



Department
for Business
Innovation & Skills

EQUALITY ANALYSIS

Higher Education and
Research Bill

MAY 2016

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Introduction

1. The 2016 Higher Education and Research Bill and supporting White Paper, *Success as a Knowledge Economy: teaching excellence, social mobility and student choice* sets out the measures Government will take to boost competition and choice in higher education and strengthen the ways in which the sector is regulated and research is funded.
2. The measures outlined in the White Paper¹ will help ensure that everyone with the potential to benefit from higher study can access relevant information to help them make the right choices; that they can choose from a wide range of high-quality universities; and benefit from excellent teaching that supports their future careers and productivity in the economy as a whole. By introducing more competition and informed choice into higher education, we will deliver better outcomes and value for students, employers and the taxpayers who underwrite the system.
3. At the time of the Green Paper, an equality analysis was published setting out an initial assessment of the possible impacts of the reform proposals on those groups in society who are either disadvantaged (in terms of family income or economic status) or have one or more the following nine protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
4. This equality analysis provides an update on that initial assessment. It sets out the possible and expected impacts of specific proposals set out in the Higher Education and Research Bill, taking into account the additional information and evidence which has been received from the 681 responses to the Green Paper and the responses to the two Public Sector Equality Duty questions².

Any queries and comments about this Equality Analysis should be addressed to:

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¹ Success as a Knowledge Economy: Teaching Excellence, Social Mobility & Student Choice – BIS (2016) www.gov.uk/government/uploads/system/uploads/attachment_data/file/523546/bis-16-265-success-as-a-knowledge-economy-web.pdf

² There were 383 and 284 responses respectively to the two consultation questions regarding the Public Sector Equality duty, questions 1a and 1b.

Scope of this Equality Analysis

5. Under the Equality Act 2010, the Department for Business, Innovation and Skills (BIS), as a public authority, is legally obliged to give due regard to equality issues when making policy decisions – the public sector equality duty, also called the general equality duty.
6. Equality analysis is an important component of the policy decision making process as it helps identify the likely positive and negative impacts that policy proposals may have on certain protected and disadvantaged groups.
7. BIS, as a public sector authority, must in the exercise of its functions, have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
 - Advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - Foster good relations between people who share a protected characteristic and those who do not.
8. Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, to the need to:
 - Remove or minimise disadvantages suffered by persons with protected characteristics;
 - Take steps to meet the needs of persons who share a relevant protected characteristic; and
 - Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.
9. The general equality duty covers the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
10. This equality analysis, which updates the initial assessment published alongside the Green Paper, takes a considered and proportionate view of the expected impacts of the reform proposals set out in the Bill and White Paper, in particular on those individuals with protected characteristics.
11. In this equality analysis, we use the terms protected and disadvantaged groups: protected groups are a reference to people with protected characteristics, while

disadvantaged groups refer to low income groups and groups more generally with low participation rates. As disadvantage in higher education is still apparent in connection to family income and economic status we also consider the impact of these measures on individuals from lower income groups.

12. The main focus of this equality analysis is the likely impact on protected and disadvantaged groups of the reform proposals set out in the Higher Education and Research Bill. However, it also includes an assessment of the likely impacts of the metrics being proposed for the Teaching Excellence Framework (TEF), as set out in the TEF technical consultation document³ which was published on 16th May 2016.

³ Teaching Excellence Framework: Technical Consultation for Year 2 - BIS (2016)
www.gov.uk/government/uploads/system/uploads/attachment_data/file/523340/bis-16-262-teaching-excellence-framework-techcon.pdf

Higher Education and Research Bill

13. This document assesses the equality impacts of the measures contained in the Higher Education and Research Bill and accompanying White Paper, *Success as a Knowledge Economy: teaching excellence, social mobility and student choice*. It also covers the technical consultation document on the proposed metrics for the Teaching Excellence Framework which has been published separately.
14. The reform measures set out in the Bill and White Paper are structured around three core themes: competition; choice and architecture.

Competition

15. The reforms will allow a greater range of high quality providers, offering a greater range of courses to enter the higher education system. This in turn will provide more choice to students, making it easier for them to find a course and provider where they can fulfil their potential and maximise the value for money they derive from higher education.
16. Enabling more high-quality new institutions into the higher education sector builds on the positive equality impact of the decision to end student number controls, by ensuring that more places are available for students from all backgrounds and by creating the competitive pressure to ensure that all institutions deliver high-quality teaching to students.
17. In parallel, the Government will require providers to have adequate plans in place to protect students in the event of course closure so they are protected from disruptions in their studies and the associated costs.

