

# **Six policies to make higher education the engine of growth**

IHE's submission to the Department for Education  
on Higher Education reform

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# About IHE

Independent Higher Education (IHE) is the UK's representative body for independent providers of higher education, professional training and pathways.

Our 90+ members and subscribers deliver professionally focused education across a range of specialist subjects, designed for all stages of the education journey. Offering courses from Level 2/3 technical education through to Level 4/5, Degrees, CPD and Professional Doctorate programmes, IHE members pivot around their industries and specialisms which sets them apart from traditional universities and colleges.

IHE's formal representative role is underpinned by a mission to promote the values of diversity, flexibility, innovation, student focus and collaboration within UK higher education. We achieve this by advising, supporting and promoting the institutions in our membership, all of whom in joining sign up to these values and commit themselves to putting them into practice.

# Introduction

IHE believes in the powerful and positive impact that independent higher education providers have on the lives of their students, on their staff, on their communities, industries and vocations, and on economies at a local, national and international level.

Their very existence and dedication to their distinct missions enrich the UK's higher education sector, expanding student choice and supporting lifelong learning with a varied and interconnected ecosystem of provision, while helping to promote the values of diversity, flexibility, innovation, student focus and collaboration.

IHE is an organisation committed to reform and to the continuous improvement of education through innovation in service to the needs of students, the economy, and society. We will never prioritise any short-term vested interest of our current Members in the status quo over the longer-term benefits that the UK derives from having an open, dynamic and diverse sector of world-class tertiary education and training which puts constructive competition, creative collaboration and genuine student choice at its heart.

The present work being undertaken by the Department for Education (DfE) on Higher Education (HE) Reform takes place against a backdrop of challenging global economic headwinds, significant geopolitical uncertainty abroad, and widespread dissatisfaction with living standards and public services at home. The Comprehensive Spending Review due to be completed this summer may result in tight settlements for most Departments and limited opportunities for substantial new funding in support of tertiary education and training.

The acute fiscal pressures on the public accounts, as well as on the higher and further education sectors, will only start to be relieved if and when the Government makes progress on its primary mission of economic growth. DfE's HE Reform package must therefore be designed effectively to promote economic growth – alongside the opportunity for all to share in its benefits – as the primary policy goal, and the measure of its success.

The remaining four priorities set out by the Secretary of State for Education should if implemented intelligently also contribute to this primary policy goal, but they must not be allowed to obstruct it where tensions exist. Other priorities should also be included if they can be shown to support the primary goal. Once growth has started to accelerate then all these priorities and others can be more easily advanced and more generously resourced.

IHE is an organisation dedicated to offering fresh perspectives on familiar policy problems, articulating new ideas and developing practical solutions to the common challenges which face the higher education sector. For this reason, we have structured our submission on HE Reform around a small number of carefully designed and ready-to-implement policy proposals that we believe will immediately help the higher education sector to make a stronger contribution to economic growth – as we see it, the primary policy goal of this work.

## SIX POLICY PROPOSALS

The summary of our six policies is as follows:

1. [Technical Education Awarding Powers to raise standards in cutting-edge provision](#)
2. [A Rapid Response Skills Fund to balance economic needs and migration](#)
3. [Innovative online and blended learning to expand opportunity nationwide](#)
4. [A Lifelong Learning framework to empower a high-skilled and productive workforce](#)
5. [A strategy to make the UK the home of global professional learning](#)
6. [Flexible tertiary education pathways to promote efficiency and student success](#)

# Government's five priorities for reform

## 1. Making a stronger contribution to economic growth

Our six proposals have all been designed principally to help drive economic growth, as well as to expand opportunity, and much of their success in doing so will sit with the HE sector. But they also require public bodies to play a significant part, including the Department for Education (DfE), the Department for Business and Trade (DBT), the Department for Science, Innovation and Technology (DSIT), the Home Office, Skills England, and most significantly of all, the regulator of higher education in England, the Office for Students (OfS).

As its first priority, the OfS must start regulating for growth, not just for risk. HE is one of England's (and the UK's) most significant economic sectors and in our top 5 most successful service-sector exports, but the OfS has no strategy for the promotion of economic and exports growth, or even an evaluation of the impact of its own regulation. In theory, the statutory Growth Duty already applies to the OfS, but in practice it has been paid no more than lip service – the only mention being a cursory paragraph in the regulator's Annual Report. As ever in life, actions speak much louder than words.

The OfS's decision to suspend its statutory duties to register higher education providers and grant Degree Awarding Powers for the best part of a year has had a severely detrimental impact on confidence in the English higher education sector and trust in the even-handed approach and dependability of its regulator, acting as a brake on growth at the very worst possible time. Circling the wagons around the most well-funded and longest-established providers of an historical model of higher education in traditional academic disciplines at the expense of innovative new providers responding to the emerging needs of students and employers is not the way to promote growth. This will do nothing to deliver a more agile and resilient sector. It will do nothing but ensure a sector in managed decline.

