

CIMA Lifelong Loan Entitlement Consultation

About CIMA

Founded in 1919, The Chartered Institute of Management Accountants® (CIMA®) is the world's leading and largest professional body of management accountants. As part of the Association of International Certified Professional Accountants®, CIMA and its members and students operate in 192 countries and territories, working at the heart of business — in industry, commerce, the public sector and not-for-profit organisations. CIMA works closely with employers and sponsors leading-edge research, constantly updating its professional qualification and professional experience requirements to ensure it remains the employer's choice when recruiting financially trained business leaders.

Q1) How can we best ensure that, compared to the current student finance system, the LLE will better support learners to train, retrain or upskills throughout their lifetime?

We agree broadly with the skills problem the government has identified the LLE is planning to solve. However, we think the focus and plan set up of the LLE will not solve the problem as envisaged by the government.

The government is right that recent events such as the pandemic, growth in technology and the changing nature of work have exacerbated the already existing need to re-skills and upskill the existing workforce. We hear from our members the challenges skills shortages has for businesses, their sectors and the wider economy. The government is right to focus on this issue.

The LLE has some aspects that we believe will help to increase upskilling and access to funding to help enable people to reskill and upskill.

We are supportive of the proposal to create a loan entitlement for up to four years if post-18 education to use over the person's lifetime. This will help breakdown some of the financial barriers individuals can face when looking to reskill. The focus of up to four years of study feels like the right amount of time, however the government should periodically review this in line with further workforce, technological and society changes as it may be that throughout a person's career further reskilling may be required to keep in line with the changing pace of workforce skills and requirements.

While we agree that focussing on higher level skills as the LLE proposes will help create a higher skilled workforce and likely lead to a higher wage society, the focus outline in the consultation document focuses on academic routes and not other routes that employers will find more directly useful. If the aim of the LLE is to support reskilling and to ensure employers are at the heart of the system, then the LLE funding needs to be available to fund different courses and skills education and training then has been identified and proposed in the consultation document.

One area that is lacking in the proposals is the LLE does not seem to allow funding for professional qualifications and continuing professional development (CPD). Professional qualifications are designed to support employers and their evolving skills needs.

The UK has a long history of professional bodies, whether chartered or not, supporting sectors with training and education ensuring they have well trained and qualified workforces. Professional bodies also support in ensuring that members engage in CPD, so their qualification never becomes irrelevant, and their skills are up to date.

For example the CIMA Certificate in Business Accounting, the CIMA Professional Qualification and the Chartered Global Management Accountant (CGMA) are professional qualifications that are recognised worldwide. These qualifications have also been developed with the input of businesses to ensure they have employees trained to meet their finance teams and leadership needs.

In 2019 CIMA completed research into the Future of Finance that looked at the role and function of the finance and how it is changing due to technology, increasing use of digital and AI. This research underpinned changes to our professional qualifications to ensure they were updated for employer's needs, remained relevant and supported our members and students with the skills they would be need.

This shows how professional qualifications support employers needs and can rapidly change with the times to ensure skills remain relevant for the workplace. In order that the LLE really supports employers, and their skills needs and can help reskill and upskill the UK workforce then professional qualifications and training should be funded through the LLE.

Q2) What barriers might learners face in accessing/drawing on their LLE and how could these barriers be overcome?

As we have outlined in answer to question 1, one of the main barriers learners will face is by the design of the LLE that many courses will not be eligible for funding through it and therefore this will restrict learners in accessing it.

Under the schemes proposed design learners would not be able to receive funding support for professional qualifications or CPD. These courses may better suit the learners' requirements, the needs of their current or future employer and the wider economy needs, but due to the LLE only funding courses via HE or FE colleges or universities they would not be able to claim for them.

The Department for Education should ensure that professional qualifications and training is included to ensure learners have no barriers to courses.

Q4) How can we best ensure that the LLE will enable learners to access technical as well as academic courses at levels 4-6?

