

Department for Education  
20 Great Smith Street  
Westminster  
London SW1P 3BT

## **Lifelong Loan Entitlement Consultation**

11 May 2022

Dear Sir/Madam,

The CIPD is the professional body for HR and people development, championing better work and working lives. It's 160,000 members lead on skills development and training within organisations of all sectors and sizes across the UK and play a key role in the creation of apprenticeships and in working with external training and education providers, including FE colleges.

We also have 15,000 self-employed HR consultants in our membership who work with tens of thousands of SMEs every year to build their people management and skills development capability.

The CIPD are highly supportive of the ambition of the Lifelong Loan Entitlement (LLE). In a rapidly evolving employment landscape, individuals face an increasingly complex and unpredictable future, which makes the ability to study, train, retrain and upskill across the life course increasingly vital.

As [our previous research](#) has demonstrated, the lack of high quality alternatives to the traditional three or four year university route has meant that young people seeking a pathway into skill employment have often faced both a narrow and limited range of options. Improving the availability of flexible, high-quality academic and technical pathways into the labour market is key if individuals are to be given a genuine choice rather than take the default university route.

Yet, there are a number of challenges that need to be addressed if the LLE is to realise its ambitions.

There is a pressing need to ensure that the careers information, advice and guidance system (IAG) is able to equip individuals with the information and support they need to make informed decisions. However, our recent research suggests that current arrangements for [careers advice and guidance are inadequate](#).

Instead, what is needed is clear occupational maps outlining progression routes and transparency around how modules and specific qualifications support progression, as well as information on likely returns on investment.

Alongside better IAG to inform and shape learner demand, there also needs to be more consideration given to how to map current and future employer skills demand. There are a number of mechanisms, either existing or in the process of being introduced, to understand skills gaps and training needs, including the Future Skills Unit, Trailblazer Local Skills

Improvement Plans (LSIPs) and Local Enterprise Partnerships (LEPs). How intelligence on employers current and emerging skills gaps and challenges is gathered, coordinated and shared between local, regional and national level will be critical.

We feel that more consideration should have been given to how the proposed LLE could interact with employer support, either through a co-investment mechanism or through the provision of in-kind support for those undertaking provision funded via the LLE. [Evidence from the US](#), for instance, where Lifelong Learning Accounts (LiLAs) have been piloted across a number of states since 2001, suggests that the co-investment model acts as a combined incentive to encourage greater take up and investment in training as well as better matching of skills development between individual and business need. Without a mechanism to incentivise employer investment, there is a real risk that the LLE will encourage employers to shift responsibility for funding training on to the employee. Reforming the Apprenticeship Levy into a [flexible training levy, as we have previously suggested](#), could potentially provide a mechanism to support employer co-investment.

These are all key issues that need to be considered if the LLE is to realise its mission to boost the demand for higher technical qualifications.

If you would like to set up a meeting to discuss any of the challenges we have outlined then please contact Amie Evans at [amie.evans@cipd.co.uk](mailto:amie.evans@cipd.co.uk)

I look forward to hearing from you.

Yours sincerely

Ben Willmott

**Ben Willmott**

**Head of Public Policy**