Choice

18. The Government will enable students to make more informed choices around which courses and institutions best suit their needs and career aspirations by making more and better information available on where teaching excellence can be found within and between different providers. At the same time, the Teaching Excellence Framework will give providers the financial and reputational incentives to invest in improving the quality of teaching they offer students.

Architecture

19. The Government will simplify and update the current regulatory framework in higher education by creating a new regulator, the Office for Students (OfS) in place of the current body, the Higher Education Funding Council for England (HEFCE). This will place, for the first time, competition, choice and the student interest at the heart of the regulatory system, benefitting students of all backgrounds. The OfS will also have a Director responsible for Fair Access and Widening Participation. All approved providers will be required to make a statement of their commitment to widening participation before they become eligible for student finance; this is in addition to the

existing Access Agreements that apply to institutions seeking to charge tuition fees above the £6,000 cap.

20. The Government will also take steps to streamline the research funding landscape by taking forward Sir Paul Nurse's recommendation to bring together the seven Research Councils, Innovate UK and HEFCE's research funding within a single body – UK Research and Innovation (UKRI).
21. By simplifying and updating the complex and fragmented framework which currently exists in higher education and research, the Government will ensure the regulatory system continues to deliver the best outcomes for students, providers, employers and taxpayers.

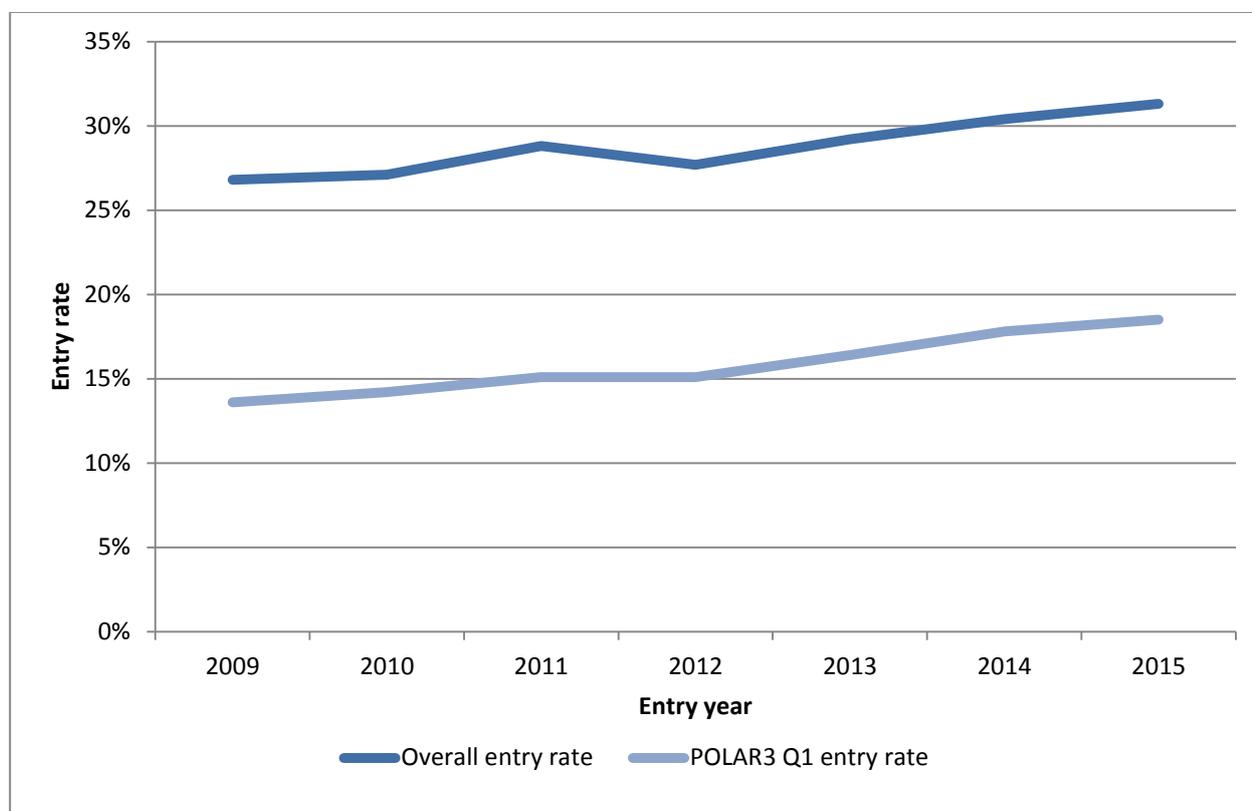
Equality and diversity in HE

22. Inequalities and disparities in the higher education sector can be measured in several ways. They may relate to differences in participation and retention rates or outcomes in terms of attainment and the salaries earned following graduation.
23. In recent years inequalities within the higher education sector have significantly reduced with improvements for example in participation rates of many traditionally underrepresented groups, such as disabled students, and black and minority ethnic (BME) students. However, there is still progress to be made in reducing inequalities, both in participation for some groups, such as white males from the poorest backgrounds, and in reducing disparity in outcomes, for example in the case of BME students.
24. Improving equality in these areas for underrepresented groups in higher education is a key focus for the Government which is determined to ensure that everyone with the potential to benefit, irrespective of their background, can go to university and develop the skills they need.
25. The reform proposals outlined in the Higher Education and Research Bill and accompanying White Paper will help ensure that everyone with the potential to succeed at university, will be able to choose from a wide range of high-quality universities, access relevant information to help them make the right choices, and benefit from excellent teaching that helps them succeed in the labour market.
26. These policies will help to achieve the Government's ambition to both double the proportion of disadvantaged students entering higher education by the end of this Parliament compared to 2009 and increase the number of BME students entering higher education by 20 per cent by 2020.

Trends in participation and outcomes for protected and disadvantaged groups

