

BIS | Department for Business
Innovation & Skills

FURTHER EDUCATION LOANS

Equalities screening impact
assessment

AUGUST 2011

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Introduction

This Equality Impact Assessment (EQIA) considers the introduction of fee loans for learners, aged 24 and above who are undertaking intermediate and higher level qualifications.

Any queries about this EQIA should be addressed to:

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Scope of this Screening Assessment

The Department for Business Innovation and Skills (BIS) is subject to public sector duties as set out in the Equality Act 2010. 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, and to estimate whether such impacts disproportionately affect such groups.

We have therefore considered the impact of Further Education fee loans on the following groups:

- Race
- Religion or Belief
- Disability
- Sex
- Age
- Gender Reassignment
- Pregnancy and Maternity
- Sexual Orientation

The initial screening assessment suggests that the policy may have an adverse impact on the following groups:

- Race
- Religion or Belief
- Disability
- Sex
- Age

An Equality Impact Assessment will therefore be undertaken to more fully examine the impact of this policy on the above groups. This will be published in early 2012.

The policy context

The Government has prioritised public investment to support young people and those with low skills, where the case for direct Government investment is strongest. This investment needs to be seen in the context of the overall Further Education (FE) and skills resource budget reducing by 25% between the 2011/12 and 2014/15 Financial Years (FY).

Alongside this prioritisation the Government wants to provide the means for all those wishing to undertake intermediate and higher level training courses. The benefit to the individual of this training is higher and it is considered right that they should make a greater contribution to the costs of that training.

The Government will therefore introduce a new system of loans alongside the removal of public grant funding, for intermediate and higher level training courses for the 2013/14 academic year.

An Equality Impact Assessment accompanied the skills strategy document *Investing in Skills for Sustainable Growth* in November 2010. The Impact Assessment stated that a screening impact assessment would be undertaken when further education loans were implemented and that the necessary data arrangements would be put in place to monitor the impact of delivery on different groups.

This screening assessment now considers the impact of the FE loans policy on protected groups and assesses whether we need to undertake an Equality Impact Assessment.

Further Education Loans Policy

Government-backed income contingent loans will provide upfront support to learners to ensure that there is no financial barrier to them accessing intermediate and higher level training. This will allow learners to make a greater contribution to their training, but only once they are realising the benefits through higher wages.

Learners will only be required to repay their loans when they are earning £21,000. If the learner's income falls below this amount then repayment will be suspended until they reach this earnings threshold again.

The Government has made £129 million available for FE fee loans in 2013/14 and £398 million in 2014/15.

FE loans are modelled on Student Loans available within Higher Education (HE). They will be administered by the Student Loans Company which will be responsible for the assessment of the loan application, payment of the loan and, in partnership with HM Revenue and Customs (HMRC), recovery of the loan.

Who will be eligible for FE loans?

Learners aged 24 and over, undertaking a qualification at Level 3 and above on the Qualification and Credit Framework will be able to access FE loans. A comparison of vocational and academic qualifications is shown below.

	Academic Equivalent
Level 1 (L1)	GCSE at grades D-G
Level 2 (L2)	GCSE at grades A*-C
Level 3 (L3)	AS and A - Levels
Level 4 (L4)	NVQs Certificates of Higher Education and Higher National Certificates
Level 5 (L5)	Higher National Diplomas and Foundation Degrees
Level 6 (L6)	Bachelor Degrees, graduate certificates, diplomas
Level 7 (L7)	Masters Degrees, postgraduate certificates and diplomas
Level 8 (L8)	Doctorates

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Next steps

Over the coming months we will seek to identify the impact of FE loans on the sector. We will do this by consulting through our existing stakeholder reference group and actively engaging with learners in relevant protected groups. We will also be commissioning independent research to understand the behaviours of learners and employers to fee loans. A full Equality Impact Assessment will be published in early 2012.

¹ HNC, HND qualifications as well as Bachelor Degrees and Postgraduate Qualifications are part of the Framework for Higher Education qualifications in England, Wales and Northern Ireland

Specific Screening Tests – information and evidence

Notes

1. All figures are rounded to the nearest hundred. Percentages are based on pre-rounded figures.
2. Labour Force Survey (LFS) data excludes those learners in Higher Education.
3. ‘-’ indicates a figure of less than fifty or a percentage of less than 0.5%
4. LFS data is based on January to March 2010.
5. Individualised Learner Record (ILR) data is for the 2009/10 academic year.
6. ILR data uses age at the start of the academic year.
7. Gender, ethnicity and disability are self-declared by the learner
8. No data is available for religion or belief, gender reassignment, pregnancy and maternity or sexual orientation.

A: The Race Equality Impact Assessment

Stage 1: Screening

The following data has been obtained from Individualised Learner Record (ILR) 2009/10 and Labour Force Survey (LFS) January to March 2010.