We refer to our answers in question 1 and 2.

The Department for Education may also wish to consider ensuring that funding for courses at Level 7 is include too via the LLE.

Currently, students studying L7 CGMA with CIMA are self-funded or funded by employers or in England, funded via apprenticeships. Extending the loan provision to professional qualifications could enable many more to study for these skills focused, employer led qualifications.

McKinsey suggest that reskilling brings a productivity uplift of 6 to 12 percent and research by Harvard Business Review found that the cost of hiring new talent with all the onboarding and recruitment costs can cost six times more then bringing on talent already within an organisation. We strongly recommend that the loan approach accommodates scope for

tripartite agreements between employers, government and the learner to further expand reskilling provision funding. There is benefit for all in this approach from both and outcomes and cost basis.

By allowing funding for Level 7 courses too this will mean more courses will be open to learners, higher skills will be funded, and employers will get very highly skilled employees.

Q5B) How can we facilitate collaboration between FE and HE providers across the country to offer provision that closes the current skills gaps and supports future upskilling?

One of the best ways governments can ensure this is by allowing professional qualifications to be funded by the LLE.

As we have stated in answer to questions 1 and 2 employers already utilise, know and trust professional qualifications both in the UK and more globally. By allowing professional qualifications to be funded this would allow learners to access courses that already keep up with industry and market developments. This would be the best way to ensure funding for courses are embedded in employers needs and their changing priorities.

Q5C) How can we help FE and HE providers to provide modules and courses that offer real value to employers and improve employment prospects for learners?

Please refer to our answer to question 5B.

Q24) When considering restrictions by level and subject, how could the government ensure that the LLE is used for high-value learning that meets the needs of employers and the economy?

We refer to the answers in Question 1, 2 and 5B.

One of the best ways, as we have outlined in answers earlier, is by ensuring professional qualifications can be funded and accessed via the LLE and that Level 7 training and qualifications are included in funding allocations.

Professional qualifications are rooted in the needs of employers in their sector and/or profession and are often able to adapt more quickly to employers and the wider economy needs than qualifications via universities or colleges.

If the LLE is to truly meet the needs of employers and the wider economy than more courses other than those provided by HE and FE settings need to be funded by the LLE.

Q32) How can we support flexibility whilst maintaining high quality provision through the introduction of the LLE?

One of the best ways to ensure flexibility is by ensuring professional qualifications are included as courses that can be accessed via LLE. We have explained this in answers to previous questions.

Q33) How should the approach to quality change to support the introduction of the LLE?

One of the biggest limiting factors to the LLE is the need for Ofqual to regulate all qualifications that can access funding via the LLE.

We recognise the quality guarantee Ofqual will provide to qualifications it regulates and the assurance that gives to learners, employers, government and wider stakeholders alike. However, if one of the aims of the LLE is to ensure funding goes to courses that are keeping

up with the changing pace and needs of the economy and employers then allowing courses only regulated by Ofqual will have a limiting effect on those aims.

Too much regulation can stifle innovation and speed at which courses can be updated to keep up with rapidly changing skillset requirements and limit the ability to quickly adapt courses due to changing employer and economic needs.

A potential solution to this problem is by allowing funding for courses that recognised bodies that employers regular use to train their staff, provide CPD or professional qualifications provide such a professional bodies. The UK has world renowned professional bodies providing professional education for a range of different skills and sectors. The LLE should take advantage of this and allow courses provided through them to be funded via the entitlement and for existing regulation practices for these bodies be enough to justify public funding for these courses.

Any quality assurance for professional education should focus on outcomes and evidence that looks at skills learners have gained over the duration of their studies and how that has improved their employability and career options. This approach would better allow for more agility, ability to change more quickly to employers needs and focus on better life outcomes for the learner.

Q35) Are there opportunities to simplify the regulatory regimes that will operate under the LLE?

Please see proposal outlined in Q35.