a result of the introduction of the NLE. The students on many of these programmes were a diverse mix: young people on their first experience of tertiary education; career changers paying for their own courses themselves or via their employers; and mature students who had had no previous tertiary education but could now use their entitlement. The local authority teamed up with a group of employers in sponsoring their staff

to take part in courses of their choice, up to a £1000 limit.

Harry is a factory worker in his mid thirties. He left school with few qualifications but now wants to learn better computing skills, partly to get on at work where robots are being introduced, and partly to keep up with his kids who use computers for their school work. His Union Learning Rep tells him about his Learning Entitlement but also about the learning Agreement the union reached with management. This Agreement says that management will use their levy spending to match their employees' Entitlement money, provided it leads to a job-related qualification. Advised by his learning rep, Harry enrolls on a part time HND in automation control at the local College, half funded by management and half by his Entitlement. Two years later he has gained his HND, is managing the robots, and able to help his kids decide which University to apply for.

Jill is curriculum manager at the City College. She is frustrated by losing many young people to the local university which is offering them an access course if their A levels aren't good enough for normal entry. She feels that many of these young people will waste a year when they would have been better off enrolling on a technical course at the College. But once the Learning Entitlement becomes available, she persuades the College Principal to let her develop a Foundation Degree in mechatronics which is a great success, attracting back many of the young people, helped by sponsorship from local employers. Many go on to gain a full degree at the university, others to full time jobs with sponsoring employers.

Janet manages Shady Pines Care Home for the elderly. She is in her fifties and worked her way up but has no management qualifications. There are many things she would like to improve in the Care Home but she does not feel confident about how to make changes. Using her Entitlement she enrolls on a distance learning management degree with a Charity Training Organisation which specialises in care home management. Her fellow students are just like her and they quickly form a strong support group. She gains confidence and begins to make changes which are a great success with the residents - especially the weekly sessions from local adult learning tutors, paid from the residents' learning entitlements.

Andy hated school, and left without qualifications. His reading skills were weak, but he was good with numbers, good with his hands and good with people. He got a variety of jobs, on

building sites, and settled for a job working for an online retailer, servicing orders. After a time he realised that this kind of work was being replaced by robotics. He decided to ask advice about what he could do to get a better job. The careers adviser recommended using his learning entitlement to get a qualification in hospitality services, combined with strengthening his literacy skills. Andy decided to do the qualification part-time, and to combine it with part-time work in a local pub. He now works as an assistant manager in a large city centre hotel.

Jane worked as a care assistant for many years before giving up work to care for her bedridden mother. Jane uses her entitlement to take classes at a local community centre when her brother takes over care for her mother once a week, and on-line MOOCs when she can't get out. Over five years she takes a range of classes ranging from history and art appreciation to Pilates and cake decoration. She shares what she has learned with her mother.

Appendix 2: Statistical Trends

Table 1

Table 1: Students registered at publicly funded English higher education providers, 2012-13 to 2016-17

Mode and level of study, and student domicile		2012-13	2013-14	2014-15	2015-16	2016-17
Full-time	Undergraduates – UK and other EU	1,056,635	1,057,480	1,053,530	1,090,060	1,122,860
	Undergraduates – International	114,180	119,100	123,470	126,240	127,795
	Subtotal: Full-time undergraduates	1,170,815	1,176,575	1,177,000	1,216,300	1,250,655
	Postgraduates – UK and other EU	125,940	128,220	130,260	132,235	148,350
	Postgraduates – International	104,555	109,840	111,975	113,095	109,010
	Subtotal: Full-time postgraduates	230,490	238,060	242,235	245,330	257,360
Part-time	Undergraduates – UK and other EU	356,045	315,490	290,510	273,035	253,705
	Undergraduates – International	10,195	10,330	10,025	7,775	6,820
	Subtotal: Part-time undergraduates	366,240	325,820	300,535	280,810	260,525
	Postgraduates – UK and other EU	168,995	160,530	159,315	163,620	168,860
	Postgraduates – International	17,655	16,545	14,625	15,935	17,245
	Subtotal: Part-time postgraduates	186,650	177,070	173,205	179,555	186,105
Total		1,954,195	1,917,530	1,892,975	1,921,995	1,954,645

Source: Tables 1, 2 and 3, Columns 1 and 2 in Higher Education Students: Early Statistics and Higher Education in Further Education: Students data. A headcount measure of students registered at publicly funded English higher education institutions and further education colleges.