Ethnicity	24+ Level 3+ Participation		LFS 24+ in Further Education or Training		24+ All level FE Participation	
	Learners	Percentage	Learners	Percentage	Learners	Percentage
White	381,100	85%	3,356,300	85%	2,261,300	79%
Mixed	6,700	1%	32,400	1%	44,800	2%
Asian or Asian British	19,300	4%	264,800	7%	224,700	8%
Black or Black British	24,800	6%	188,500	5%	180,700	6%
Chinese or Other Ethnic Group	7,100	2%	123,600	3%	81,100	3%
Not known/Not provided	8,500	2%	2,900	-	80,800	3%

Ethnicity	24+ Level 3+ Participation		LFS 24+ in Further Education or Training		24+ All level FE Participation	
	Learners	Percentage	Learners	Percentage	Learners	Percentage
24+ Total	447,400	100%	3,968,400	100%	2,873,400	100%

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their racial group in terms of access to loans?

Loans will be accessible to all learners. However, concerns have been expressed by stakeholders about the impact of this policy on those from ethnic minority groups, who do not have English as their first language and are seeking to obtain new skills or obtain the necessary qualifications to progress to higher education.

We will be engaging with the sector and learners through the consultation process to establish the impact of FE loans on these groups.

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people from some racial groups?

There is no such evidence.

Q: Is the proposed policy likely to affect relations between certain racial groups, for example because it is seen as favouring a particular group or denying opportunities to another?

No.

Result:

As we have answered 'yes' to one of the relevant equality screening questions, there is a need to complete a full race equality impact assessment.

B: Religion or Belief Equality Impact Assessment

Stage 1: Screening

Learners are not required to provide information about their religion or belief on the Individualised Learner Record. There is therefore no data available to support this section

Q: Will the proposed policy involve, or have consequence for learners from any specific faith groups.

The payment of interest on FE loans may present a barrier to Muslim learners accessing loans. This is because of the tenets of Shariah (Islamic law), which prohibit the payment of interest on loans.

This issue has also been raised in relation to HE. We are currently working with colleagues in HE and responding to proposals by Federation of Student Islamic Societies (FOSIS) group to identify solutions to mitigate these concerns.

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their religious group or their beliefs, in terms of access to FE loans?

No.

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people from some religious groups or with particular beliefs?

There is no such evidence.

Q: Is the proposed policy likely to affect relations between certain religious groups, for example because it is seen as favouring a particular group or denying opportunities to another?

No.

Result:

As we have answered 'yes' to one of the relevant equality screening questions, there is a need to complete a religion or beliefs equality impact assessment.

C: Disability Equality Impact Assessment

Stage 1: Screening

The following data has been obtained from Individualised Learner Record 2009/10 and Labour Force Survey January to March 2010.

Disability	24+ Level 3+ Participation		LFS 24+ in Further Education or Training		24+ All level FE Participation	
	Learners	Percentage	Learners	Percentage	Learners	Percentage
Yes/DDA disabled and work-limiting disabled	31,500	7%	292,900	7%	297,300	10%
DDA disabled only	-	-	251,900	6%	-	-
Work-limiting disabled only	-	-	142,800	4%	-	-
No/Not disabled	397,100	89%	3,280,800	83%	2,381,600	83%
Not provided	18,800	4%		-	194,400	7%
Total	447,400		3,968,400	100%	2,873,400	100%

Q: What kind of disability equality impact might there be?

There is a concern that some learners with learning difficulties/disabilities (LDD) may take longer to complete QCF Level 2 courses. If so, they may already be 24 when they commence courses at Level 3 and have to take out FE loans to continue in education. This impact should be negated by Additional Learner Support (ALS) budgets. Learners with LDD may similarly also take longer to complete level 3 courses and potentially exceed the period during which loan funding will provided.

Q: For which groups of disabled people will there be an impact?

We do not know which groups of learners with LDD will be most affected. We believe that there may be issues surrounding time taken to complete courses but will seek to understand the impact further by seeking comments from stakeholders. We will do this through consultation and engaging with learners in this group to identify particular issues and test proposed solutions.

Q. Is there any reason to believe that people could be affected differently by the proposed policy, according to their disability group in their ability to gain access to loans?

Loans will be available to all eligible learners. However, further research is required in order to ensure that this group do not require any additional support.

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people with disabilities or learning disabilities?

No.

Result:

As we have answered 'yes' to some of the relevant equality screening questions, there is a need to complete a disability equality impact assessment.

D: Sex Equality Impact Assessment

Stage 1: screening

The following data has been obtained from Individualised Learner Record 2009/10 and Labour Force Survey January to March 2010.

Gender	24+ Level 3+ Participation		24+ All level FE Participation		LFS 24+ in Further Education or Training	
	Learners	Percentage	Learners	Percentage	Learners	Percentage
Female	286,200	64%	2,173,000	45%	1,716,100	60%
Male	161,200	36%	1,795,500	55%	1,157,300	40%
Total	447,400	100%	3,968,400	100%	2,873,400	100%

Q: Will the proposed policy involve or have any consequences for learners?