DfE is currently recruiting several new non-executive directors for the OfS Board to join its newly confirmed Chair. Together with a new Strategy these appointments offer the opportunity for a reset. The new Chair and Board should strive for the OfS to be more clearly recognised as a champion of the student interest, in aid of which we hope that they will support our proposals, amongst others, to create stronger accountability and higher standards in technical education, to facilitate student journeys through credit

transfer, and to use LLE to right-size their learning and minimise unnecessary spending, including on accessing higher education.

We hope that they also recognise the essential role that the OfS must play in creating the conditions for investment, innovation and growth in the higher education sector in order to strengthen its contribution to economic growth. The creation of Skills England provides an opportunity to significantly enhance the responsiveness of higher education providers to the skills needs of the economy, and we hope that the newly appointed Chairs of these two organisations will work as closely as possible together to drive this pro-growth economic agenda across tertiary education with their significant regulatory and funding levers.

## **2. Expanding access and improving outcomes for disadvantaged students**

Our [Manifesto for Higher Education](#) released in June 2024 set out a number of additional policy proposals in relation to [student support](#) that would have a significant positive impact on expanding access and improving outcomes for disadvantaged students, and we recommend that Government consider implementing these in full.

In this submission we focus on two new policy proposals that we believe would be transformative in the pursuit of these goals:

- *A modular framework for access to HE at Level 4 of the LLE*
- *Innovative online and blended learning to expand opportunity nationwide*

## **3. Playing a greater civic role in communities**

Independent providers are often most deeply engaged in their communities of professional practice and particular industrial sectors. The persistent challenge that many of them face in contributing to their local geographical communities is a question of scale. Local authorities, civic and business leaders today do not have the resources or bandwidth to engage one to one with every small higher education provider in their area, and vice versa.

IHE is addressing this challenge directly through our [2030 Strategy](#) commitment to working with local and national decision makers to expand opportunity and prosperity. We will pilot a new model of regional engagement with devolved governments, business and civic institutions where we help members to meet local needs for new provision. In the next five years we hope to build a critical mass of IHE members in most UK regions whose collective provision is of sufficient scale to secure meaningful

engagement with civic institutions and a role for independent providers as innovative, industry-aligned and agile partners in growth.

In this submission we propose new policies that would give IHE members a clear stake and regional role in driving growth and expanding opportunity, including:

- *Education-industry partnerships to deliver new blended learning hubs regionally*
- *More employer engagement in learning and co-investment in funding*

## **4. Raising the bar further on teaching standards**

The most positive impact DfE could have on teaching standards and the quality of learning opportunities in the sector would be to ensure that institutions are securely funded, face the minimal appropriate regulatory burden, and can rely upon stable policy to make longer term plans, including to invest in the recruitment, retention and development of their workforce.

In this submission we propose new policies that would help to raise standards specifically in technical education:

- *Technical Education Awarding Powers to raise standards in cutting-edge provision*
- *Single funding and credit transfer mechanism across tertiary education and more coordinated provider-level regulation*

## **5. Driving a sustained programme of efficiency and reform**

The independent higher education sector already features a wide diversity of delivery models, organisational structures and internal governance and management processes that are quite distinct from traditional universities and in most cases considerably more efficient.

The current regulatory framework, however, strictly limits the extent to which collaborative services and models of delivery can be developed in the interest of further efficiency. DfE should require the OfS urgently to undertake a review of its conditions of registration and related regulatory processes to identify areas in which a collaborative approach between providers could be explored without materially negatively impacting on the student experience.



# IHE's six policy proposals

## Technical Education Awarding Powers to raise standards in cutting-edge provision

### POLICY 1

#### **Introduce Technical Education Awarding Powers to empower a new generation of specialist institutes to become beacons of industry excellence.**

These new powers would give industry-driven technical institutes the autonomy to design, deliver and award qualifications with professional recognition which can reach the same globally recognised gold standard as UK university degrees. Current rules impose an artificial separation between the awarding and teaching of technical qualifications, creating unnecessary cost and burden in the system and reducing the agility of providers embedded in their industry to respond to evolving economic and sector-specific needs.

#### **What is IHE proposing?**

##### **1A: Make Foundation Degree Awarding Powers available to all registered providers and remove the 50% Level 6 rule for Taught Degree Awarding Powers.**

The Higher Education and Research Act 2017 (HERA) should be amended to remove its restriction of Foundation Degree Awarding Powers (FDAPs) to publicly funded Further Education Colleges (FECs) only. The rule that a majority of students must be at Level 6 or above for Taught Degree Awarding Powers (TDAPs) to be granted should also be removed. This would allow all OfS-registered higher education providers to secure the freedom to develop, deliver and award their own qualifications at Levels 4 and 5.

##### **1B: Give Skills England the power to authorise providers to award individual HTQs and alternative LLE-funded qualifications.**

Skills England should create a process to authorise OfS-registered HE providers to award individual qualifications submitted through its new Qualification Gateway,

allowing Higher Technical Qualifications (HTQs) and other high-quality, industry-relevant qualifications to be delivered quickly and efficiently.

Approving the full range of qualifications due to be funded under LLE will require an efficient and credible process which considers quality of delivery as much as qualification outcomes. Giving this power directly to Skills England would bypass the current duplicative route of requiring teaching providers to contract with a separate Ofqual-regulated awarding body or establish their own, with all the added cost and burden this entails.

