

BIS | Department for Business
Innovation & Skills

**SKILLS FOR SUSTAINABLE
GROWTH AND INVESTING IN
SKILLS FOR SUSTAINABLE
GROWTH**

Equality Impact Assessment

NOVEMBER 2010

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Scope of this Equality Impact Assessment

1. The Department for Business, Innovation and Skills (BIS) is subject to the public sector duties as set out in the Equality Act 2010 which brings together nine separate pieces of legislation into one single Act simplifying the law and strengthening it to help tackle discrimination and inequality. The new legislation introduces a new public sector duty which includes the existing race, gender, disability and age duties and now also extends this coverage to other 'protected characteristics'¹ namely: gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief and sexual orientation.
2. The law requires Government departments, and all public bodies, to demonstrate they are making financial decisions in a fair, transparent and accountable way, considering the needs and rights of different members of their community, by demonstrating they have paid 'due regard' to equality issues in the decision making process. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different groups in society.
3. Assessing the impact of proposed changes in this way, also offers a positive opportunity for Government to ensure they make better decisions based on robust evidence.
4. Public bodies must have due regard to the need to:
 - eliminate unlawful discrimination, harassment, and victimisation;
 - advance equality of opportunity; and
 - foster good relations.
5. This general duty is underpinned by specific duties, to help public bodies perform better by ensuring that new policies take into consideration the impact on groups with protected characteristics listed at paragraph one.
6. Equality Impact Assessments are an important mechanism for ensuring that we gather data to enable us to identify the likely positive and negative impacts that policy proposals may have on certain groups of consumers and to estimate whether such impacts disproportionately affect such groups. This Equality Impact Assessment provides a summary view of the equality impact of the proposals in each of the four strands covered by the *Skills for Sustainable Growth: Strategy document* published on 16th November 2010.
7. These four strands are:
 - Skills for Growth
 - Skills and a fair society
 - A shared responsibility for Skills; and
 - A reformed system with increased freedom

¹ Protected characteristics will be referred to in the document as protected groups which are based on: race, gender, disability, age, gender reassignment, marriage and civil partnership, pregnancy and maternity, religion or belief and sexual orientation.

8. Additionally this equality impact assessment covers the *Investing in Skills for Sustainable* document which sets out the Coalition's commitment to further education and skills; the actual budget for 2011-12 and indicative budgets year on year until 2014-15; reflecting the new policies in the Skills Strategy relating to changes to the funding eligibility criteria which outlines which learners and provision are eligible for government funding; and, plans to simplify the Further Education and Skills Funding System and Methodology.
9. Both documents can be accessed at www.bis.gov.uk.
1. Although we have obtained views about equality issues through the consultation process, and have undertaken a series of events and meetings with some key partners, we are conscious that we will still need further evidence and information about impacts on protected groups. We will therefore continue as part of our ongoing research and evaluation programme to review programmes and consult with diverse groups to help inform our decisions and to develop our proposals going forward. Such engagement will help to highlight where mitigating actions are needed and to address any negative impacts on any of the 'protected' groups.
10. A wide range of organisations raised equality and diversity issues relevant to skills strategy and policy. The majority of respondents who highlighted equality and diversity issues felt that opportunities to improve one's skills is as pertinent for protected groups as they are for the wider population. There were some cross-cutting issues raised by many of those who responded and these can be summarised as follows:
 - First, some responses focused on the needs of people with physical disabilities and the important strides which have been made to date on making colleges and their buildings accessible. Some respondents suggest there is more work to be done to ensure accessibility of college buildings but also to making vocational qualifications accessible to people with disabilities, including those with learning disabilities. For some, information, advice and guidance for the school-aged is an important mechanism through which to promote vocational routes amongst young people with disabilities.
 - Second, on the whole, organisations working with and for older groups are keen to ensure that the term 'lifelong learning' should not be shorthand for learning undertaken by the working-age population alone, but rather, that it should include those who are retired. Some respondents cite the need to have more joined-up strategy and delivery at the national and local level and suggest that central government as well as local authorities should do more to recognise the health and welfare benefits to older people of being engaged in learning.
 - Third, of those respondents who suggest that some minority ethnic groups experience problems in accessing vocational learning opportunities, the majority viewed this as a part of a wider problem characterised by a general lack of tailored information and advice for minority groups on public services. Ideas on how to improve information and advice for minority groups hone in on the positive impact role models can have on promoting learning opportunities. More generally, some respondents would like to see engagement with minority and disadvantaged sections of the community as a component of college's performance management.

11. As a result of the recent Spending Review, where all departments had to make a contribution to the government's deficit reduction programme, the Further Education and Skills budget has had a reduction of 25% from the previous year's baseline. As a result we have had to make a number of decisions about how to best ensure that the budget reductions do not have a disproportionate impact on groups protected under the Equalities Act 2010.
12. Where we have made changes we have looked for mitigation strategies to ensure that opportunities are still available to support *all* learners in accessing the learning they want and the skills employers demand. We have protected training places by driving efficiencies in the system and developing proposals to introduce fee loans where government subsidy is no longer available. We have also refocused funding into high quality provision in Apprenticeships.
13. The policies covered in this document follow on from a public consultation on the outline strategy. This received over 560 written responses. We have also spoken with over 200 organisations, employers and learners through bespoke meetings and events that ran between July and October 2010. This was complemented by the consultation on the Further Education and Skills Funding System and Methodology that received over 500 written responses and was supported by direct consultation with a number of key stakeholders.
14. A summary of the consultation responses is also published today alongside the strategy and a list of the organisations who responded to the consultation and contributed to equality discussions is contained in the Annex to this document.
15. Each of the policy announcements are addressed in turn in Chapters 1 to 4. It should be noted that not all the announcements in the strategy have had comprehensive Equality Impact Assessments because:
 - Initial screening indicates that there will be no major impact upon protected groups in terms of numbers affected or the seriousness of the likely impact, or both;
 - Announcements relate to our ambitions, rather than a specific policy intervention. As a result any subsequent policy interventions which support these ambitions will have their own Equality Impact Assessments;
 - Detailed policy is being further developed or consulted on in another publication, which will be accompanied by its own Equality Impact Assessment.

Executive Summary of the Skills for Sustainable Growth Strategy

Purpose

1. This Government's purpose is to return the economy to sustainable growth, extend social inclusion and social mobility and build the Big Society. Underpinning every aspect of this purpose is the improvement of skills. This document sets out our strategy for improving and using skills to realise our central objective.
2. It sets out the direction for skills policy for the life of this Parliament and the shared responsibility of Government, employers and individuals to create a system for skills in which all parties can invest with confidence and benefit with consistency.
3. We need a more competitive, rebalanced economy, which is environmentally sound and resource efficient, and we need to reduce the deficit. There should be no illusions about the scale of the challenge we face. Our working age population is less skilled than that of France, Germany and the US and this contributes to the UK being at least 15% less productive than those countries². We are currently weak in the vital intermediate technical skills that are increasingly important as jobs become more highly skilled and technological change accelerates. Approximately 80% of the people who will be in the workforce in 2020 have already left compulsory education³. If we are to achieve a world-class skills base we need to increase the level of their skills and meet the demands of our economy.
4. Our ambition is that the UK should have a world-class skills base that provides a consistent source of competitive advantage. If we are to achieve this, we must enable businesses and individuals to transform the performance of the nation as a whole.
5. Skills are not just important for our global competitiveness, however. Skills have the potential to transform lives by transforming life chances and driving social mobility. Having higher skills also enables people to play a fuller part in society, making it more cohesive, more environmentally friendly, more tolerant and more engaged.⁴
6. It is through making sure everyone has the opportunity to gain skills that the benefits of renewed growth can extend throughout our society.
7. We must make a bold change and move to a new system, where we do things differently. We must abandon a culture of bureaucratic central planning and regulatory control. For too long, the skills system has been micromanaged from the centre, with Government setting targets for the number and type of qualifications that ought to be delivered, and with learners and colleges following funding, rather than colleges responding to the needs of employers and the choices of learners. Public funds have been absorbed by regulation and centralised control, rather than devoted to what learners want and employers must have. This would be an

² ONS: International Comparisons of Productivity, October 2010

³ BIS analysis of Labour Force Survey, updating the Leitch Review of Skills report "Prosperity for all in the global economy", HMT, December 2006

⁴ For example, Blanden, J Buscha, F, Sturgis, P, Unwin, P (2010) „Measuring the Returns to Lifelong Learning *Centre for the Economics of Education DP 110*)

inefficient use of money at any time, but is particularly undesirable in the current fiscal climate.