27. Demand for full-time undergraduate degrees, as measured by UCAS entry rates, has been on an upward trend rising from 26.8 per cent of 18 year olds in 2009 to 31.3 per cent in 2015. This increase suggests that recent reforms to student finance have supported the sector in continuing to expand whilst remaining financial sustainable. In 2015/16 over half a million people were accepted onto full-time undergraduate courses, with applications at a record high⁴.
28. The Government has also set out plans to extend support for part-time and post-graduate students, extending tuition and maintenance loans so that access to finance is not a barrier to students wishing to pursue these courses.

⁴ UCAS 2015 End of Cycle report www.ucas.com/sites/default/files/eoc-report-2015-v2.pdf

Figure 1: Entry rates to higher education 2009-2015 (18 year olds)

Source: UCAS 2015 End of cycle report, showing proportion of 18 year olds entering higher education over time.

Disadvantaged

29. There has been a dramatic improvement in the participation rate of disadvantaged young people. With an entry rate of 18.5 per cent, disadvantaged 18 year olds (POLAR3 Q1⁵) were 36 per cent more likely to enter in 2015 than they were in 2009. Since 2009 the ratio of university entrants from advantaged compared to disadvantaged areas has reduced from 3.1 to 2.4. For 2016 entry the application rate for 18 year olds from disadvantaged backgrounds is at a record level (22 per cent)⁶.
30. UCAS application data suggests more students from disadvantaged areas are going to the higher tariff Universities, although further progress needs to be made to bring about true equality of opportunity. In 2009, UCAS reported that 18 year olds from the

⁵ The Participation of Local Areas (POLAR) was developed by HEFCE and classifies small areas across the UK into five groups based on the proportion of 18 year olds who enter HE aged 18 or 19 years old. Each of these groups represents around 20 per cent of young people and is ranked from quintile 1 (areas with the lowest young participation rates, considered as the most disadvantaged) to quintile 5 (highest young participation rates, considered most advantaged). The most recent iteration of the classification is POLAR3.

⁶ UCAS 2016 January Application Rates Report www.ucas.com/sites/default/files/jan-16-deadline-application-rates-report.pdf

most advantaged areas were 8 times more likely to enter higher tariff providers compared to those from the most disadvantaged areas. By 2015 this ratio had reduced to 6.3 times.

31. The disparity in higher education continuation rates for young first-time degree entrants between those from the lowest participation areas and others has also decreased. In 2014/15, the difference between first time full-time entrants was 2.5 percentage points, compared to 2.9 percentage points in 2010/11. However, non-continuation rates after one year for students from the lowest participation neighbourhoods are still high at 8.2 per cent, making them about 44 per cent more likely than those from other neighbourhoods to drop out after one year.
32. Students from disadvantaged groups also experience poorer outcomes on average whilst in higher education. In 2013/14, 66 per cent of those from lowest participation areas achieved a first or upper second class degree classification, compared to 77 per cent amongst their more advantaged peers. Even after taking into account other factors, such as gender and entry qualification etc, the difference in degree outcomes between low and high participation area graduates is three percentage points⁷.
33. Recent research from the Institute of Fiscal Studies⁸ also reveals that graduates from richer family backgrounds earn significantly more after graduation than their poorer counterparts, with males (females) earning on average around £8,000 (£5,300) more per annum a decade after graduation. Even after taking account of personal characteristics, subject studied and institution attended, the average student from a higher-income background still earned about 10% more than other students.

