

# The Lifelong Learning (Fee Limits) Regulations 2026

## The Lifelong Learning (Student Support) (Amendment of Fees and Awards etc.) Regulations 2026

|                            |   |
|----------------------------|---|
| <b>Lead department</b>     | Department for Education  |
| <b>Summary of proposal</b> | Introduce a credit-based tuition fee limit system and extend student finance to short courses and modules at Office for Students approved (fee cap) providers, enabling the lifelong learning entitlement (LLE) |
| <b>Submission type</b>     | Impact assessment – 8 January 2026, revised 18 March 2026   |
| <b>Legislation type</b>    | Secondary legislation   |
| <b>Implementation date</b> | January 2027 (for courses starting from that month)   |
| <b>RPC reference</b>       | RPC-DFE-26120-IA-(1)  |
| <b>Date of issue</b>       | 17 April 2026   |

### RPC opinion

| <b>Rating<sup>1</sup></b> | <b>RPC opinion</b>   |
|---------------------------|--|
| <b>Fit for purpose</b>    | <p>As originally submitted, the IA was not fit for purpose, as it provided insufficient evidence to justify the preferred way forward. The Department has now provided sufficient information on the calculations underpinning the Net Present Social Value (NPSV) and Equivalent Annual Net Direct Cost to Business (EANDCB).</p> <p>The IA provides a reasonable rationale for intervention, setting out cost and equity barriers to modular study, and how a credit-based fee cap and access to student support enable lifelong learning. It identifies an options long list, considers non-regulatory alternative options, and justifies the preferred option with proportionate analysis, including a SaMBA.</p> <p>The IA would benefit from a more systematic explanation of how the long list was narrowed, and acknowledge alternative fee-funding models even where these are dismissed.</p> |

<sup>1</sup> The RPC opinion rating is based only on the robustness of the rationale, options identification (including SaMBA) and justification for preferred way forward, as set out in the [Better Regulation Framework guidance](#). RPC ratings are fit for purpose or not fit for purpose.

## RPC summary

| Category   | Quality <sup>2</sup> | RPC comments   |
|--|----------------------|--|
| Rationale  | <b>Green</b>         | The IA sets out barriers to adult education participation and equity concerns between modular and full-year study, linking these to the objectives of LLE. Evidence includes survey data on affordability, and a logic model that frames the change as an enabler.   |
| Identification of options, inc Small and Micro Business Assessment (SaMBA) | <b>Green</b>         | A transparent long list is presented, including a non-regulatory route, with reasons for discarding some options. However, the IA should explain systematically how the long list was narrowed, particularly given the short list is only do-nothing and the preferred option. It should acknowledge alternative fee-funding models, even where these are dismissed quickly. The Department expects the impact on small providers to be minimal. |
| Justification for preferred way forward                                    | <b>Green</b>         | The preferred option is justified through proportionality, alignment with sector norms and delivery feasibility. The IA now explains more clearly the calculation path underpinning the partial NPSV and EANDCB. The IA would benefit from considering whether the administrative requirements for learners create complexity, or barriers to take-up.   |
| Regulatory Scorecard   | <b>Satisfactory</b>  | The scorecard provides estimates of overall welfare, business and household impacts, with quantified net present social value and business metrics. The IA now explains the calculation of the EANDCB and partial NPSV, including key assumptions and sensitivity analysis.  |
| Monitoring and evaluation  | <b>Satisfactory</b>  | The monitoring and evaluation plan commits to a post-implementation review in the academic year (AY) 2031/32 and ongoing monitoring using administrative data. It identifies specific data sets.   |

<sup>2</sup> The RPC quality ratings are used to indicate the quality and robustness of the evidence used to support different analytical areas. The definitions of the RPC quality ratings can be accessed [here](#).

## Response to initial review

As originally submitted, the IA was not fit for purpose, as it did not provide sufficient evidence to support the justification for the preferred way forward. In particular, the IA did not present clearly the calculation path underpinning the NPSV, and did not provide an itemised explanation of the EANDCB.

In response to the RPC's concerns, the revised IA now sets out the key assumptions, elasticity values and displacement volumes used to derive the NPSV, and explains more clearly the business NPV and EANDCB. The Department has provided sensitivity analysis on the Level 6 NPSV, accelerated-degree demand and displaced learner destinations.

The revised IA also addresses other areas for improvement identified, by clarifying the treatment of chargeable credits and course-level caps, and setting out clearly how the regulations mitigate risks of providers restructuring provision, for example by inflating credit values or steering learners towards higher-credit modules.

While the Department has provided more detail in response to the RPC's concerns, the revised material would benefit from clearer integration and read-across between the annexes, tables and main IA text.

## Summary of proposal

The IA states that the LLE will extend student finance and introduce a credit-based tuition fee limit across eligible higher education provision at Office for Students approved (fee cap) providers. The reform brings short courses and modules within a regulated framework aligned to existing per-year caps, using credits as the common unit. One credit represents around ten hours of learning. Per-credit caps vary by study type, with maximums at course-year and course level to prevent overcharging.