### **Why is this needed? What would the benefits be?**

These two reforms together should help to raise teaching standards and the credibility of higher technical education, while enabling more efficient regulation. Providers could choose the awarding powers most appropriate to their provision and the OfS could test their eligibility, strategy and capability to deliver this on an even playing field. Instead of relying on an expensive and volatile market in commercial awarding bodies or university validation services to accredit their provision, specialist higher technical education providers could apply via the OfS to secure their own Level 5 awarding powers.

This could encourage the emergence of gold-standard provision from recognisable household names in technical disciplines like Le Cordon Bleu, Leiths Education and Raindance Film School with their own awarding powers. Meanwhile smaller specialist technical education providers could apply to Skills England to secure recognition and funding for a single course at a time. Programmes could be developed and delivered by the experts who teach them, alongside their industry partners. Innovative new courses could be developed and delivered more quickly, contributing to industrial growth.

Currently, in granting Degree Awarding Powers to a registered HE provider, the OfS can limit its authorisation to Foundation (FECs only), Bachelor's and Master's Degrees, corresponding to Levels 5, 6 and 7 on the Framework for Higher Education Qualifications of Degree-Awarding Bodies in England, Wales and Northern Ireland (FHEQ). Ofqual regulation provides an alternative route to recognised awards but it requires the cumbersome creation of a different body separate from the teaching provider to make awards on the Regulated Qualifications Framework (RQF). OfS-registered independent HE providers teaching only at Levels 4 and 5 are therefore locked out of awarding their own qualifications on both frameworks.

Currently, HTQs must be benchmarked and awarded on either the RQF or FHEQ. Where they are awarded on the RQF, a separate awarding body must apply to IfATE / Skills England to have the qualification accredited as an HTQ, and in general will only do so where it has assessed the new award as having sufficient potential for profit. This separation of teaching and awarding creates inconsistent approaches to HTQs, as well as additional bureaucracy for teaching providers to deliver an HTQ. For many technical higher education providers, this process is too long for their industry partners.

LLE will expand the OfS Register to include all Level 4/5 provision funded through student loans across both the FHEQ and RQF. The OfS regulates teaching quality under the primary assumption that the body awarding the qualification also teaches those students (B4 Assessments; B5 Academic Standards). Where there is a partnership in effect, the OfS assumes that it regulates both the awarding and teaching provider. Recent DfE proposals on franchising make clear that Government also wishes to see both awarding and teaching providers regulated by the OfS. The forcible separation of awarding and teaching on the RQF is incompatible with existing and future higher education regulation. Academic standards and the quality of teaching should be regulated by the OfS alone, rather than a disparate group of regulators with only partial responsibility for the student experience.

### **How could this work in practice?**

The Government could amend HERA to leave out clause 42 subsection 4 paragraph (a) (“the provider is an English further education provider,”) and allow any OfS-registered provider to apply for Foundation Degree Awarding Powers in order to make recognised awards of credit and qualifications at Levels 4 and 5. This would provide a clear route for more providers to develop teaching-led curriculum in technical disciplines at Level 4/5 without needing to offer any significant provision of a more academic nature at Level 6.

DfE could also amend its current guidance to the OfS that requires a majority of students to be studying at Level 6 and above in order for Taught Degree Awarding Powers (TDAPs) to be granted, which has blocked the development of specialist providers of higher technical education. This rule should be scrapped to allow providers with TDAPs to grow organically and remove an arbitrary constraint on flexibility, student mobility, and innovation. If the Government wants more students to save money by studying Level 4 or 5, or by module, providers must be able to recruit more students at these levels without fear of tipping an arbitrary balance at Level 6.

Skills England could work with Ofqual to create a process for subject-specific technical education awarding powers to be tested through the submission of an HTQ. Providers would be given the authorisation to award only the HTQs they submit, at both a whole qualification and modular level in line with LLE policy. The process would only be available to OfS-registered providers who have already passed a rigorous quality assessment and will be monitored annually through B3 metrics for student success.

In future this process could form part of the OfS’s new integrated quality model, delivered in partnership with Ofqual and Skills England. Ofqual would need to reflect on its current policy in relation to the separation of awarding and teaching bodies, and how this could evolve to support this new model of awarding powers, recognising the robust regulation of providers by the OfS and the additional evaluation by Skills England of the quality and occupational relevance of every qualification to be awarded.

# A Rapid Response Skills Fund to balance economic needs and migration

## POLICY 2

### **Strengthen the Immigration Skills Charge and use the revenue to address local skills shortages through a Rapid Response Skills Development Fund.**

This fund would ensure that training is targeted to areas with the greatest need, helping to address skills shortages quickly and effectively. It would also ensure that employers who benefit from skilled immigration contribute to the development of the local workforce.

#### **What is IHE proposing?**

The Immigration Skills Charge (ISC) payable on Skilled Worker visas should be strengthened and all revenue generated should be ringfenced for a Rapid Response Skills Development Fund (RRSDF) which is spent locally.