8. We want to turn the system on its head, so that it is those using the system, not the state, which drives the system. We will give them control over their funding and the support and information they need to make the right choices for their future.
9. Under our new system, learners will select training and qualifications valued by business, and available through a broad range of autonomous providers who will attract learners depending on the quality of their offer. We will prioritise funding support for learners with very low levels of skills or the disadvantaged, while there will be an expectation that learners and employers will co-invest alongside Government in meeting the costs of intermediate and higher level training courses from which they will derive private benefits.

The principles and the practice

10. This strategy sets out radical reform of the skills system, to deliver skills for sustainable growth. It is founded on the Coalition principles of fairness, responsibility and freedom.
 - **Fairness.** Skills play an important role in creating a fairer society by promoting social inclusion and social mobility. As those who choose vocational routes into work tend to be from lower socio-economic groups⁵, further education has a key role to play in opening up access to higher level skills to individuals from backgrounds with historically lower rates of participation. The Government will ensure that funding for adult education is refocused on those who need it most. We will support adults who lack the basic skills they need to access employment and participate in society, and support the unemployed who are actively seeking work.
 - **Responsibility.** The Government cannot tackle the skills challenge on its own. Employers and citizens must take greater responsibility for ensuring their own skills needs are met, and to do this they will need from Government good quality information, the opportunity to influence the system to provide the training they need, and access to finance. We will improve both the quality of information available about skills and make it easier to access through the new all-age careers service. We will offer every individual adult undertaking learning a Lifelong Learning Account, while employers will work alongside Government and a re-modelled UK Commission for Employment and Skills identifying and increase investment in the skills they need. We will introduce new FE loans, from 2013/14, to help people access the funds they need to gain intermediate and higher-level skills. These loans will be supported by Government and repayment will be dependent on borrowers earning above a certain threshold. It is only fair for those who benefit the most from training to make a greater contribution to the costs of their course, but also only fair for them to make this contribution when they are indeed realising those benefits and earning a good salary.
 - **Freedom.** Control should be devolved from central government to citizens, employers and communities so they can play a greater role in shaping services to ensure that they meet their needs efficiently. We will increase competition between training providers to

⁵ LYSPE Waves 4 to 6 and YCS Cohort 13, Sweeps 1 to 3

encourage greater diversity of provision, including, for instance, Further Education colleges offering more Higher Education courses. This, together with empowering learners by providing better information on quality and tackling poor performance, will drive up standards. We will free providers from excessively bureaucratic control and centrally determined targets and radically simplify the formulae which determine funding for adult education, so that providers can effectively respond to the needs of business and learners. For example, we have already removed the requirement for college principals to acquire a specific qualification.

Chapter One – Skills for Growth

Key policy announcements

- We will expand the numbers of adult (19+) Apprenticeships available by up to 75,000 by 2014-15. We will increase funding for adult Apprenticeships by up to £250m over the Spending Review period, compared to the level inherited from the previous government.
- We will reshape Apprenticeships so Level 3 becomes the level to which learners and employers should aspire.
- We will ensure there are clear routes from Apprenticeships to higher level training including, but not exclusively, Level 4 Apprenticeships.

1. The Apprenticeships expansion has been announced in two phases. The first, announced in May 2009, deployed £150 million from the existing Train to Gain budget to provide an extra 50,000 adult places (in 2010 -11) The second is to expand the Apprenticeship programme to provide an additional 75,000 adult places by 2014 -15.

Are there groups in society who will be excluded?

2. No-one from a 'protected group' would be excluded from Apprenticeships by being a member of such a group. Any exclusion from the programme would be on the basis of skill levels and employability: to be an apprentice people need to be able to secure a job with an employer and have the ability to develop the necessary level of skills to deal with the demands of following an Apprenticeship framework.
3. Apprenticeships data, most recently from the Statistical First Release June 2010, shows the gender split is roughly 50:50 – the issue here is occupational stereotyping, with women under-represented in traditional male occupations (often the higher-paid sectors) and vice-versa, though this is less marked among older apprentices (aged 25 and upwards). People from Black and Minority Ethnic groups are under-represented overall as are people with Learning Difficulties and, or Disabilities. We continue to work with the National Apprenticeship Service to increase participation by these groups.
4. Initial screening of participation suggests that the aspiration to expand higher-level Apprenticeships would not lead to any significant impact on equality. A review of Apprenticeship data demonstrates that there is no significant difference in participation between those engaged in Level 2 and Level 3 Apprenticeships, though we will continue to monitor so that the ongoing effects of this policy can be seen. There are relatively low numbers on apprenticeship programmes at Level 4+, at present and the expansion of the frameworks at higher levels will also require ongoing monitoring to ensure a mix of both 'ungendered' and traditionally male and female dominated sectors.

Apprenticeship starts in 2008/09 by level, gender, ethnicity, age and learners with learning disabilities and disabilities status, compared with population⁶

Gender	Total Apprenticeships	ONS 2008 Population estimate
Female	50%	48%
Male	50%	52%
Total	100%	100%
Ethnicity	Total Apprenticeships	LFS 2009 Ethnicity
White	91%	89%
Mixed/Black	4%	3%
Asian or Asian British	4%	6%
Other	1%	2%
Not known/Not provided	1%	-
Total	100%	100%
Age Band	Total Apprenticeships	ONS 2008 Population estimate
16-18	41%	6%
19-24	35%	13%
25-44	19%	45%
45+	5%	35%
Total	100%	100%
LLDD	Total Apprenticeships	Unable to provide comparison data on LLDD as self defined by learner
Learner Considers Himself Or Herself To Have A Learning Difficulty And/Or Disability And/Or Health Problem	10%	-
Learner Does Not Consider Himself Or Herself To Have A Learning Difficulty And/Or Disability And/Or Health Problem	89%	-
No Information Provided By The Learner	1%	-
Total	100%	-

Source: Employer Responsive Individualised Learner Record

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- ⁶ '-' Indicates a base value of less than 0.5%.
 - Age is calculated based on age at start of the programme
 - Age, gender, learners with learning difficulties and/or disabilities and ethnicity is based upon self-declaration by the learner.
 - ONS 2008 Population figures cover 16 to 59 (Female) and 64 (Male) are taken from the mid year 2008 population estimate available: <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=15106>
 - LFS ethnicity figures are taken from Quarter 1 of the 2009 Labour Force Survey.
 - More detailed breakdowns of apprenticeship starts by ethnicity can be found at: http://www.thedataservice.org.uk/statistics/statisticalfirstrelease/sfr_supplementary_tables/

5. Greater focus on Level 3 Apprenticeships and expansion of opportunities to progress to Level 4 and higher skills is also linked to our aims to build more routes into higher education and widen access to the professions, through higher education and non higher education routes. Both are important elements of our drive to improve social mobility and therefore advance equality of opportunity.

Does the activity have the potential to cause an adverse impact on or discriminate against different groups in the community who might otherwise access the service?

6. Since Apprenticeships are paid jobs, they are subject to the behaviour of employers, and to some extent, therefore, the programme could be unavoidably affected by discrimination and stereotyping which we know exists in the labour market and over which Government has limited control. However apprentices do of course have the same employment rights as all employees. The role played by learning providers and the National Apprenticeships Service in working with prospective employers of apprentices could have a positive influence from an equalities point of view. Other action to address equality is outlined below.

Does the activity make a positive contribution to equalities?