Gender

34. Entry rates for 18 year olds have been increasing for both men and women. Latest data (2015) from UCAS shows that women are a third more likely to enter higher education than men, with the entry rate for women rising proportionally by 17 per cent since 2010 to 35.4 per cent⁹. Disadvantaged 18 year old women were around 50 per cent more likely to enter than 18 year old disadvantaged men in 2015.
35. Disparity in attainment between males and females has been improving. The difference in the proportion of first time graduates who receive a first class degree is now just 0.1 percentage points, compared to 0.9 percentage points in 2009 with men outperforming women. Similarly the gap for those achieving an upper second class degree is now 5.3 percentage points, compared to 6.3 percentage points in 2009, with women outperforming men at this grade.

⁷ Differences in Degree Outcomes: The effect of subject and student characteristics – HEFCE (2015) www.hefce.ac.uk/media/HEFCE.2014/Content/Pubs/2015/201521/HEFCE2015_21.pdf

⁸ What and Where you Study Matter for Graduate Earnings – but so does Parents' Income – IFS (2016) www.ifs.org.uk/uploads/publications/pr/graduate_earnings_130416.pdf

⁹ UCAS 2015 End of Cycle report www.ucas.com/sites/default/files/eoc-report-2015-v2.pdf

36. Non-continuation rates were higher for male students in 2013/14, at 8 per cent compared to 6.3 per cent for female students. Both male and female rates have decreased from 9.5 per cent and 7.5 per cent respectively in 2009/10¹⁰.

Ethnicity

37. The entry rates for all ethnic groups have increased over the past decade, and in 2015 they reached the highest levels recorded for all groups¹¹. Young people from the Black ethnic group experienced the largest increase in entry rates between 2009 and 2015, an increase of 42 per cent.

Figure 2: Comparison of 2009 and 2015 entry rates by ethnicity

Ethnic Group	Entry Rate 2009	Entry Rate 2015
Asian	36%	41%
Black	26%	37%
Chinese	50%	58%
Mixed	26%	32%
White	24%	28%

38. Furthermore, the disparity between White and BME students achieving a first or upper second class degree has fallen by 18 per cent. In 2009/10, 67.9 per cent of white students achieved either a first or upper second class degree, compared to 49.3 per cent of BME students, whereas by 2013/14 attainment for both groups had increased to 75.6 per cent for white students and 60.4 per cent for BME students with the gap falling from 18.6 percentage points to 15.2 percentage points.
39. The entry rates to higher tariff provider for all ethnic groups increased in 2015, reaching the highest recorded values for each group¹². In 2015, the entry rate to higher tariff providers from the Chinese ethnic group was 26.5 per cent, considerably higher than for other ethnic groups. The lowest entry rates to higher tariff providers are for the Black ethnic group, 5.6 per cent in 2015.

¹⁰ Please see annex for a detailed breakdown of non-continuation rates

¹¹ UCAS End of cycle report 2015 <https://www.ucas.com/sites/default/files/eoc-report-2015-v2.pdf>

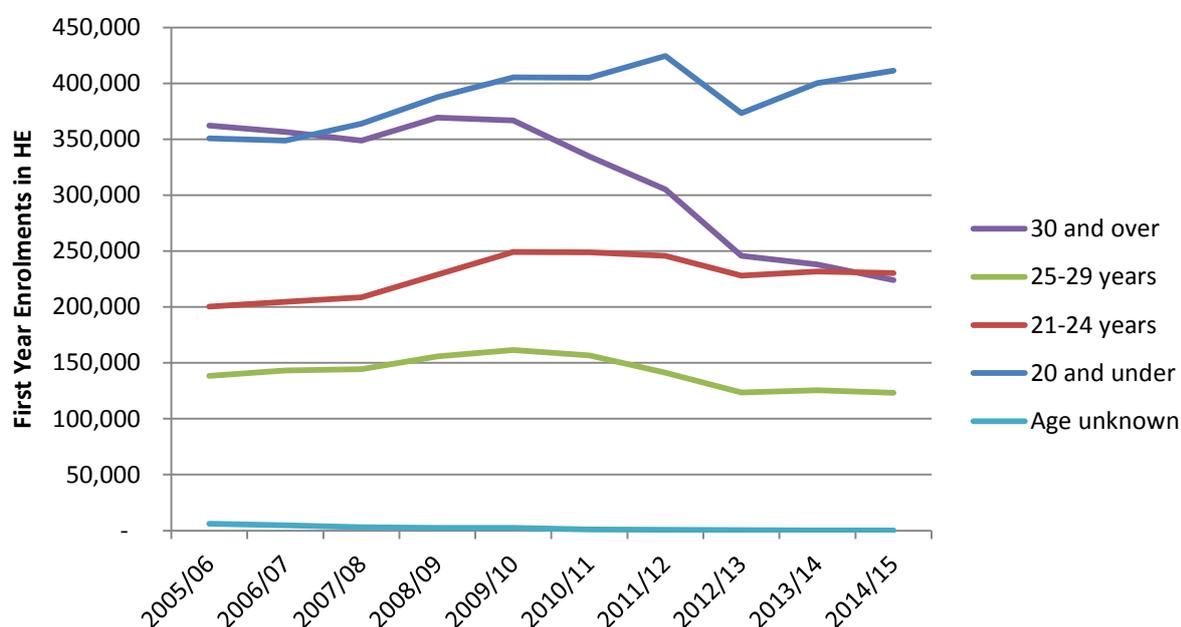
¹² UCAS 2015 End of Cycle report www.ucas.com/sites/default/files/eoc-report-2015-v2.pdf