The current flat fee for the ISC could be replaced by a tiered charge, with Level 3 roles incurring a higher rate than Levels 6 and 7. This would help the UK remain competitive in attracting top international talent and individuals who will be the biggest net contributors to the economy and the exchequer.

#### **Why is this needed? What would the benefits be?**

This policy would enhance the perception of fairness and reciprocity in the migration system by asking the employers who benefit from international skilled labour to pay directly into the skills system.

It would directly respond to skills gaps by extending targeted new training opportunities for UK residents and reducing future dependence on immigration.

The specific localities and sectors which currently demand the highest levels of skilled immigration would see the most rapid investment in training the resident workforce, thereby directly responding to public concern around equity and infrastructure while meeting the needs of business.

#### **How could this work in practice?**

UKVI could share live data on Certificates of Sponsorship with Skills England and the Migration Advisory Committee, who between them could continuously monitor their issuing by occupation, sector and locality, feeding the data into a live heat map of skills needs and shortages around the country and across the economy.

Skills England could identify those sectors and occupations where economic growth in a particular region would most benefit from a rapid deployment of training provision.

On a quarterly basis, the Treasury could calculate the share of revenue from the ISC by particular regions and sectors, and apply an appropriate formula to apportion this money to the devolved skills budgets of Metropolitan Combined Authorities (MCAs) and equivalent regional budget holders. This could include an element of redistribution to promote more regional equality of opportunity and the development of industry clusters.

MCAs could use this money to fund skills boot camps and other short courses in the sectors and occupations identified by Skills England from a list of pre-approved delivery partners who specialise in high-quality provision in these specific sectors.

## **Innovative online and blended learning to expand opportunity nationwide**

### **POLICY 3**

#### **Reform funding rules and IAG for online learning and facilitate innovative industry collaborations to bring new blended education models to cold spots.**

These reforms would expand opportunity across England (and could be replicated across the rest of the UK through collaboration with devolved funding bodies) by leveraging a combination of high-quality online provision and regional learning hubs to create new collaborative models, promoting industry partnerships and minimising cold spots and associated brain drain from economically disadvantaged areas.

#### **What is IHE proposing?**

Skills England should work with MCAs, business and education sector partners to massively expand access to and support for online and blended learning in skills training and higher education across the country.

Funding (including the Strategic Priorities Grant) and Information, Advice and Guidance (IAG) should be used to prioritise access to online and blended learning in tertiary education cold spots and in occupations where remote working is commonplace, as well as industries with high levels of self-employment. People should not have to relocate for learning just to secure work that can be done where they already live.

Full tuition fee support and maintenance loans should be made available to all online students learning at an equivalent intensity to their traditional in-person counterparts.

Collaborative regional approaches to tertiary education and industry training should be supported and encouraged, including the use of blended learning hubs offering the

space, facilities and equipment needed for primarily online learners to develop the practical, technical and interpersonal skills they need to succeed.

## **Why is this needed? What would the benefits be?**

All online or 'distance' learning is currently classified as part-time for the purposes of the Strategic Priorities (teaching) Grant and for student finance, which unfairly penalises online learners and strongly disincentivises its take-up where it might otherwise be an essential and efficient part of the solution for upskilling, retraining and enhancing productivity.

Online and blended models today are fundamentally different to the 'distance learning' that informed current funding policy which is 15 years old. The quality bar is much higher and students' expectations have changed radically as more digital models deliver synchronous, connected and high-quality content to students in a truly global 'classroom'. The models are innovative enough that they are now regularly used to complement or supplement 'in-person' learning without any funding penalty for the provider or student.

On the international stage, online and blended learning model reform is a priority receiving significant attention from governments and NGOs as a driver of social mobility, delivering higher education (and in particular higher technical education) to hard-to-reach populations. This follows global campaigns to extend access to the internet to all rural areas.

Blended learning models where students congregate for short, intense periods of in-person (often practical / hands-on) learning, are more common than ever. The challenges of the apprenticeship model have led many employers to create blended learning partnerships with their higher education partners, delivering the practical elements in industry hubs or the employer's own space while other learning takes place online.

Student-centred learning developed with inclusive modelling such as flexible progression, more guided independent learning through gamification and the standard use of accessible software is more suited to reaching underrepresented groups who find accessing traditional higher education to be challenging. This is now one of the most dominant models in curriculum development but is at odds with the current funding and regulatory frameworks which prioritise the full-time in-person degree model. Blended learning offers efficient and financially sustainable solutions to more of modern higher education's challenges than policy changes which tinker around the edges of the traditional three-year on-campus degree.

## **How could this work in practice?**

Skills England could develop a sophisticated picture of changing models and patterns of work by tracking industries and occupations where remote working is more common, allowing DfE to direct more financial and IAG support for learners in rural areas towards online or blended learning models. They could also track industries where the majority of work is self-employed, such as tourism, creative industries, sport and technology. This would reduce the number of people currently forced to relocate just to study – potentially not returning – when they would have preferred to learn and then work where they already live.

Online learning models could be reviewed to assess learning hours (including synchronous online learning) and ensure that online teaching delivered at the same volume and intensity as in-person teaching is funded equally. This could include creating a specific classification to measure online full-time learning and offering maintenance loans to online students studying at eligible intensity who wish to apply.