7. Expansion of the programme means more places available so more chances to get onto the programme. Under this overall umbrella, there is a set of actions in hand which should help address equality issues, including:
 - An explicit aim under overall expansion is opening up access to the programme for a wider range of people, including people who are Not in Employment, Education or Training, where they have the potential to benefit, given additional help. Setting out clear routes into Apprenticeships will help with this.
 - Improving the quality of Apprenticeships means ensuring the best possible experience for apprentices, including addressing potential negative factors associated with equality (e.g. isolation or lack of support for a female Apprentice in a male-dominated environment).
 - Under the Specification for Apprenticeship Standards in England, people with learning difficulties and or disabilities will be able to present alternative evidence to demonstrate their suitability for an Apprenticeship (acknowledging that they may not have had the same opportunities as others to acquire qualifications).
 - We are currently exploring options for a statutory offer of funding for Apprenticeship training (once a place with an employer has been secured) covering young people aged 16-18 and care leavers and people with learning difficulties and or disabilities aged 16-24.
 - We will work with key partners to increase the diversity of people starting Apprenticeships and encourage men and women to take up atypical courses. The provision of flexible Apprenticeships will be encouraged.

8. The National Apprenticeship Service will be funding 16 ‘apprenticeship diversity’ pilots over the next 12 months designed to test out different methods for improving access to apprenticeships for under-represented sections of society. These projects will involve approximately 5,000 Apprenticeship opportunities and provide valuable evidence to influence the wider programme. Each project is taking a slightly different approach to help understand the barriers and solutions in different cases. Examples include:

- Intensive mentoring support and support with applying and preparing for Apprenticeships
- All-female cohorts in male industries
- Supporting employers to make workplaces suitable as well as accessible for disabled apprentices

9. Apprenticeships data is routinely collected and supplied by the National Apprenticeship Service and we have shared this screening with them, as an initial step to consultation. Will we continue to work with the National Apprenticeship Service to find ways to maximise take up by protected groups.

Key policy announcement

- We will ensure that vocational qualifications reflect the changing needs of employers.

10. The Qualifications and Credit Framework is now nearly fully populated with nearly 7,000 newly refreshed vocational qualifications, including the brand-name vocational qualifications that learners and employers know and trust. Sector Skills Councils will continue to have the role of approving National Occupation Standards, against which all QCF qualifications must be designed. The Skills Funding Agency will approve qualifications for funding.

11. The transition of qualifications on to the Qualifications and Credit Framework is an existing policy and there is no impact anticipated on groups with protected characteristics as a result of this change.

Key policy announcement

- We will reduce the reliance of some sectors of our economy on migration to fill jobs.

12. Reducing reliance on migrant labour is a Government policy aimed at reducing the overall number of economic migrants from outside the EEA. The Equality Impact Assessment is being led by the Home Office and UKBA. The work to support the Government ambition is unlikely to have any major impact on protected groups. The approach being taken through the skills system is aimed at employers rather than individuals and is intended to change employer behaviour so that they create more jobs and training opportunities for local residents thus reducing the need for migrant labour.

Key policy announcement

- We will support employers in addressing their skills needs through a new growth and innovation fund of up to £50 million.

13. Through helping to promote new professional standards and other employer initiatives we are introducing a new growth and innovation fund. The fund may support projects involving co-funding learner costs. Where it does this, there is nothing inherent in the co-funding which will impact differentially on individual employees. Following the approach taken in pilot work, sector bodies developing bids for funding on behalf of employers will be encouraged to address equality and diversity issues in their proposals and evaluation will seek to assess equality impacts of co-funded projects.

Key policy announcement

- We will provide some co-funding for training at Level 2 delivered in small and medium sized companies.

14. The focus of this policy is on Small to Medium Enterprises (up to 250 employees) as they are often particularly disadvantaged in developing skills because of pressure on resources and a lack of information and knowledge of how to access the support available. At this stage there is no clear evidence of employment levels of protected groups at the firm level, however data collated from the Train to Gain programme suggests that people eligible for training aimed at Full Level 2 and working in Small to Medium Enterprises are more likely to be in the 25-44 age range and to be from Black and Ethnic Minority groups compared to the wider population. As a result the initial screening does not demonstrate that there will be a disproportionate impact on protected groups as a result of this policy, but clearly the uptake will reflected the levels of protected groups in the workforce in general.

Key policy announcement

- We will encourage more widespread teaching on entrepreneurial skills.

15. To address this we will provide a framework that will encourage the Further Education sector to do more to support enterprise amongst learners. The National Enterprise Academy has developed brand new practical enterprise and entrepreneurship training for young adults with strong employer mentor support for learners, as part of this. This was rolled out in three areas in 2010/11 and will be progressively expanded across the country over the next 3 years; we will continue to assess the impacts during the roll out to ensure that the interests of protected groups are taken into account.

Chapter Two – Skills for a fair society

Key policy announcement

- We will ensure those who have left school without basic literacy and numeracy have access to state funded training and we will make that training more effective.

1. Providing people with free training for basic skills is an existing policy therefore no equality impact assessment is needed, this will however be reviewed in light of any future changes. This reformed programme will move away from targets to focus on equipping individuals with the skills and qualifications they need to get a job, progress in work and play a full part in society. As part of this review, we will consider the use of Functional Skills qualifications as replacements for the Adult Basic Skills Certificates by 2012/13. An equality impact assessment will be undertaken at that stage.

Key policy announcement

- We will provide a state funding for targeted provision for people on active benefits: Jobseekers Allowance or Employment Support Allowance (work related activity group).

2. Currently there are a set of administrative entitlements that apply to learners in receipt of social security benefits including lone parents and carers on Income Support and disabled people on Incapacity Benefit. We propose to limit the administrative entitlements to those people in receipt of active benefits. Including Job Seekers Allowance or Employment Support Allowance (Work Related Activity Group Benefit) this is in order to help them obtain work. This training could be unit or awards, or full qualifications.
3. The Skills Funding Agency, 2008/9 participation data shows that a greater proportion of learners who have a self defined Learning Difficulty and or Disability (LLDD) were eligible for full fee remission compared with Further Education learners in general. As a result limiting full fee remission to those on 'active benefit' may have a larger impact on these learners. However at the aggregate level our forecasts do not show that LLDD participation will be disproportionately reduced. We will need to carefully review LLDD participation data to assess the impact of this change.
4. Others will still have the same access to state funded training for basic skills, a first full Level 2 or Level 3 and access to free informal adult and community learning opportunities. Also in recognition of the need for progression, Foundation learning (Entry level and Level 1) will remain co-funded, and when the statutory entitlements are reformed from the 2012/13 academic year full funding will be available for those with an entitlement to a Level 2 qualification who need help to make the step up from basic skills.
5. As of 2011/12 ESOL will remain fully funded for those individuals on the benefits outlined above. This will be supported by co-funding for those who are settled here; with the exception that ESOL delivered in the workplace which will no longer be eligible for funding.

In line with their increased accountability to their local communities, FE colleges and training organisations will be tasked to identify particularly vulnerable learners in their community as part of their business planning and local engagement strategies.

6. It is important to support people who are *unemployed and actively looking for work* to increase their skills to help them enter, and progress, in work and learning. By supporting people to do that, we reduce their dependency on government financial support, and help them to realise the other social, economic and health benefits associated with being employed.
7. There is a strong link between low skills and unemployment. People in the low skilled group experienced the greatest reductions in employment rates during the recession. Between 2008 Q4 and 2009 Q4, the employment rate fell across all the qualification levels, but those with low and no qualification levels experienced a greater reduction (-4%, compared to -0.6% for people with a level 4 qualification). Conversely the unemployment rate is rising fastest for those with low or no skills, so without intervention low skilled people are more likely to struggle to get back into work and may end up as long term benefit recipients.
8. DWP figures at February 2010 show the total number of Jobseeker's Allowance (JSA) claimants was almost 1.53 million. Of those, more than one in five new JSA claimants have no qualifications. For some, this will not be a barrier to employment (this seems to be especially true for older workers with more rounded experience) but, for others, especially young people with no clear work history, it will stop them entering and staying in employment.
9. Female claimants represented 27% of the JSA caseload (416 thousand), while males represented 73% (1,110 thousand). This means that by offering extra support to those on JSA that support will mostly be offered to men, but it is justifiable since those men are actively seeking work and need skills training to help them enter employment.
10. Research⁷ looking at repeat claimants of JSA, which accounted for 54 per cent of JSA claimants, found that 75% of repeat claimants were male and 25% female. The majority of repeat claimants were aged 25-49 (58%), under 25s represented 28% of this group and the over 50's 15%. One in five reported that their multiple claims were caused by ongoing health problems that restricted their ability to work. Although the research found that people whose first language is not English were broadly similar to other repeat claimants, they were more likely to face barriers such as lacking necessary qualifications and experience, and lacking references.
11. We plan to make the training offer for this client group more flexible than before, and will no longer tie training eligibility and the training offer to point of benefit claim, but instead to need, based on a revised adviser referral process. We expect providers to offer training that meets the individuals' needs to get back to work. This will allow greater tailoring and personalisation which could particularly benefit people in disadvantaged groups. We expect that the introduction of government funding for short courses will make them more accessible for people who have other responsibilities (e.g. caring) or who may prefer a short course to a full qualification.