Stakeholders have expressed concerns about the impact of this policy on women, in particular those women who may feel that they are unwilling to invest in their own education in preference to their children's education. We will be seeking comments from the sector through the consultation process to more fully understand the impact of this policy on this group.

Q: Could these consequences differ according to sex, for example, because they have particular needs, experiences or priorities?

It is recognised that the introduction of FE loans may adversely impact upon women from particular ethnic groups and women with children. Again, we are seeking responses from the sector and learners through the consultation process.

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their gender group in their ability to gain access to FE loans?

No

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people of a certain gender?

There is no evidence to suggest this.

Q: Is the proposed policy likely to affect relations between certain genders, for example because it is seen as favouring a particular group or denying opportunities to another?

No.

Q: Does this policy have any negative or positive impacts?

Learners taking out FE loans will only have to repay the loans when they attain the earnings threshold of £21,000. This policy may therefore have a positive impact on women who take career breaks to raise children, as they will not be required to make payments towards the repayment of their FE loans during this period.

Result:

As we have answered 'yes' to some of the relevant equality screening questions, there is a need to complete a gender equality impact assessment.

E: Age Impact Assessment

Screening Assessment

The following data has been obtained from ILR 2009/10 and the LFS January to March 2010

Age Band	24+ Level 3+ Participation		24+ All level FE Participation		LFS 24+ in Further Education or Training	
	Learners	Percentage	Learners	Percentage	Learners	Percentage
24-29	109,500	24%	817,300	21%	571,000	20%
30-39	136,300	30%	1,134,000	29%	814,600	28%
40-49	128,100	29%	1,179,400	30%	744,000	26%
50-59	54,700	12%	660,300	17%	415,800	14%
60+	17,900	4%	177,400	4%	310,700	11%
Unknown	900	-	-	-	17,300	1%
24+ Total	447,400	100%	3,968,400	100%	2,873,400	100%

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their age group, for example in terms of their ability to access loans?

No.

Q: Is the proposed policy likely to affect relations between certain ages, for example because it is seen as favouring a particular group or denying opportunities to another?

Learners aged 24 and over may contend that they are being discriminated against in preference to learners younger than 24. In addition learners below retirement and above 24 may feel that they are subsidising the loans for other learners who will not be in a position to repay.

Q: Could these consequences differ according to age, for example, because they have particular needs, experiences or priorities?

Yes, older learners may have a different attitude to debt which may prevent them from taking out FE loans.

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their age in their ability to gain access to loans?

No.

Result:

As we have answered 'yes' to some of the relevant equality screening questions, there is a need to complete an age equality impact assessment.

F: Gender Reassignment Equality Impact Assessment

Learners are not required to provide information about gender reassignment on the Individualised Learner Record. There is therefore no data available to support this section

Stage 1: Screening

Q: Is there any reason to believe that people could be affected differently by the proposed policy, according to their gender reassignment in terms of access to FE loans?

N/A

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people who have undergone gender reassignment?

N/A

Q: Is the proposed policy likely to damage relations between those that have undergone gender reassignment and others, for example because it is seen as favouring a particular group or denying opportunities to another?

N/A

Result:

As we have answered no to each of the relevant equality screening questions, there is no need to complete a full transgender equality impact assessment

G: Pregnancy and Maternity Equality

Learners are not required to provide this information as part of the Individualised Learner Record. There is therefore no data available to support this section.

Stage 1: Screening

Q: Is there any reason to believe that people that could be affected differently by the proposed policy, according to whether they are affected by maternity and pregnancy in terms of access to a fee loans.

N/A

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people who are affected by pregnancy or maternity?

N/A

Q: Is there any evidence that people who are affected by pregnancy and maternity may have different expectations of the policy in question?

N/A

Q: Is the proposed policy likely to affect relations between learners because it is seen as favouring a particular group or denying opportunities to another?

N/A

Result:

As we have answered 'no' to each of the relevant equality screening questions, there is no need to complete a full pregnancy and maternity and equality impact assessment.

H: Sexual Orientation Impact Assessment

Stage 1: Screening

Learners are not required to provide information about their sexual orientation on the Individualised Learner Record. There is therefore no data available to support this section

Q: Is there any reason to believe that people that could be affected differently by the proposed policy, according to their sexual orientation, in terms of access to a loan?

N/A

Q: Is there any evidence that any part of the proposed policy could discriminate unlawfully, directly or indirectly, against people of different sexual orientations?

N/A

Q: Is there any evidence that people of different sexual orientations will have different expectations of the policy in question?

N/A

Q: Is the proposed policy likely to affect relations between learners because it is seen as favouring a particular group or denying opportunities to another?

Result:

As we have answered 'no' or unlikely to each of the relevant equality screening questions, there is no need to complete a sexual orientation equality impact assessment.

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