The IA explains that the current fee regime cannot be applied proportionately to modular provision and that a per-credit cap, with access to tuition and maintenance loans, is necessary to make flexible learning affordable. The change is presented as an enabler of the wider LLE programme, which aims to increase adult participation in learning, support upskilling and reskilling, and improve responsiveness to labour market needs across levels 4 to 6.

The IA outlines that accelerated degrees will move onto the same per-credit basis, replacing a higher annual cap with an overall cap based on total credits. It notes potential behavioural effects for learners and providers and sets out that monitoring and evaluation will commence from AY2026/27, with a post-implementation review planned for AY2031/32.

## Rationale

### Problem under consideration

The IA states that modular and short-course learners currently face equity and affordability gaps relative to full-year higher education (HE) routes. Fee caps are defined per academic year, and student finance is unavailable for modular study, leaving learners exposed to unregulated fees and limited support. Older and debt-averse learners are highlighted as particularly sensitive to costs, constraining uptake and undermining the intended flexibility of the LLE system.

The IA notes that the absence of proportionate fee regulation risks uneven pricing and limited supply of modular provision. It indicates that affordability concerns have increased in surveys of adult learning. Without intervention, modular demand is likely to remain muted and the LLE's benefits—greater participation, upskilling and productivity—would not be realised at the intended scale.

### Argument for intervention

The IA explains that credit-based fee caps align with sector practice, allowing charges to reflect the quantity of learning rather than duration. Extending tuition and maintenance loans to modular study increases affordability, and improves transparency for learners. The mechanism standardises treatment across course types, promoting parity between academic and technical routes, and supporting a more coherent, flexible system. The revised IA now explains more clearly how chargeable credits are capped at course-year and course level, which helps reduce the risk of overcharging within the regulated fee framework.

Government intervention is framed as enabling the wider LLE, not an end in itself. The change is expected to stimulate modular supply and demand while protecting students from disproportionate charges. The IA could evidence further the magnitude of affordability barriers across different learner segments.

### Objectives and theory of change

The Department sets objectives to introduce per-credit fee caps for LLE-funded provision from January 2027, monitor participation and provider behaviour through administrative data, and align with sector standards to minimise transition burdens. Success indicators include growth in modular offers, increased enrolment, and improved transparency of costs for learners deciding between course types.

The IA presents the change as a subset of the LLE theory of change: inputs include secondary legislation and data flows; outputs include clear fee caps and loan access; outcomes include expanded modular participation; and impacts include stronger human capital and productivity.

## Identification of options inc. SaMBA

### Identification of long-list options

Options range from maintaining the status quo to per-credit caps and non-regulatory approaches:

- Maintain per-year fee caps (do nothing)
- Dual system: per-year for courses and per-credit for modules
- Year-based dual system for long versus short programmes
- Non-regulatory approach (guidance and communications only)
- Per-credit tuition fee limits (preferred option)
- Remove tuition fee limits entirely
- Set annual caps by course type rather than credits
- Use guided learning hours in place of credits

### Consideration of alternative options to regulation

The IA considers a non-regulatory route relying on communications and guidance to shape provider behaviour. It concludes that, given government funding of student finance, soft levers are unlikely to secure equitable pricing or unlock loan access. The analysis notes the absence of evidence that a free modular market would converge on caps consistent with the wider higher education (HE) system.

The IA could be strengthened by quantifying plausible price distributions in the absence of caps. The IA could also acknowledge alternative fee-funding models, even where these are rejected on feasibility or proportionality grounds.

### Justification for short-listed options

The IA describes a narrowing process assessing proportionality, feasibility, alignment with sector frameworks and the objective of a regulated modular market. The IA states that a dual regime retaining per-year caps for courses, while applying per-credit caps only to standalone modules, would create inconsistency for short courses and partial-year programmes. It states that defining caps by guided learning hours would diverge from HE norms and impose disproportionate burdens on providers. Removing caps entirely was rejected due to affordability concerns. The IA should apply critical success factors more systematically, to explain how the long list is narrowed to the shortlist, particularly where alternative delivery models are dismissed quickly and the shortlist effectively reduces to the do-nothing and preferred options.

The resulting short list carries forward the do-nothing option, and a per-credit fee cap, with allowances for per-year treatment by exception. This approach standardises fees around an established metric, credits, and permits course-level credit maxima.

## **SaMBA**

The IA sets out familiarisation, and transition burdens, as minimal given the prevalence of credit frameworks. Coverage of SMEs and micro-providers is explicit, with a small number expected to participate in modular provision. No exemption is proposed, reflecting proportionate burden and expected benefits to business. The IA identifies potential positive business revenue effects from accelerated degree fees and increased modular demand, once loan access and proportionate caps are in place, while acknowledging uncertainty about price sensitivity and cost structures.