⁷ Carpenter (2006) Repeat Jobseeker's Allowance spells (DWP RR394)

Key policy announcement

- We will reinvigorate and reform informal adult and community learning to support the development of the Big Society, engage disadvantaged people and create progression routes for people who want to move on to formal learning, ensuring that all groups can benefit.

12. Learning and skills development is not just about qualifications. It also supports the development of individuals, families and the work of building a civil society. That is why we have protected funding for informal adult and community learning.
13. During the coming months we will undertake a major piece of work, in close collaboration with a wide range of partners, to reinvigorate and reform informal adult and community learning and ensure that all groups can benefit.
14. It will build on responses to the two consultations *Skills for Sustainable Growth* and the *Simplified Further Education and Skills Funding System and Methodology*. The reformed model will focus public funding on disadvantaged people who need the most help and have had the fewest opportunities. An equality impact assessment will be developed as an integral part of this work.

Key policy announcement

- We will provide grant funding for training for young people to help them move from education into work.

15. Currently, all people of working age have a statutory right to free tuition for certain basic literacy and numeracy skills and a specified vocational qualification at Level 2. We propose to limit this entitlement to adults under the age of 24. The rationale is that we want to ensure that:
- a. Learners and employers are able to choose the training that will best support them to achieve their goals, the fee loan will support this choice.
 - b. That limited public funding is targeted at those where the returns on public investment are greatest; and
 - c. That we are able to offer up some savings as part of the deficit reduction plan. Removing universal statutory entitlements will enable us to target limited money at those with greatest need, encourage greater responsiveness to learner and employer demand and enable us to offer up savings as part of the Spending Review process

16. The rationale is we want to ensure that the limited funds are focused on supporting those who are closest to the labour market with skills development to move them into employment.
17. However we recognised that Foundation learning (i.e. Entry Level and Level 1) provides an important progression route. For most learners this will remain co-funded. When the statutory entitlements are reformed from the 2012/13 academic year full funding will be available for those with an entitlement to a level 2 qualification who need help to make the step up from basic skills.

Summary of entitlements changes

For 2012/13

Learning Level	<i>Priority population groups and Government subsidy for learning they can expect</i>		
	Individuals aged from 19 up to 24	Individuals aged 24+	Individuals who are unemployed and on active benefits
Basic Skills	Fully funded	Fully funded	Fully funded
Level 2 (first)	Fully funded	Co-funded	Fully funded targeted provision for learners with skills barriers to employment
Level 2 (retraining)	Co-funded	Co-funded	
Level 3 (first)	Fully funded	Co-funded	
Level 3 (retraining)	Co-funded	Co-funded	
Level 4 (any)	Co-funded	Co-funded	

Notes:

- This table shows the expected position from 2012/13 (following the legislative process required to reform statutory entitlements).
- All Apprenticeships for those aged 19+ will continue to be co-funded at 50% by Government and employers
- Co-funding at Level 2 for workplace learning outside of Apprenticeships will only apply to SMEs and applies at a level of 50%.
- Learning at Level 3 and above for workplace learning outside of Apprenticeships and entitlements will not receive Government funding.

For 2013/14

Learning Level	<i>Priority population groups and Government subsidy for learning they can expect</i>		
	Individuals aged from 19 up to 24	Individuals aged 24+	Individuals who are unemployed and on active benefits
Basic Skills	Fully funded	Fully funded	Fully funded

Level 2 (first)	Fully funded	Co-funded	Fully funded targeted provision for learners with skills barriers to employment aged 23 and under and/or training below Level 3. Loans for those aged 24+ on courses at Level 3 and above.
Level 2 (retraining)	Co-funded	Co-funded	
Level 3 (first)	Fully funded	Loans	
Level 3 (retraining)	Co-funded	Loans	
Level 4 (any)	Co-funded	Loans	

Notes:

- This table shows the expected position from 2013/14 onwards (following the introduction of loans).
- Loans will apply equally to Apprenticeships, replacing the contribution formerly provided by Government. 19+ Apprenticeships at Level 2 will remain co-funded at 50%
- Co-funding at Level 2 for workplace learning outside of Apprenticeships will only apply to SMEs, and applies at a level of 50% - 50%
- Learning at Level 3 and above for workplace learning outside of Apprenticeships and entitlements will not receive Government funding.

Current breakdown of adult learners

18. Comparing data on learners from the Individualised Learner Record (ILR) with data on the working age population from the 2010 Q2 Labour Force Survey (LFS), shows that 22% of Full Level 2 (FL2) learners in FE colleges aged 25 or over are BME, as opposed to 13% of the working age population. A higher proportion of older FL2 learners are women; 56% of FL2 learners aged 25 and over are women compared to 48% of 19-24 year old learners and 48% in the adult population as a whole.
19. The LFS shows that 20% of the adult population is disabled, but 28% of those with low skills (whose highest qualification is below Level 2) have a disability. However, inequality increases as disability becomes more severe and learners progress into further learning and work - the UK employment rate for disabled people is around 47%, but in England just 6.45%⁸ of people with moderate/severe learning disabilities are employed. These individuals tend to be on inactive benefits, although supported employment programmes have demonstrated that people with disabilities can make a valuable contribution to the economy.
20. Learners are significantly more likely to have lower incomes and come from disadvantaged areas than the general population. As a group, younger learners are slightly more likely to have lower incomes and come from disadvantaged areas than their older counterparts

⁸ NHS Information Centre, Social Care and Mental Health indicators from the National Indicator Set, England 2009/10 (published August 2010)

21. Restricting the entitlement to fully-funded access to a first, full Level 2 to learners aged 19 up to 24 is defensible as these younger learners are more likely to have low incomes and live in disadvantaged areas. Younger learners, with little work experience and few savings, are less likely to have access to credit to pay for tuition and also have more years ahead of them to capitalise on the returns to the individual of acquiring more skills. However, given that older Full Level 2 learners are more likely to be Black or Minority Ethnic, disabled or female, we must be careful to minimise the impact of this change in entitlements to traditionally disadvantaged groups. The system of government backed loans and learner support funding will need to take into account these facts in their planning and delivery.
22. There is also a stronger need to invest in learning for younger individuals. International evidence shows that this age range is a critical period where the UK has traditionally fallen behind other developed countries. The evidence suggests that for Levels 2 and 3 respectively, the UK falls behind Germany and to some extent behind the US and France between the ages of 19-21 and 25-28. The prime reason is the greater take up of vocational qualifications in Germany and France. This suggests that a particular barrier is affecting this age group in the UK.
23. Furthermore, the barriers to learning for individuals who have not achieved by 19 are greater than for those who have been successful through to age 18 and are entering Higher Education. People who have not managed to reach Level 3, or in some cases even Level 2, by age 19, face increased disincentives to learning, and require greater incentives to persist in learning and to achieve the level they can.
24. In summary therefore, the evidence suggests that lower-qualified individuals face greater barriers to learning, including information barriers and financial constraints. International evidence also suggests that the 19-25 age range is where the UK falls behind its competitors, thus suggesting that a particular market failure is affecting this age group in the UK. For these reasons, the changes look to target the reduced funding towards younger and less-qualified individuals.

Key policy announcement

- We will consult on a simplified learner support offer.

25. Targeted financial support to enable students to access to training remains a critical part of the Further Education and Skills system. In the context of a single Adult Skills Budget the current arrangements for Learner Support will start to change from 2011/12. The changes proposed will enhance and simplify the support available to learners and to enable colleges and providers to meet the needs of their learners. An enhanced discretionary learner support fund will be created within the next two years by combining the Discretionary Learner Support, Adult Learning Grant and the Residential Student Support Scheme funding streams into a single Learner Support Fund.