DfE, DBT and DSIT could work with MCAs and industry bodies to develop a new model for regional industry-education partnerships which can deliver cutting-edge and flexible spaces to act as blended learning hubs for teaching practical elements within primarily online courses. Hubs could be located in the urban centres closest to rural cold spots. Each partnership could determine the appropriate breadth and combination of subjects and sectors that will be supported within their hub, allowing for some specialisation across regions. DSIT-sponsored seed funding, potentially supported by MCA tax incentives, could be used to crowd in private co-investment from businesses who are already or wish to be active in the particular region.

## **A Lifelong Learning framework to empower a high-skilled and productive workforce**

### **POLICY 4**

#### **Implement a new framework for the Lifelong Learning Entitlement (LLE), focused on economic growth, access and success for underrepresented students.**

The delayed launch of LLE provides an opportunity to reimagine and realise its full potential as an ambitious framework for improving access, enabling professional development, driving productivity gains for the economy, and incentivising co-investment in higher education.

## What is IHE proposing?

### **4A: Access – Develop a modular framework for access to HE at Level 4 of the LLE.**

The OfS and Skills England should work together to develop a framework for the modularisation of Access to HE and Foundation Year courses, benchmarked at Level 4 (RQF or FHEQ) to allow students to learn only what they need for entry to HE, rather than spending a year on a programme which may repeat knowledge and skills they already have. Modularisation would also facilitate more flexible routes to enter HE, allowing students to study at the time and pace that suits them.

### **4B: Grow – Commit to the [IfATE consultation outcomes](#) from November 2024, expanding LLE support for technical education beyond the narrow scope of HTQs.**

LLE should incorporate courses that support emerging occupations outside of outdated maps, as well as interdisciplinary courses that provide students desired outcomes for their careers, not just the first steps. One of the most important proposals in the IfATE consultation was for smaller-credit courses that allow students to take an additional specialism. These courses would allow industry to upskill their staff quickly in response to emerging trends.

*Example: A laboratory technician takes a smaller credit learning to step into material testing roles (job in demand after Grenfell).*

*Example: Sports Industry courses – coaches become managers become business owners. Combining the occupational maps allows for a career course instead of a graduate job.*

### **4C: Fund – Integrate an employer, sole trader and personal contribution scheme into the LLE platform to share the cost of HE more widely across those who benefit.**

Employers should be incentivised to invest in the professional development and lifelong learning of their staff with a corporation tax super-deduction on payments into their employees' Lifelong Learning Accounts (LLAs).

Professionals should be incentivised to invest in their own development with a tax-efficient salary sacrifice scheme to top up LLAs, and an equivalent scheme for the self-employed.



## **Why is this needed? What would the benefits be?**

Current LLE policy lacks ambition and should be reimagined to harness its full potential: to facilitate more efficient access to HE; to incentivise more employer investment in staff; and to boost productivity with a more agile workforce through a modular offer which is responsive to the rapid technological and economic changes of the world today.

IHE members work closely with students seeking access to HE and with employers who are not engaging positively with HTQs but who are looking for more short course and modular options to gain the skills they need. This same pattern is clear in the models created by regional skills development programmes, which are practical, cross-discipline, short and delivered to meet emerging needs quickly. Current proposals to modularise only HTQs run counter to this demand, offering a much slower and more complex route which will fail to meet clear labour market needs and drive students and employers towards alternatives.

**Access:** A new LLE framework would address the challenges of access to higher education, especially in specialist subjects. The current funding model forces students to take a year of study, regardless of the specific access needs they have. They may have been working in an industry for years but lack the academic skills need for study. Or they may have the A Levels required for the academic content in a course but were not able to learn the necessary technical or creative skills at their particular school. These students are being forced to pay for an extra full year of study (and in the process lose LLE funding for later upskilling), when they could have just focused on bridging their specific personal skills gap.

**Grow:** Current LLE proposals do not effectively support lifelong learning, prioritising HTQs that have been designed for and marketed to school leavers. An LLE framework for growth would focus on student outcomes and ensure there were opportunities for students to upskill at Levels 5 and 6 throughout their career. An LLE framework for growth would approve modules to help specialists in the creative and sports industries become entrepreneurs, and deliver data science skills to employees in quality assurance or marketing across industries. The solution to most emerging skills needs in industry is short, focused, and accessible. HTQs do not fill this gap, and a more efficient and innovative framework is needed.

**Fund:** LLE is designed to support growth, by allowing students to take modules to support their careers as employees or self-employed. It is only right that those who benefit from that growth take a stronger role in paying for it. Upfront loan funding was implemented because the cost of a three-year degree was more than most learners could access themselves at the entry point. Modular learning is more accessible, and the loan book could be reduced considerably if students and employers were incentivised to pay for modules up front either through salary sacrifice or tax super-deduction schemes. This model would cost less in tax reduction than the interest

students would incur by repaying the modules over time, making it more efficient for Government should the loan not be repaid in full.

Sole traders and owner-operators should be encouraged to invest in their own development with modules designed for growth identified for this group of learners, such as AI, digital communication, business management, export and trade. These modules could also springboard learners into practical Level 7 qualifications which further their own business and careers and allow them to expand.