40. Students from Black, Mixed and Asian ethnic backgrounds have higher non-continuation rates than White students. Students from Chinese ethnic backgrounds have the lowest non-continuation rates at 4.6 per cent. Non-continuation rates for all ethnic groups have decreased from 2009/10 levels¹³.

Age

41. In England, the vast majority of people applying to university are aged 18 or 19. In 2016 application rates increased for 18 year olds in England, but fell for older age groups, except for the 40 to 60 year old group where rates increased slightly¹⁴. Enrolments have been following a similar trend, demonstrated in Figure 2 below.

Figure 3: First year enrolments in higher education by age¹⁵



Source: HESA Student Record

42. The gap in attainment between those aged 21 and under, and those aged 25 and over has narrowed considerably. In 2014, the gap between those achieving a first class degree was just 3 percentage points, with 18.7 per cent of under 21's and 21.7 per cent of over 25's achieving a first. In 2009 the same gap was 4.8 percentage points; with 11.7 per cent of under 21's and 16.5 per cent of over 25's achieving the grade.
43. Non-continuation rates for young and mature students have improved from 7.1 per cent and 13.1 per cent in 2009/10 to 5.7 per cent and 12 per cent in 2012/13.

¹³ HEFCE non-continuation rates – trends and profiles (see annex)

¹⁴ UCAS 2016 January Application Rates Report www.ucas.com/sites/default/files/jan-16-deadline-application-rates-report.pdf

¹⁵ For underlying data please see accompanying annex at the back of this document.

Disability

44. Data from the Higher Education Statistics Agency (HESA¹⁶) show that the proportion of entrants to English HE Providers who declare a disability has risen in recent years from 7.4 per cent in 2009/10 to 10.7 per cent in 2014/15. However, it is unclear whether this is solely an improvement in disabled student numbers or if it reflects an increase in the proportion of students choosing to declare a disability.
45. The gap in attainment between disabled and non-disabled students, for achieving a first or upper second class degree, has also narrowed, from 3 percentage points to 1.7 percentage points. Non-continuation rates for students declaring a disability have improved from 9.7 per cent in 2009/10 to 8.4 per cent in 2012/13. This compares to a non-continuation rate of 6.9 per cent amongst other students.
46. Even accounting for other factors, such as prior attainment, students without a disability are three percentage points more likely to achieve a first or upper second class degree.

Other protected characteristics covered by the Public Sector Equality Duty

47. We do not have sufficient data to monitor the trends in participation of individuals possessing other characteristics covered by the Public Sector Equality Duty. However, where evidence has been made available on individuals possessing these characteristics, or identified in consultation responses, we have used this to inform our assessment.

¹⁶ HESA Student Record 09/10 and 14/15
www.hesa.ac.uk/index.php?option=com_studrec&Itemid=232&menu=14051

Summary Findings

Overall equality impacts

48. The reforms, regarding competition, choice and architecture, contained in the White Paper and the Higher Education and Research Bill will benefit all students, by increasing competition and choice in order to drive social mobility, raising teaching standards and value for money, and helping to improve employment outcomes.
49. These effects will be more pronounced for those groups who currently do not access the higher education system despite having the potential to do so, or whose outcomes lag behind those of their equally able peers. This includes those from disadvantaged groups, some ethnic minority groups, older students and, in the case of outcomes, women, disabled students and students from Black ethnic backgrounds.

Competition

50. The measures, as outlined in Chapter 1 of the White Paper, will allow a greater range of providers, offering a greater range of courses, to enter the sector. This in turn will provide better choice for students, allowing them to choose from a wider range of high quality institutions and maximise the value-for-money they derive from higher education. Meanwhile, ensuring that providers have plans in place to protect students in the event of course or even institution closure is expected to benefit a large number of students.
51. Students from all backgrounds, including those with protected characteristics are expected to benefit from the proposed legislative changes. The policies may in particular lead to an increase in flexible and innovative course delivery methods, such as distance learning, which may particularly benefit women and mature students, who may be less geographically mobile.