26. We will undertake a separate review of the Adult Education Bursary with a view to implementing any changes proposed at a later date.
27. We will work closely with the sector on these changes and will move incrementally to a single Learner Support Fund by 2012/13, taking into account how we can make changes to the current arrangements without impacting on learners and within the contractual commitments we already have in place. This timescale takes into account recent changes to Learner Support for 16-18 year olds as recently announced by the Department for Education. We recognise that these budgets support those facing financial hardship whilst in learning and any changes need to be managed carefully in consultation with the sector.

Chapter 3 – A shared responsibility for skills

Key policy announcement

- We will introduce government-backed loans from 2013/14 to help people finance intermediate and higher-level qualifications.

1. Fee loans repaid on an income contingent basis do not of themselves have a major impact upon on protected groups as they provide a progressive means through which individuals can contribute to their training costs. As many disabled people and those from lower socio-economic groups tend to be on lower incomes over their lifetime, and as the loan repayments are income contingent, this group may in fact be supported by the introduction of loans.
2. Fee loans are being introduced to ensure continued access to further education and training where public investment (other than through Government backed loans) is no longer available. Full or partial Government funding will continue to be available for Further Education and Skills provision for individuals on provision below level 3 and for learners undertaking level 3 provision who are aged 19 up to 24.
3. At the point at which loans are implemented a screening impact assessment will be undertaken and the necessary data arrangements put in place to monitor impact of delivery on different groups.

Key policy announcement

- We will offer every adult a Lifelong Learning Account, bringing together information about available grant funding and learning opportunities as well as access to new government-backed loans

4. Every adult will be able to open a Lifelong Learning Account, which will provide:
 - Clear information – to help adults make the best choices, including targeted labour market bulletins as “nudges”;
 - Access to funding – through loans and other forms of financial support;
 - Incentives to positive investment – which encourage people to save and recognise their social contribution, including volunteering and creating learning groups; and
 - Access to an online marketplace – allowing adults to signal where they have demands that the market is not meeting, and providers to respond.

5. We will build on the lessons learned in the Skills Accounts National Trials that ended in August 2010 and are still undergoing evaluation. We will ensure that take up and use of the account is monitored for different types of learners and means are available for learners who cannot access Accounts online to get information, advice and guidance via Next Step advisors.
6. Lifelong Learning Accounts are at the early stages of design and detailed policy questions are still being considered. We will test systems with a diverse group of users to ensure they meet their needs.

Key policy announcement

- We will establish an all-age careers service providing high quality, professional careers guidance to young people and adults, with intensive support available for those with greatest need

7. The development of an integrated all-age careers service is unlikely to have an adverse impact on 'protected groups' and, on the contrary the policy has the clear potential to have a positive impact by reducing and removing barriers and inequalities that currently exist.
8. By providing a flexible, personalised service and by specifically addressing personal barriers to learning, the service will ensure that everyone – no matter what their position or personal situation – will have the opportunity to get on in work and life.
9. Information relating to age, disability, ethnicity and gender will be collected throughout the single customer relationship management tool, covering the service components and will be analysed as part of the evaluation process.
10. Before the service is available nationally, it will be proofed for equality of access so that no-one is unintentionally excluded (for example, those without Internet access or those without a good grasp of English). The all-age service will offer help for those where English is not their first language, in the same way that Next Step and Connexions currently provide advice in translation, where needed.

Impacts on protected groups, what the evidence shows – challenges and opportunities

11. The all-age careers service will provide a universal offer which will be available and accessible to all adults. Service users will be able to access personalised advice and support at the time and place they need it. There are a wide range of barriers which deter people from participating in learning, and these barriers vary according to many factors. The analysis highlights the need for a personalised and wide-ranging advice service.

Age

12. Research indicates that older people benefit more from personalised and integrated advice and guidance services; hence it is likely that they will benefit from the service. It also suggests that older people prefer face to face contact with advisers, rather than telephone or web-based contact. The service will therefore be able to meet the needs of older people, as everyone will have the opportunity to access it in a way they find convenient.
13. It will be important to ensure that the online elements of the service are also available via mediated routes, as older people are likely to respond less positively to online functionality than younger people. The service will provide information and advice on informal learning opportunities, which should be attractive to retired learners, many of whom may not be as interested in gaining qualifications as those of working age.
14. Focus group research suggests that the marketing and branding of the new service needs to clearly communicate the message that it is a universal service, available to people of all-ages.
15. Analysis of the National Adult Learner Survey shows that of the groups who have a slightly negative attitude towards learning, three of the ten, are more likely to contain people over 45. Two of the groups who are positive about learning but face significant barriers to entering it are likely to be under 45. This suggests that in general terms older service users may need more encouragement to enter learning and more confidence-building than younger users, while younger users may be more likely to require practical help in addressing their barriers.

Disability

16. As the service will be flexible and personalised it will be easier for people with disabilities to receive the support they need. The service will be accessible online, via a national telephone service and via a local face to face service, allowing disabled people to access the service in the format that suits them best.
17. The service will bring information, advice and guidance on careers and skills together with other forms of information, advice and guidance and with information on funding entitlements, resulting in a simplification of customer experience which will make it easier for disabled people to receive the information, advice, guidance and financial support they need.
18. Customer insight work suggests the importance of ensuring that the service – particularly online functionality – is simple to use and that all aspects of the service are available via mediated routes.

Ethnicity

19. A survey among members of the general public revealed that people from ethnic minority groups responded particularly positively to the concept of Skills Accounts. These are a key aspect of the all-age careers service; they will therefore be likely to respond well to the service as a whole.

20. One of the barriers to learning is that people whose first language is not English may need additional support. The all-age careers service should facilitate more people from ethnic minority groups entering learning by providing a tailored and personalised service.

Gender

21. Analysis of the National Adult Learner Survey indicates that in many cases men and women have different barriers to learning, reinforcing the need for a personalised service tailored to individual circumstances.
22. The new service will be joined up with advice on barriers to learning, and will give users access to an eligibility checker which allows them to calculate their personal entitlement to financial support for the additional costs of learning, including childcare. This should help to address the barrier identified in the National Adult Learner Survey that younger women with children under 16 in their households feel they have little time for learning because of family commitments.

Key policy announcement

- A reformed UK Commission for Employment and Skills will provide inspirational leadership to employers on how to get the best from their workforce.
- We will support initiatives taken by employers to build modern high-performing workplaces.

23. The UK Commission for Employment and Skills will work with Sector Skills Councils, the Advisory, Conciliation and Arbitration Service, the Chartered Institute of Personnel and Development, CBI and Trade Union Congress to reposition Investors in People so that it becomes the improvement tool of choice for businesses wishing to grow through smarter acquisition and use of skills and through joint enterprise between employers and the employed. The process will be simplified and the new offer will be based around the specific needs of sectors.
24. We will ask the UK Commissioners to work with leading employers, trade unions and other representatives of workers to develop a pledge setting out their commitments to work together to create high performance workplaces. The new pledge, which will replace the Skills Pledge, will include a number of core commitments together with specific commitments decided by each sector. Core commitments, which will be agreed with the UK Commissioners, are likely to include action on leadership and management, engagement with employees, investing in skills especially for those with the lowest levels at present and increasing the number of Apprenticeships. Employers in each sector will be encouraged to agree workplace commitments in support of the sector pledge.
25. Initial screening as to the potential impact of the repositioning of Investors in People and the introduction of a new pledge on protected groups indicates there will not be a major impact upon minority groups in terms of numbers affected or the seriousness of the likely impact, or both. These policies are aimed at employers rather than individuals. Employers

themselves have responsibility to take forward any actions as a result of pursuing Investors in People or making the pledge fairly having regard to equal opportunities law.

Chapter 4 – A reformed system with increased freedom

Key policy announcement

- We will no longer impose top down skills targets.