***Example:** An IT HE provider offers AI tools for business courses at Levels 5 and 6. One small company focused on supporting tourism experiences took the course, and is now developing virtual visit experiences, encouraging more tourists to visit the UK in-person. They are now investing in postgraduate study for a number of staff to develop a new aspect to the business in fully AI travel experiences.*

There is also a risk that the availability of personal loan-funded provision under LLE will lead some employers to reduce further or scrap their own CPD offer to staff. By creating an incentive for employers to become co-investors in the LLE system instead, Government can support more employer-employee partnerships to fund learning that will benefit them both.

## **How could this work in practice?**

**Access:** An approval process for Access modules could incorporate the OfS's assessment of a provider's track record in this area and Skills England's assessment of the occupational relevance of technical modules to facilitate entry into specialist courses such as creative industries or STEM subjects.

**Grow:** Skills England could deliver the full proposals from the IfATE consultation as quickly as possible upon the launch of LLE. The addition of a provider forum to ensure that qualifications can also be delivered effectively and with the right learning technology could accelerate the move from decision to delivery.

**Fund:** DfE, HMRC and DSIT could work with employers and representatives of sole traders and micro-entities to develop an integrated model for funding, allowing employers to pay into LLE accounts to cover the cost of specific modules of learning, whether or not they are taken as part of a longer programme of study. Modules could be identified through the IfATE proposals handed to Skills England, specific for business owners/leaders. The model could be similar to the childcare funding where funds could be added to an employer portal for LLE, and then sent to specific higher education providers directly, recorded in the LLE portal.

# A strategy to make the UK the home of global professional learning

## POLICY 5

### **Implement a global professional learning strategy to diversify the UK's education exports, make UK graduates more globally employable and boost enhancing the funding and recognition of higher technical education and the LLE.**

The UK is a world leader in education and skills, building on a long history of academic excellence and entrepreneurial spirit, and the immeasurable benefit of English being the lingua franca of international business and science. But the road to long-term sustainable growth in our education exports, with all the trade, investment and soft power this can generate, runs through continuous innovation and diversification. We can leverage our natural strengths to expand both our markets and our supplier base by repositioning the UK as a modern hub of educational expertise, with technical and professional training sitting comfortably alongside more academic pathways.

### **What is IHE proposing?**

DfE and DBT should market the UK as the home of global professional learning, making skills and higher technical education a focus of the new UK International Education Strategy and developing a specific LLE International Plan to promote and enhance its launch.

DBT and DSIT together should promote the creation of global industry hubs across the UK, where world-class HE and cutting-edge skills provision sits side by side with a cluster of large, small and start-up businesses, starting with the Industrial Strategy's 8 priority sectors. Global companies should be encouraged to send their staff to one of these UK hubs for a fixed period to upskill and connect with cutting-edge start-ups while continuing to work remotely.

DfE and DBT should work with the Home Office to review its range of visa products, ensuring global appeal and ease of access to shorter professional courses, including:

1. expand the eligibility of the Short-Term Study Visa to include courses of up to 11 months which have been accredited for inclusion on the LLE framework.
2. introduce a Lifelong Learning Visa valid for 10 or 20 years, permitting multiple short stays (up to 6 months) to take modules, short courses and in-person components of a blended learning programme.

3. permit international students taking HTQs and other courses approved by Skills England to work part time and to undertake assessed work placements for up to half of their course (thereby matching the rules for degree students).
4. permit exchange students on Visitor visas for study abroad programmes of less than 6 months to complete assessed work placements for up to half of their time in the UK.

### **Why is this needed? What would the benefits be?**

The Government has a number of priority initiatives to diversify tertiary education and training provision, but to date these have been targeted exclusively at a domestic market which is under considerable financial pressure. An accompanying international strategy would increase the global reputation and portability of the new courses and qualifications, as well as provide a more secure financial underpinning for their expansion across England.

The UK should position itself as a global leader in professional training and credit-bearing short courses by boosting the launch of LLE with a clear International Plan. Many courses could be delivered in under 6 months, and others in under 11. None of these professional learners would require a sponsored Student visa or contribute statistically to net migration, but new dedicated visa products would help to facilitate entry and their effective marketing.

The Government could send a clear message that the UK is open for business by explicitly permitting global professionals who come here on a short-term visa, primarily to learn, also to work remotely for their home organisation while here. This would reflect the real-world practice and expectations of business today and demonstrate the flexibility of our system.

### **How could this work in practice?**

DfE, DBT and their education sector partners could work with industry and professional bodies to market technical and modular learning to international employers and graduates and secure a growing new stream of funding to support the expansion of courses in the UK.

A clear recognition by Government of their centrality to the UK's international education offer and a growing number of international students taking these courses would boost their international credibility and currency, allowing domestic students to take these qualifications into the international job market.

DfE and DBT could work with the Home Office to ensure that HTQs, the LLE and wider technical education provision approved by Skills England can be effectively marketed to global employers and professionals by securing greater recognition of their quality

within the Student visa rules, including parity with academic provision on the ability of students to work part time and to complete assessed work placements.