## **Justification for preferred way forward**

### **Identifying impacts and scale**

The IA now quantifies a negative NPSV of about £360 million, driven by lower lifetime returns, from a fall in accelerated degree enrolments, owing to higher fees under the new per-credit regime. Unquantified benefits are identified for modular study, including increased participation by adult learners, and longer-term productivity spillovers aligned with the wider LLE programme.

For business, the IA now estimates a business net present value (BNPV) of around £66 million and EANDCB of -£7 million, reflecting higher accelerated-degree fee income and around £1 million of one-off administrative and familiarisation costs.

### **Counterfactual and baseline**

The counterfactual is the current per-year fee regime with no access to tuition or maintenance loans for modular learners. Under this baseline, modular prices would remain unregulated and opaque to students, affordability issues would persist across key learner groups, and provider incentives to expand modular provision would be weak. In practice, adult participation in short courses and modules would likely remain subdued, limiting the LLE's intended benefits for flexible upskilling and retraining.

### **Evidence and data**

The IA draws on sector practice on credits, administrative datasets and survey evidence on adult participation and affordability. It sets out data flows required for implementation (including credit data to the Student Loans Company). Evidence on modular delivery costs is emerging and currently limited.

The evidence strategy would benefit from collating comparative benchmarks on module pricing and delivery costs, capturing heterogeneity across provider types and subjects. Establishing reference ranges early would support calibration of cap levels and enable targeted evaluation of impact on learners, providers and public finances.

### **Uncertainty and risk**

Key uncertainties include the price sensitivity of accelerated-degree demand, provider responses to per-credit maxima, and the scale of latent demand for modular study once loans are available. The IA now explores these uncertainties through

sensitivity analysis on accelerated-degree price elasticity, displaced learner destinations and a 50 per cent reduction in the Level 6 NPSV. The Department should monitor uptake, pricing and outcomes for different learner groups.

The IA would benefit from exploring more fully how sensitive the preferred option is to key assumptions in Annex A, rather than relying on repeated assertions that alternative assumptions would not alter the preferred way forward.

### **Selection of the preferred option**

The IA justifies per-credit caps by reference to proportionality, equity and feasibility. The mechanism ties fees to learning volume, provides clear maxima at course and year level, and supports access to student finance. It enables modular study to sit coherently alongside full-year routes, reducing confusion for learners and providers. The IA outlines arrangements for accelerated degrees, moving from a higher annual cap to a total-credit basis, and acknowledging behavioural responses.

The appraisal frames per-credit caps as an enabler of the LLE's economic benefits. It recognises uncertainty around modular demand and provider pricing, and commits to monitoring and review. The IA now explains more clearly how course-year and course-level caps, default credit values and the definition of credits are intended to mitigate risks of providers restructuring provision to increase chargeable fees. The discussion of behavioural responses would benefit from a clearer evidence base. The IA would benefit from considering whether the policy rules and administrative requirements for learners could create complexity or barriers to take-up.

## **Regulatory Scorecard**

The IA presents overall welfare impacts as positive once non-monetised benefits are considered, particularly increased access for mature and debt-averse learners and potential productivity spillovers from upskilling. The estimated NPSV of around -£360 million reflects near-term effects on accelerated degrees, and the Department states reasonably that it should be interpreted alongside the LLE programme benefits.

Business impacts include small familiarisation costs and revenue gains from modular demand and accelerated-degree fee changes. The IA now estimates a BNPV of around £66 million over ten years, and an EANDCB of around -£7 million.

Household impacts are now quantified, and the IA notes improved affordability for modular study once loans are available. The IA estimates a household NPSV of around -£195 million and an equivalent annual net direct cost to households of around £21 million. The impacts reflect higher accelerated-degree fees, and reduced lifetime returns where accelerated-degree demand falls.

Business environment: by standardising modular pricing and enabling loan support, the reform can encourage entry into modular provision.

## Monitoring and evaluation

The IA sets out a reasonable monitoring and evaluation plan. It identifies useful administrative datasets from various sources (Higher Education Statistics Agency, Individualised Learner Record, Student Loans Company, Office for Students) and commits to tracking learner participation, provider behaviour and modular uptake from AY2026/27, with a post-implementation review in AY2031/32. The evaluation design—combining administrative data, longitudinal surveys, qualitative research and employer feedback—reflects the breadth of programme impacts.

### Regulatory Policy Committee

For further information, please contact [enquiries@rpc.gov.uk](mailto:enquiries@rpc.gov.uk). Follow us on X [@RPC\\_Gov\\_UK](https://twitter.com/RPC_Gov_UK), [LinkedIn](https://www.linkedin.com/company/rpc-gov-uk/) or consult our website [www.gov.uk/rpc](http://www.gov.uk/rpc). To keep informed and hear our views on live regulatory issues, subscribe to our [blog](#).

A committee member did not participate in the scrutiny of this case to avoid a potential conflict of interest.