1. Whilst we are not setting any targets it is clear that we will still want to assess what impact the skills strategy is having. We have therefore included four indicators of success in the further education and skills policy area in the BIS departmental business plan which forms part of the Government's performance framework (subject to consultation). These are:
 - the proportion of graduates and college leavers going onto successful outcomes;
 - the international comparison (within the OECD) of the qualification levels of the working age population in England;
 - the funding per student in further education; and
 - the administrative cost of the further education system as a proportion of total funding to further education colleges.
2. We have also, in consultation with key partners, developed an additional set of measures (based on already published data sources) to be used in our internal governance and risk management processes. These are not to hold others to account, as local communities, local businesses and individual learners will hold the sector to account for the services they provide. These are simply to ensure we can take a view over the longer term about whether the strategy has had the intended impact to support the system to become more demand led, which in turn should drive up both quality and participation.
3. There is no adverse impact on any of the 'protected groups' as a result of the measures we will be reviewing through the departmental business plan. This is about measurement not a change in policy or operational delivery. We will continue to monitor the impact of the strategy on different groups to inform ongoing policy development, and data will be published where appropriate disaggregated by ethnicity, gender, disability and age.

Key policy announcement

- We will simplify systems and processes with a much simpler funding system and greater alignment across pre-and post-19 systems
- We will streamline the organisational landscape

4. We will simplify the funding structures for adult learning and make them more transparent by reducing the number of separate budget lines, rationalising the underlying funding variables, cutting down the number of interactions between colleges and training organisations and the Skills Funding Agency, reducing the number and types of audits, and reducing the number of providers with direct contracts with the Skills Funding Agency.
5. In addition, we will work with Department for Education, Young People’s Learning Agency and Skills Funding Agency to secure greater alignment between the pre and post 19 systems overall, with a view to achieving greater efficiencies and reducing bureaucracy for colleges and training organisations.
6. We will streamline the organisational landscape so that there are only two main public bodies: the UK Commission, responsible for high level employer engagement and sector reach and the Skills Funding Agency, responsible for post-19 funding.
7. These policy announcements will lead to operational efficiencies but initial screening does not indicate any impact on any of the ‘protected groups’ as a result of these policies.

Key policy announcement

- We will remove regulations to free colleges to deliver for their local communities.

8. So that colleges and providers are able to respond flexibly to the dynamic demand of well-informed, empowered learners and employers, we will reduce bureaucracy in all its forms and focus on getting the relationship right between service user and service provider without unnecessary interference from intermediary agencies whether local, regional or national.
9. We will remove unnecessary regulation and introduce new freedoms and flexibilities that will ensure the sector is better able to meet the needs of individuals, business and local communities. The funding system will incentivise providers (through making part of the payment dependent on achieving outcomes) to work proactively with employers to assess their skills needs and identify and deliver appropriate training.
10. We will also reduce data burdens across the sector, both for colleges and other training organisations, through improved data collection, dissemination and sharing, based on the principle that data is collected once and reused across operational areas instead of being collected multiple times for individual uses. Governance of data requirements will ensure the need for data is justifiable and will strive to find the optimal approach in minimising burden while fulfilling data integrity to meet that need.

11. The reforms to the system signal *the reorientation away from accountability to government towards greater responsiveness to local communities*, where there will be an emphasis on the primacy of the relationship between the college or training organisation and their direct customers, individuals and businesses. This will give significant new focus to the critical role of college governors and the leadership of training organisations, ensuring that the sector takes responsibility for its own performance and for driving improvement.

12. College and training organisations will therefore be expected to:

- publish information which empowers learners and employers to make informed choices based on access to high quality and comparative information on the quality, standards and performance of colleges and training organisations;
- produce, in consultation with local partners, business plans which set out clearly their offer, outcomes to be delivered, and service and cost levels;
- self assess delivery against plans, taking account of feedback from customers and local partners;
- collaborate, through *self organised networks*, to ensure close engagement with business and other key partners, including Local Enterprise Partnerships (LEPs), other employer led boards, local authorities, Jobcentre Plus etc, to ensure an effective response to economic and community demand and most efficient use of resources.
- develop strengthened sector-led peer review assessment and monitoring approaches including Codes of Practice such as the one being developed on effective governance; complaints and remedy mechanisms which drive improvement.

13. None of these measures are anticipated to have an adverse impact on learners with protected characteristics, indeed quite the contrary. We expect that learners will be able to engage with a more transparent and flexible system which is much more responsive to their specific needs.

14. Colleges and training organisations will of course retain their responsibilities as public bodies and as deliverers of public services under the Equality Act 2010 and will continue to pay due regard to the impact on protected groups.

Key policy announcement

- We will act decisively to tackle unacceptable performance.

15. We will introduce a new proportionate performance management system which places greater reliance on the sector taking responsibility for its own performance and will focus on self assessment, peer review and improvement work and transparency of performance information via Framework for Excellence and publishing information about course quality and outcomes. We will apply proportionate monitoring and controls in the FE Quality Assurance system. For example colleges judged 'outstanding' will be exempt from Ofsted inspection. However, underperformance will be quickly identified and robustly addressed, with inadequate providers removed from the register of providers eligible for public funding.
16. Framework for Excellence is a unified and simplified structure for assessing the performance of Further Education colleges and post -16 training providers for young people and adults. Framework for Excellence will give an accurate, independent picture of the quality of performance, validated and supported by annually published data, including the views of learners and employers.
17. Framework for Excellence is in its second year of implementation. The first full publication of the results at provider (and where possible) course level will take place in December 2010.
18. The key benefits of the Framework for Excellence are to:
 - help learners, parents, careers teachers and advisers, employers and skills brokers to access the information they need to make informed choices about post-16 education and training.
 - improve the quality of provision by setting clear and measurable standards of excellence and assessing post-16 provision against them.
 - give common information to providers ensuring impartial decisions can be made by LAs when commissioning post-16 education and training reflecting provider quality and learner needs.
 - ensure a fairer and more consistent approach to performance management across post-16 providers including Local Authorities and provide information to allow effective intervention, support and challenge to secure improvements.
19. The Quality Assurance System involves a number of systems and process which are operated by the Skills Funding Agency, Ofsted; and providers themselves. It is the collective outcomes of these systems and processes which ensure that we only fund provision and providers who meet clear quality criteria; that delivery of provision is monitored effectively without unnecessary burdens or bureaucracies; that poor performance is identified and tackled quickly in a robust and proportionate way; and where provision fails to improve, steps are taken to find an alternative provider.
20. Each year, the Skills Funding Agency will assess and calculate Framework for Excellence results for its performance indicators – Learner Views, Learner Destinations, Employer Views and Success Rates. The results will be published on a public facing website and linked to 'Next Step' so that learners can get up-to date performance information to inform their learning choices. Outputs from the Framework for Excellence will feed in to the Quality Assurance System to enable better commissioning decisions. Providers will have access to their results to inform quality improvement and benchmarking.

21. The development of Framework for Excellence has involved extensive consultation with providers and sector representative bodies – Association of Colleges, Association of Learning Providers, Sixth Form Colleges Forum and Association of School and College Leaders are actively involved in the Framework for Excellence governance structure. Framework for Excellence was piloted in 2007/08 and 2008/09 (version 2) and evaluated by external consultants.
22. Neither the Quality Assurance System or Framework for Excellence have any direct impact on people or groups in a disadvantaging way. Both treat and can be used by everyone equally. Framework for Excellence does however collect data from learners and employers through surveys – and draws conclusions from this data, but this is to advantage of people, especially those protected by public sector duties, as it helps to shape and target provision to meet their needs. We have ensured that equality and diversity issues have been captured and addressed in the Framework for Excellence model and in its survey methodologies.

Evidence Base

23. In August 2008, the Skills Funding Agency published a full Framework for Excellence ‘Single Equality Impact Assessment’⁹.
24. This Assessment concluded:
- there was no direct discrimination resulting from the design or implementation of the Framework;
 - that steps have been taken to take in to account different provider types, contexts and different groups of learners;
 - that Framework for Excellence has been developed with an extremely high level of provider and stakeholder involvement and has been subject to extensive piloting, consultation and evaluation;
 - that the Learner Views performance Indicator has been developed to take account of the accessibility needs of different learners; and that
 - The Learner Destinations performance Indicator has been designed to take account of a variety of learning contexts and is fully inclusive for those in scope. To note that there are currently approx 900,000 learners in scope for FfE.
25. All Framework for Excellence surveys, Learner Views, Destinations and Employer Views questions have gone through extensive cognitive testing with diverse groups of learners and employers.
26. Through focus groups, opinions from a diverse groups of learners on the Framework for Excellence Public Results Website have been gathered and addressed. Additionally the Public Website meets all established accessibility standards
27. Equality and Diversity issues will continue to be reviewed as part of further Quality Assurance System and Framework for Excellence developments and will inform the development of the ‘Labelling’ concept which is designed to support provider comparability

⁹ http://readingroom.lsc.gov.uk/lsc/National/Single_Equality_Impact_Assessment-Implementation_of_the_Framework_for_Excellence.pdf

to assist learner and employer choices. To aid this, the Skills Funding Agency has recently commissioned research to assess the performance information needs of differing types of learners and employers and how best to present it so that it can better inform their learning choices.