DfE and DBT could market the English HE sector as a place where industry trains, encouraging global employers to invest in global industry hubs which bring education providers and businesses together to boost local employment opportunities. They could work with the Home Office to ensure that visa products enabling short-term study are as flexible and attractive as possible to the global professionals we want to visit the UK.

## **Flexible tertiary education pathways to promote efficiency and student success**

### **POLICY 6**

#### **Create a single funding and credit transfer mechanism across tertiary education and more coordinated provider-level regulation.**

Learning in the 21st century is already changing beyond recognition to become more personalised, more portable and more bite-sized, a trend which AI technologies are only accelerating. Regulators and funders have been slow to catch up, while long-established institutions heavily invested in traditional models can be reluctant to adapt.

The introduction of LLE is a once-in-a-generation opportunity to course-correct and develop a bold new model of collaborative credit-bearing provision, personalised pathways for learners and regulation that empowers such innovation instead of blocking it. The potential gains in productivity and efficiency at a time of low growth and high costs can no longer be ignored.

#### **What is IHE proposing?**

##### **6A: Transfer - Develop a digital credit transfer mechanism between tertiary education providers to enable collaborative models such as articulation and dual credit awards.**

Students should be able to access a digital portal to see the credits they have accumulated, where they can be transferred, and what programmes they can access.

HE providers should be incentivised to list the modules they will accept through collaborative models.

Regional authorities should ensure that skills programmes funded from their devolved budgets interact with this credit transfer system, empowering students to build on their accredited learning and take it with them to the next stage of their educational journey.

*Example:* Digital credit transfer platforms in Canadian provinces, e.g. [Ontario](#) and [Nova Scotia](#).

**6B: Fund – Review funding systems across tertiary education to make them credit-bearing by default and remove other barriers to inter-system portability.**

Students should be able to transfer between providers and switch between different models of learning without the funding system posing unnecessary barriers. Ideally this would mean all tertiary models being funded by credit, not by academic year, to ensure that students do not waste their funding on repeat learning. The annual credit funding limits should be flexible enough that students can transfer mid-year without having to wait until their allowance resets, minimising the attritional effect of a delayed start.

**6C: Regulate – Review regulation across tertiary education to develop a ‘single regulator’ model, where one regulator leads for each education provider based on the majority of delivery, and transfers information to other regulators as needed.**

This model should include an efficient route of entry for existing providers to expand into specific skills areas including regional delivery and apprenticeships. Funding reform must map funding models for students and providers across tertiary education, including that devolved regionally, to ensure students have clear learning journeys, with matching funding.

**Why is this needed? What would the benefits be?**

A comprehensive credit framework in higher education which enables student transfer has been a longstanding policy ambition of many in Government and in the sector because of the perceived benefits to students. It would promote collaboration between institutions, create new and more personalised pathways within tertiary education. It would respond to the [growing evidence of students and graduates who in hindsight would have made different choices](#) by normalising credit recognition and exit qualifications, while increasing the pressure on providers to maintain a high-quality learning experience and student support.

Past attempts at a national policy have met with resistance, but a collaborative sector-led model could deliver real benefits. The transition from discrete HE and FE funding systems to a single tertiary system under LLE provides the ideal opportunity to revisit this vision but with a larger canvas and a bigger prize on offer. Credit recognition which extends to the wider tertiary education system would allow not just transferring between two different higher education institutions but potentially also between different delivery models, learning modes and qualification frameworks. Arguably the most valuable flexibility for learners would be the opportunity for Apprentices who for whatever reason cannot continue in their current employment (perhaps due to

relocating, new family commitments or redundancy) to have their learning to date recognised and their credits transferred with funding to a self-directed online, blended or classroom-based programme of learning such as an HTQ or Degree course.

The credit transfer model must allow students to access appropriate funding, including for partial years and credits that need to be repeated. Realising the full potential of student transfers, however, will not be achieved with some tertiary education funding models based on academic years and others based on credit. Ensuring all tertiary models are funded by credit would allow students to transfer credit across frameworks and systems without being charged twice for learning they only need or receive once.

Flexibility in the annual credit funding limits would ensure that transferring students are not delayed starting new courses until their personal limit resets for a new academic year. This would improve the retention of a student who for instance was made redundant during their Level 4 apprenticeship and wanted to transfer their accumulated credits to a higher technical qualification without repeating modules or delaying their start. Students who want to transfer from a three-year to an accelerated degree programme to enter the job market more quickly could join their new programme in a summer cohort rather than wait for their allocation to reset in a new funding year.

OfS grant funding could be used to incentivise credit transfer and the development of courses parallel to apprenticeships, allowing students to choose between continuing in their apprenticeship or taking more control of their learning on a parallel, loan-funded course. Students should be able to view the pathways available to them with a funding map that includes regionally available skills courses funded under devolved budgets to ensure students can use this credit effectively in future journeys.

The regulation of apprenticeships, higher technical courses (including new LLE provision), and regional skills funding should be reviewed and streamlined at the same time with the aim of supporting providers to offer their learning across these diverse delivery models.