Choice

52. The Teaching Excellence Framework (TEF), described in Chapter 2 of the White Paper, is expected to benefit all students regardless of their background through reducing information asymmetries on where excellence can be found within and across providers and increasing teaching quality, thereby bringing about improved employment outcomes.
53. Although the TEF will benefit all students, it may particularly benefit those from groups that find it hardest to obtain reliable information on course quality and have traditionally experienced poorer outcomes. Evidence suggests that information barriers are particularly faced by those from lower socio-economic groups, women and ethnic minority groups, whilst individuals from disadvantaged backgrounds can lack the family and social networks with the experience and knowledge to help them achieve their aspirations. This reduced 'social capital' limits pupils' access to the information and opportunities they need. For this reason it has been assessed that

these groups will particularly benefit from improved information provided by TEF on teaching quality and outcomes.

54. Reforms designed to improve the information available to students when making their decision over whether to go on to higher education, including the Transparency Duty on Universities, will help to ensure they can make better informed choices and create pressure on providers to improve their offer. Reforms to enable the sharing of information by admissions services such as UCAS will lead to the development of more effective policies to support disadvantaged and protected groups. These reforms will drive the Government's goal of improving social mobility, by widening participation in higher education and improving outcomes.

Architecture

55. Our analysis suggests that measures, contained in Chapter 3 of the White Paper, relating to the establishment of the OfS and the policy to deregulate higher education corporations will benefit all students in the higher education sector. The OfS will have robust powers on widening participation and a duty to promote student choice and quality in higher education.
56. This should have particular benefits for those from underrepresented groups, who are more likely to be from a disadvantaged background or possess a protected characteristic. We do not consider that there will be an equalities impact from the establishment of UK Research and Innovation (UKRI). As a public body, UKRI will have a duty to consider the needs of all individuals in their day to day work including grant recipients – in shaping policy, in delivering services, and in relation to their own employees.

Competition

Market Entry

57. The current regulatory framework is highly complex and fragmented with some providers subject to more restrictive and burdensome regulation than others. Greater competition between high quality new and existing providers in the higher education sector should be encouraged. The Government is therefore committed to reducing the barriers to entry for high quality institutions and to levelling the playing field across institutions. This includes creating a single route of entry in the sector, easing movement between operating models¹⁷ and introducing a more risk based approach to regulation.

Student Protection

58. Under the current system, not all providers may have in place a plan to protect students in the event that a course closes or the provider chooses to exit the sector. In such instances, students can be exposed to the financial and non-financial costs associated with transferring to another course or institution. All approved and approved (fee cap) providers will need to have a student protection plan in place, whose objective will be to ensure that students are able to continue to achieve their academic outcomes in the event of the provider not being able to fully deliver their course.
59. More information regarding these proposals can be found in Chapter 1 of the White Paper.

Analysis of impact

Overall Impacts

Market Entry

60. Making it easier for high quality providers to enter and expand will help drive up teaching standards overall; enhance the life chances of students; drive economic growth; and be a catalyst for social mobility. These reforms will lead to the increased capacity and agility of the higher education sector, transforming its ability to respond to the rapidly changing graduate employment landscape, and to offer flexible provision to different types of students. New high quality providers will enable the sector to meet the continued demand for more highly skilled employees, with over

¹⁷ Providers can choose between three operating models in the HE system: registered, approved and approved (fee cap). Please refer to the White Paper for a full description of the three models.

half of job vacancies between now and 2022 in occupations most likely to employ graduates¹⁸.

61. The proposed measures are expected to enhance competition in the sector by increasing the range of higher education providers operating within the regulated part of the sector. As well as increased quality amongst providers, it is anticipated that there will also be an increase in the diversity of courses provided which better meet student preferences.
62. Properly regulated, a competitive higher education market will create stronger, higher quality providers, and will serve students, employers and taxpayers better. Improved value for money for students should give school leavers greater incentive and ability to enter HE courses, while quality standards (and thus standards of entry) for the sector remain high. This means that the sector should become more attractive to students who could study at university, but currently choose not to or are unable to find a suitable place to study. This could include both school leavers that currently enter the workforce directly and mature students that currently cannot find appropriate courses for them.
63. Quality will be built into every stage, from the regulation of new entrants to the incentivising of incumbents. Those providers which are considered to be of higher risk will also be subject to greater scrutiny, to help ensure the quality of degree provided. These safeguards will not only protect the interests of students but also the wider reputation of the sector both at home and internationally.