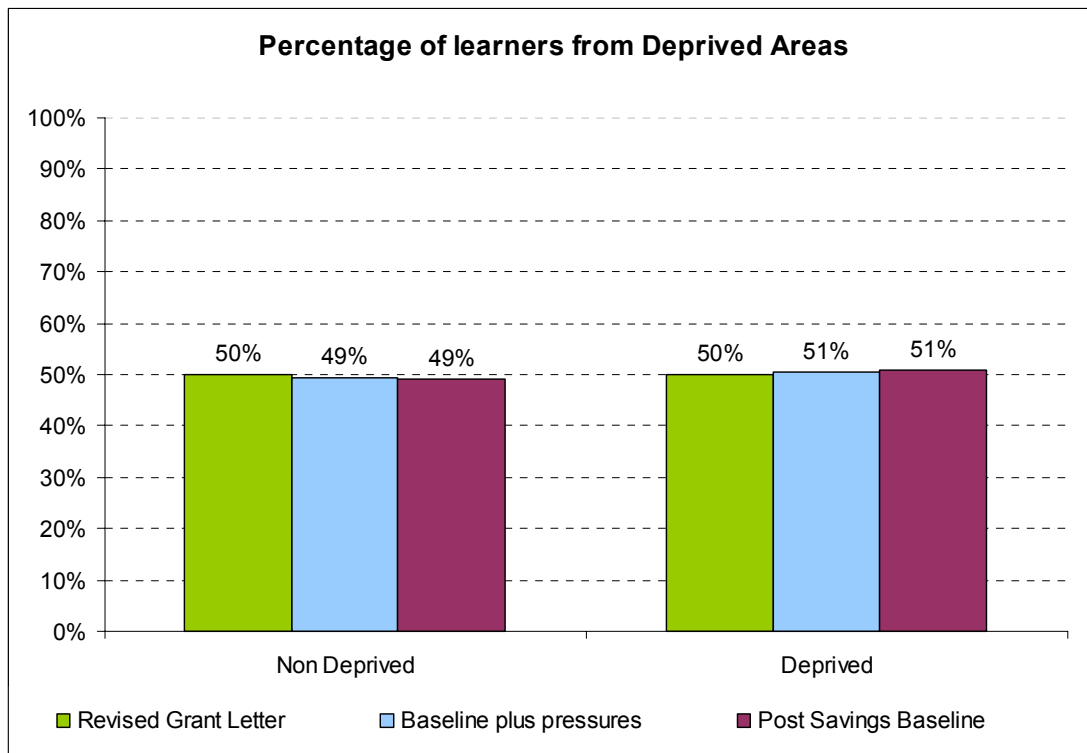
Summary of the combined policy and funding announcements

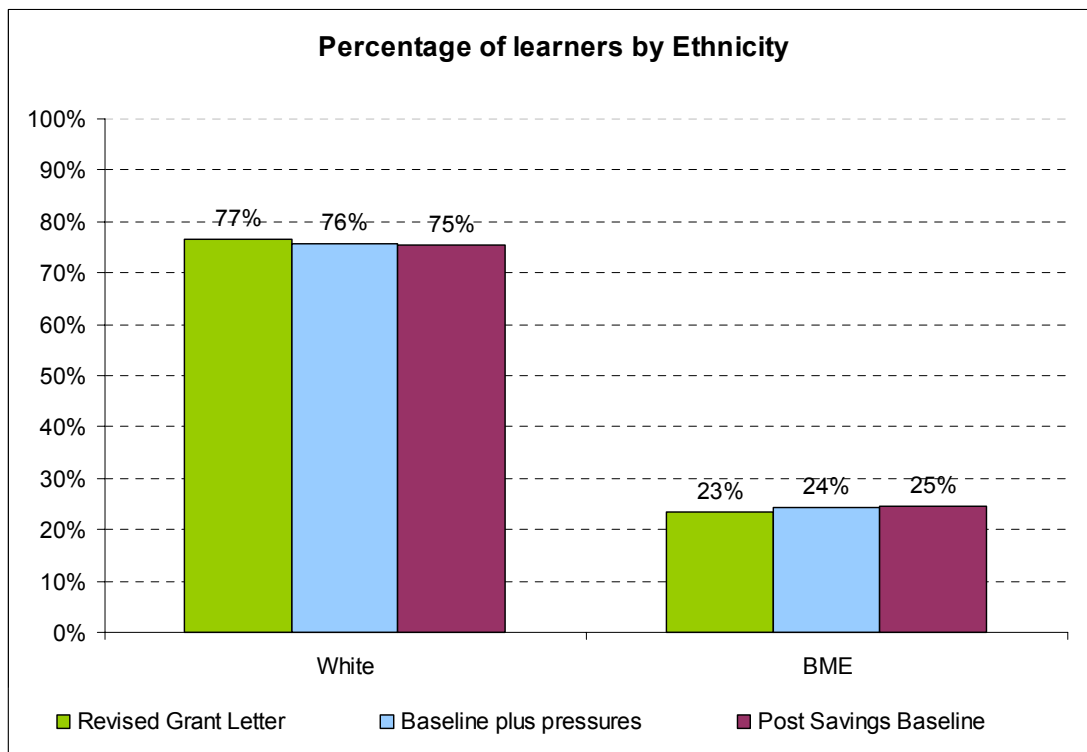
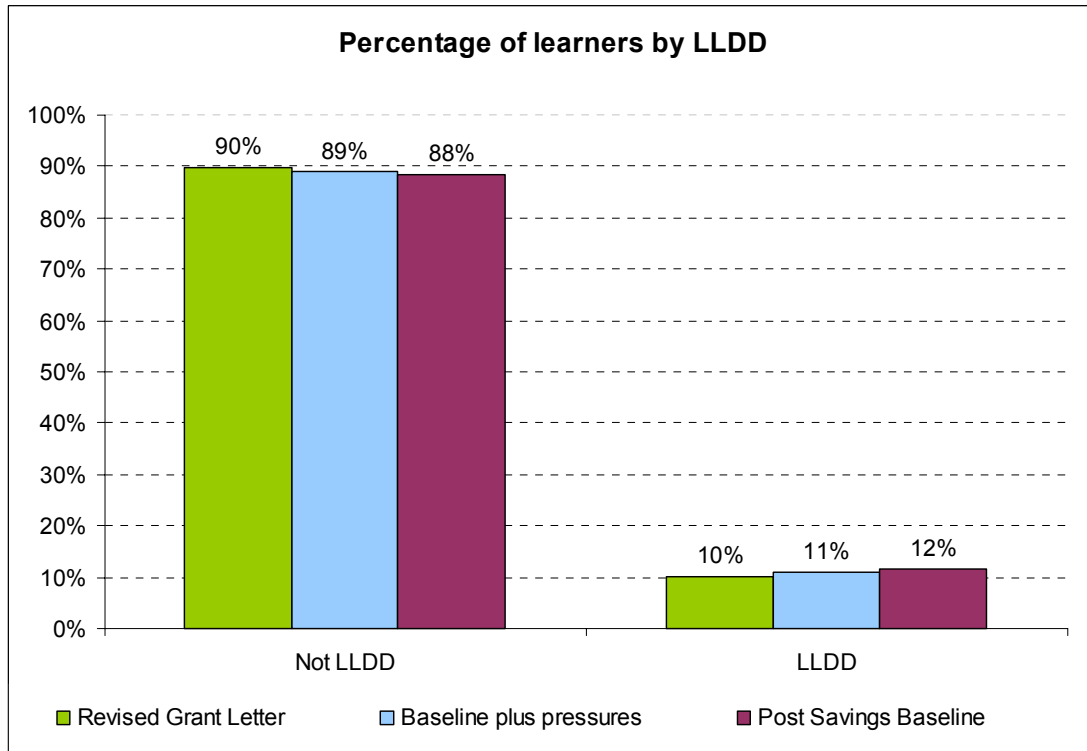
Evidence of the combined funding and proposed legislative changes and the impacts upon different groups of learners