Together these reforms would promote accessibility and innovation in employer-funded models, giving students the ability to start a self-funded course and transfer into an apprenticeship for higher-level study, and for students on regionally funded skills courses to locate their specific provision clearly in relation to progression routes and career goals.

## **How could this work in practice?**

DfE could work with the tertiary education sector directly, or via funded directions to the OfS and Jisc, to create a platform that identifies to students how their courses and credits could create pathways and transfer to other providers and provision. This platform should promote collaboration and innovation in course models and partnerships, bringing alignment between the different elements of tertiary education.

Regional skills delivery groups could insist their courses be included in the credit transfer platform, using the availability of the platform to incentivise education providers looking to deliver courses using their funding.

DfE could direct all funding bodies to develop credit-based funding systems to ensure that students transferring credit can join new courses without:

- a) Paying a full year of funding and being forced to repeat credit they could transfer or have transferred.
- b) Being forced to defer a year because the start of their new course would mean they exceed annual funding caps.

Students moving from an employer-based funding system into a self-funding system would be able to complete credits they have started, either by requiring the employer to pay for the entire module or by offering a self-funded option to cover the remaining cost. Evidence of credit transfer for the funders could be gained through proposal 6A.

A national tertiary education commission could be established to facilitate regulatory cohesion across England. While Skills England is already tasked with mapping the post-16 Skills landscape, this work should expand to map regulation across the tertiary sector and identify overlap in areas including data submission, audits and reviews, awarding power assessments, responsibility for the student experience, and funding for student welfare. The commission would be tasked with removing obstacles to tertiary education providers expanding their provision to include more diverse delivery models. This includes removing unnecessary caps on the Register of Apprenticeship Training Providers (RoATP), which is currently blocking employers from creating unique training and apprenticeship programmes with specialist higher education providers. These programmes include parallel models where students can part-fund Level 4 or 5 courses with employers, switching into an apprenticeship model at Level 6 when the student has more skills to contribute to the employer.

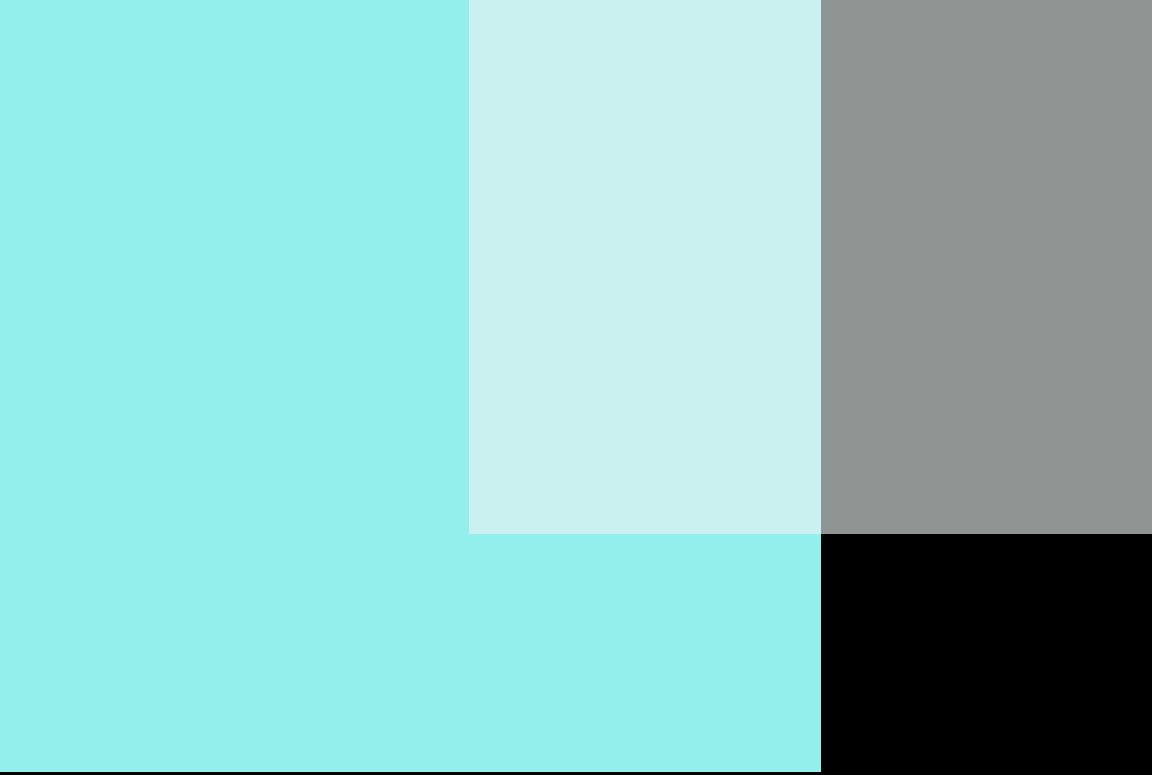


## Further resources

- IHE's manifesto for higher education:  
[ihe.ac.uk/manifesto-higher-education](https://ihe.ac.uk/manifesto-higher-education)
- IHE's 2030 Strategy:  
[ihe.ac.uk/latest/publications/2030-strategy](https://ihe.ac.uk/latest/publications/2030-strategy)

## Contact us

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