Student Protection

64. As well as ensuring the high quality of the sector, which is in the best interests of all students, it is necessary to confront the possibility of some institutions choosing – or needing – to exit the market. It is expected that institutions which do not provide the highest levels of teaching quality to be amongst those most likely to do so. However, the student protection reforms should work to mitigate any negative impacts of provider exit.
65. The requirement for providers to have plans in place to protect students should course closure occur is expected to benefit the majority of the student population. Students from all backgrounds, including those with protected characteristics, are set to benefit from the proposed legislative changes.
66. HE providers that are classified as approved or approved (fee cap) on the OfS register will be required as a condition on registration to have a student protection plan. Although providers classified as registered (basic) on the OfS register will not be explicitly required to have a student protection plan, they will be encouraged to have a plan on a voluntary basis, as this is good practice. Students at providers that are out of scope of the proposals could also experience benefits either through the working of competition (when comparing providers' students look at what assurances

¹⁸ Working Futures 2012-2022 report – UKCES

www.gov.uk/government/uploads/system/uploads/attachment_data/file/298510/working-futures-2012-2022-main-report.pdf

are given should they face course or institution closure) or simply through the establishment of a new set of norms regarding how responsible providers operate.

67. A recent BIS survey¹⁹ of alternative providers suggested that around 47 per cent of those surveyed already have a plan in place. Accordingly, around 53 per cent of providers would be required to put in place a protection plan as a result of these measures, potentially benefitting students at those providers. Alternative providers have a disproportionate representation of students with protected characteristics, thus the increase of protection plans amongst this group may be particularly beneficial. Students are expected to use the knowledge of protection plans, made clear to students by institutions, to inform their decision about where to study and have some assurance in their academic journey.

Differential Impacts

68. Enabling high-quality new providers to enter the sector, alongside increased movement between the three different possible HE operating models and greater student protection will provide a benefit to all students across the higher education sector. However, we are likely to see some variations across different groups.
69. Provisional analysis, based on the proposed core metrics developed to form part of the TEF assessment, suggests there is a risk that providers at the lower end of the expected performance distribution might have a marginally higher representation of older students and students from BME backgrounds, meaning that these groups may be more at risk of provider exit.
70. However, these core metrics are only one aspect of a more holistic assessment that will take into account a wider range of contextual information and evidence. It is therefore not possible to say whether these results will be replicated in the final assessments. Further, it is expected that students at institutions with lower teaching quality will stand to benefit comparatively more from TEF if they respond to the financial incentives available; if not the student protection reforms will serve to mitigate any negative impacts of exit.

Low income backgrounds

71. We expect the introduction of greater competition in the sector and the creation of a more level playing field between different types of providers to help address disparities in participation rates. Under the new framework we expect to see more institutions offering more courses of greater variety, creating more places for students. It will also mean that a greater proportion of students can access financial support; both in the form of student loans and support from their institution. This will increase the options available for lower income students, as this group is more likely to need Government funding to meet their costs. Increased financial support should also help to improve retention rates, which are generally lower amongst this group.
72. Opening up the sector to enable the entry of more high quality new providers should help to increase innovation, both in terms of the type of course offered but also the

¹⁹ Internal BIS survey of designated alternative providers

way in which it is delivered. This might include, for example, a rise in the number of courses offered on a part-time basis or with remote learning opportunities. Students from disadvantaged backgrounds, who may be supplement their studies with part-time work or who are less geographically mobile, e.g. for financial reasons, will consequently have more opportunities to go on to higher education.

73. As more providers opt for approved and approved (fee cap) status, there will be an increase in access agreements, in which institutions are obliged to outline their plans to support disadvantaged and underrepresented groups financially. These commitments made by a greater number of institutions to improve access opportunities should support more students in taking up higher education. Furthermore, lower income students who might be less willing to relocate for higher education and prefer a local option may find they are better served as local providers respond to competitive influences or new providers establish themselves in the area.
74. In response to increased competition in the sector and with greater incentives to improve quality through TEF, it is expected that all providers will seek to improve the quality of the teaching offered. This will have a particularly positive impact on students from lower income backgrounds in form of improved outcomes. Equality impacts of TEF are discussed in greater detail in the next chapter.
75. It is envisaged that reforming the existing arrangements and reducing the cost of entry and overall administrative burden of entering the sector could lead to better provision of higher education in economically disadvantaged areas where there are gaps in HE provision. Creating a level playing field and reducing regulatory burdens will also make existing providers in those areas more competitive, enabling growth in quality and student numbers. Providers would also be incentivised to improve their offer in response to competitive pressures. This is a desired outcome as it would lead to improved provision for several protected groups.
76. Student protection is also likely to particularly benefit lower income students in the event that they are affected by course closure as they are likely to have less financial resilience to independently ensure they can continue studying.