Note: 'EU' = 'European Union'. 'Full-time' includes sandwich placement students. Data for prior to 2016-17 may have been revised since previous publications, following data amendments.

Table 2

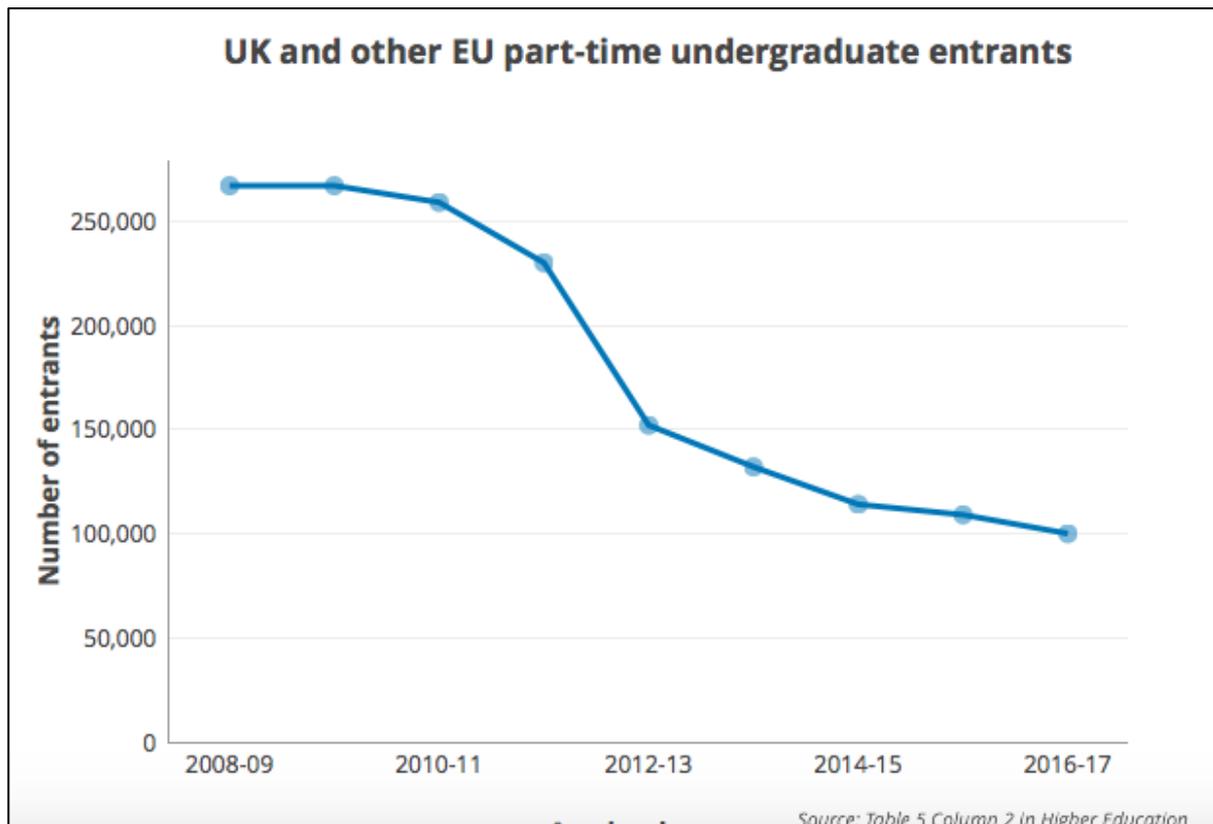
Table 2: Entrants registered at publicly funded English higher education providers, 2012-13 to 2016-17