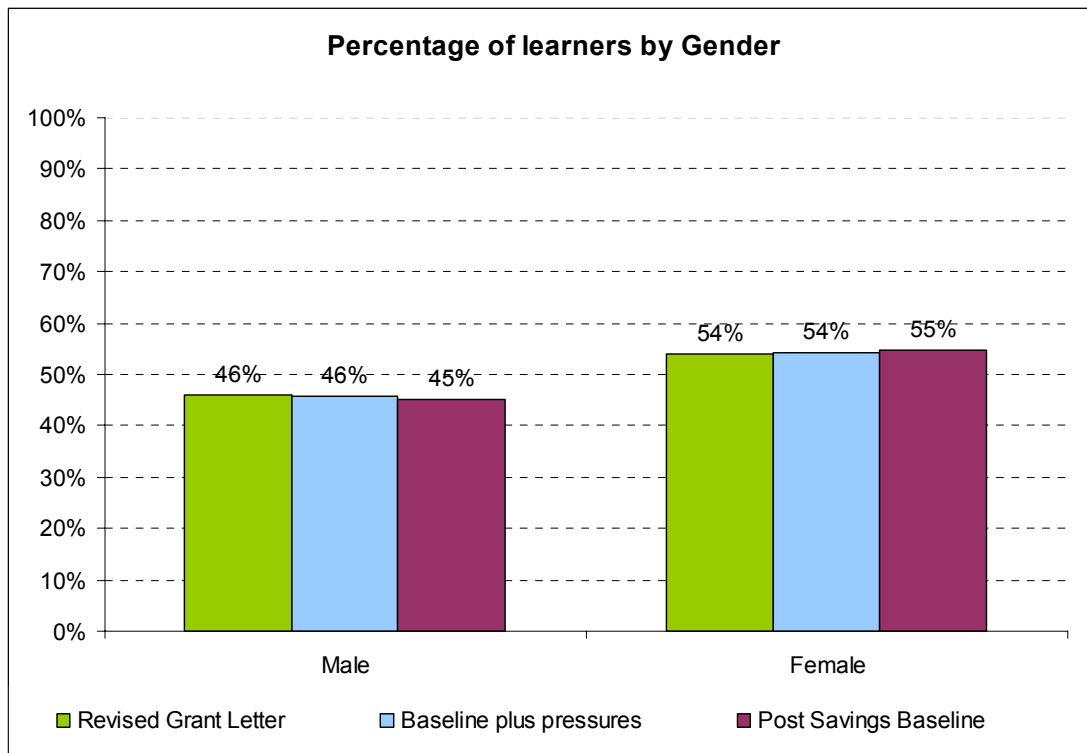
1. Our distributional impact analysis of Spending Review decisions suggests that cuts from BIS's budget are not expected to have a disproportionate impact on protected groups. Whilst the Adult Education and Skills budget has been reduced by 25% by the Spending Review process, there are not expected to be disproportionate impacts on protected groups arising from the cuts at the aggregate level.
2. In the forecast modelling, some cuts are expected in overall learner numbers, from 2.94m learners pre Spending Review to around 2.49m by the end of 2014/15. This is mainly due to switching funding from Train to Gain to Apprenticeships, the changes to entitlements for first full Level 2 qualifications for those over 24, and the introduction of loans for Level 3 learners aged 24+ and level 4 learners aged 19+. These groups are however demographically similar so the changes shouldn't impact significantly on learner diversity percentages. In addition, whilst we expect a reduction in the numbers eligible for fully-funded ESOL, continued co-funding for other categories and freedom for providers to fully remit fees for vulnerable learners should result in a very small overall impact on protected groups.
3. BIS has forecast the loss of learner numbers associated with the cuts by looking in detail at the Spending Review outcome and by (critically) assuming that the 2 key policies, removal of level 2 entitlements and the introduction of fee loans will not themselves have any impact on learner numbers. We have though identified the number of learners that could be affected by these policy changes but given the uncertain behavioural impact associated with the increasing learner contributions, it should be noted that there could be potential further losses in learners.
4. For each of: Learners with Learning Difficulties or Disabilities - LLDD (and those without these); ethnicity (White/Black and Minority Ethnicity); and gender (Female/Male) the Spending Review cuts to the aggregate Further Education budget are not forecast to have any significant effect in terms of the percentage of learners before or after the cuts. As such it can be considered that there are no disproportionate impacts on these three sets of protected groups within the Further Education Spending Review cuts.
5. In terms of age, the impact pre and post Spending Review between 19-24 year olds and the 25+ learners is forecast to see a 14 percent (4 percentage points) increase in the share of 19-24 year old learners and a corresponding 6 percent (4 percentage points) reduction in the learner share made up of the 25+ age group.

6. Despite the aggregate level forecasts, to mitigate any possible disproportionate effects on protected groups, the Department has agreed a range of financing options for first level 2 learners, including co-funding and a 'Learner Support Fund' to help those on low-incomes and from protected groups to access provision and meet the costs associated with learning.
7. In addition to the identified direct learner reductions, efficiency savings will also be imposed on FE colleges. However, these savings will have an operational impact only, and will not impact on learner numbers.

**Forecast modelling of impacts of Spending Review Changes:
By deprived area, by Learners with Learning difficulties and / or disabilities, by
Ethnicity and by Gender**







8. The *Skills for Sustainable Growth Strategy* and the Further Education – *Investing in Skills for Sustainable Growth* strategies both set out a radical Further Education and skills reform programme and confirmed a significant budget reduction. However the policies proposed and mitigating activities work to lessen the impacts on groups with protected characteristics.
9. The retention of full funding for basic skills, the expansion of the apprenticeships programme, rebalancing the investment in skills with a more narrowly defined public subsidy entitlement criterion, and the introduction of fee loans and a review of current learner support funds - all support low skilled and younger learners with a focus on entry to employment.
10. Alongside this, the reformed model for informal adult and community learning will support the development of the Big Society, focusing public funding on people who face barriers to learning, such as those who come from deprived communities, and creating a progression route for those people who want to move on to formal learning.
11. Learners can also obtain advice and support from the all-age careers service to inform their choices, supplemented by detailed information on the quality of provision from Framework for Excellence.

Monitoring and Evaluation

12. We have in consultation with key partners developed an additional set of measures (based on already published data sources) for internal performance monitoring to be used in our internal governance and risk management processes. These are not to hold others to account, as local communities, local businesses and individual learners will hold the sector to account for the services they provide. These are simply to ensure we can take a view over the longer term about whether the strategy has had the intended impact to support the system to become more demand led which in turn should drive up both quality and participation. Through monitoring of learner participation statistics, Government will assess the impact of these reforms collectively on participation throughout this spending review period.
13. We are agreeing our research and evaluation plans for the coming year on both individual programmes and the Skills Strategy as a whole. We will ensure that the impact on protected groups is considered in this work programme.

Annex: List of organisations who submitted equality and diversity related responses

Age and Employment Network
Age UK
Aimhigher, Greater Manchester
Black and Minority Community
Organisations Network
Campaign for Learning
Capacity
City College Norwich
City Lit
Council of Ethnic Minority Voluntary
Sector Organisations
Crisis
Employers Forum on Age
Equality and Human Rights
Commission
Fairbridge
Henshaws College
Homeless Link
Kensington and Chelsea College
Linking London Lifelong Learning
Mencap
miEnterprise
National Bureau for Students with
Disabilities
National Care Advisory Service
National Specialist Colleges
NIACE National Council for Voluntary
Organisations
National Council for Voluntary Youth
Services
Prisoners' Education Trust
RAISE
RNIB
RNID
Ruskin College
Skill
St Giles Trust
St Mungos
The Third Age Trust
TUC

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URN 10/1284