Mode and level of study, and student domicile		2012-13	2013-14	2014-15	2015-16	2016-17
Full-time	Undergraduates - UK and other EU	351,130	378,395	388,340	403,550	408,020
	Undergraduates - International	49,530	50,920	52,955	51,565	51,790
	Subtotal: Full-time undergraduates	400,660	429,310	441,300	455,115	459,810
	Postgraduates - UK and other EU	87,040	88,725	89,660	89,670	105,955
	Postgraduates - International	79,205	80,005	83,440	83,895	82,480
	Subtotal: Full-time postgraduates	166,245	168,730	173,100	173,565	188,435
Part-time	Undergraduates - UK and other EU	151,810	132,185	115,210	108,730	99,705
	Undergraduates - International	5,895	4,645	5,910	3,865	3,285
	Subtotal: Part-time undergraduates	157,705	136,830	120,350	112,595	102,990
	Postgraduates - UK and other EU	71,090	70,365	69,920	73,380	79,095
	Postgraduates - International	4,980	4,360	3,660	4,045	4,770
	Subtotal: Part-time postgraduates	76,070	74,720	73,155	77,425	83,865
Total	UK and other EU	661,070	669,665	661,940	675,330	692,775
	International	139,610	139,930	145,965	143,370	142,325

Source: Table 5, Column 2 in Higher Education Students: Early Statistics and Higher Education in Further Education: Students data.

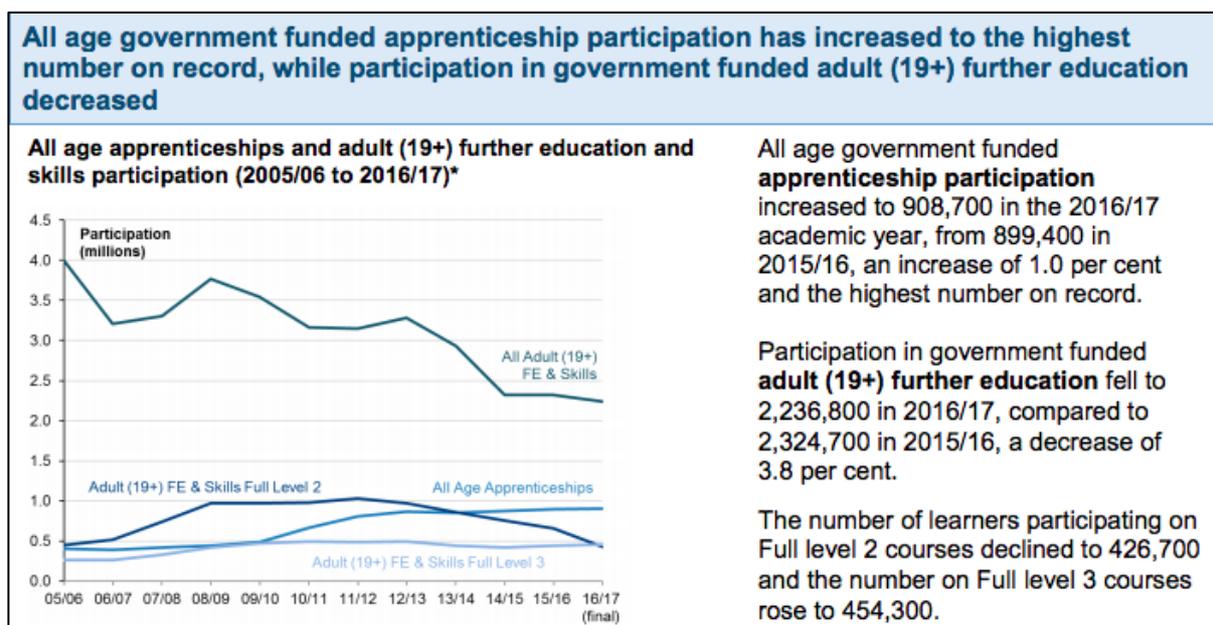
Note: 'EU' = 'European Union'. Data for years prior to 2016-17 may have been revised since previous publications, following data amendments.

Figure 1



Source: HEFCE

Figure 2



Source: DfE SFR 62/2017, 23 November 2017