Age

77. Both young and mature students are set to benefit from increased diversity of choice and enhanced quality brought about by stronger competition between providers though the proposed changes should have a particularly positive impact on mature students. Greater innovation and choice in the sector could lead to more course options that offer distance learning or which could be studied on a part-time basis. These delivery modes are likely to be particularly appealing for mature students, who may be less geographically mobile because of family or financial ties like children or a mortgage. Also the availability of better quality providers locally could serve the need for mature students to remain close to home. Mature students are more debt adverse and sensitive to the costs of HE²⁰, non-traditional delivery methods would

²⁰ “Access for All: An investigation of young people’s attitudes to the cost of higher education using the Longitudinal Study of Young People in England” – Strategic Society Centre (2013)
www.universitiesuk.ac.uk/highereducation/Documents/2013/AccessForAll.pdf

enable these students to work alongside their education to meet additional commitments.

78. Data suggests that students at alternative providers tend to be older than those at traditional institutions, 77 per cent of students are aged 21 and over, compared to 36 per cent at public institutions²¹. An increase in the number of high-quality providers and courses approved for Government funding will expand the options available to mature students that are planning on seeking public support.
79. All students are likely to benefit from the protection plans. Both young and mature students are expected to use this knowledge to make decisions about where to study.

Gender

80. Both male and female students are set to benefit from the increasing standards of HE and newly introduced protection plans.

Ethnicity

81. The policy is anticipated to have positive impacts on BME and disadvantaged white male students, particularly in terms of participation and attainment.
82. Under the new framework, as providers opt for approved and approved (fee cap) status there will be an increase in access agreements, in which institutions will be required to outline their targets to increase participation of specific groups. Renewed efforts, outlined by access agreements, to engage and support underrepresented groups will particularly have positive impacts on white males from disadvantaged backgrounds, who are five times less likely to go into higher education than the most advantaged white men²².
83. The persistent gap in attainment between white students and BME groups should narrow, as the quality of higher education increases with competitive pressures. As providers tailor objectives to meet student needs, the disparities between the experiences of white students and other ethnic groups should also converge.
84. We also find that retention rates are greater amongst white students than their ethnic peers (excluding Chinese students). Innovation in terms of delivery style and courses offered may lead to an improved retention rate amongst these groups. These factors ought to result in better progression outcomes amongst ethnic minority students, which are currently lagging behind in terms of movement to further education or employment²³.

²¹ “Understanding the market of alternative providers of higher education and their students in 2014” – BIS (2016)

²² Boys to Men: The underachievement of young men in higher education – and how to start tackling it – HEPI (2016) www.hepi.ac.uk/wp-content/uploads/2016/05/Boys-to-Men.pdf

²³ www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/Independentresearch/2015/Causes_of_differences_in_student_outcomes/HEFCE2015_diffout.pdf

85. Ethnic minority students are more likely to come from a disadvantaged background²⁴ which may mean that they cannot access the same financial or social resources as white British students in the event of a course or campus closure. We therefore expect protection plans to have a greater impact on this group.

Disability

86. Students with disabilities are set to benefit from increased competition in the higher education sector. As institutions continually strive for greater quality in attempts to attract students, students with disabilities, will potentially see their outcomes improve. NSS data suggests²⁵ that this group record lower than average satisfaction rates. As providers pay more attention to the unique needs of disabled students and develop new ways of teaching disabled students should get more out of their educational experience.

Conclusion

87. Overall, the policies should have a positive impact for students, through an increase in the diversity across study modes, as well as a likely increase in reputation for those currently classed as alternative providers, which will ultimately add value to the qualifications attending students receive. The policies are unlikely to have a negative impact on those with any specific protected characteristic, and on the contrary will have particular benefits to students of various protected characteristics.

²⁴ www.iser.essex.ac.uk/research/publications/working-papers/iser/2016-02.pdf

²⁵ www.heacademy.ac.uk/sites/default/files/nss_report_2011_final.pdf

Choice

88. The Government has proposed reforms which will enable all students to make better informed choices and thus enable competition in the sector to deliver the best possible outcomes. More information regarding these proposals can be found in Chapter 2 of the White Paper.
89. The TEF technical consultation document²⁶ part of the package of associated Bill documents contains more information on the proposed metrics and assessment process during the second year of TEF's operation.

Analysis of impact

Overall impacts

90. Identifying and rewarding the institutions that have the highest teaching quality, and improving information asymmetries will allow students to factor in the quality of teaching to their institutional decision process. This will improve the value for money of higher education for students as they will be able to identify and choose institutions based on better knowledge of the service and outcomes they will experience. This will allow students to achieve better outcomes and will support their graduate salaries and wider career prospects.
91. We expect TEF incentives to motivate all providers to increase their teaching quality; not just the most successful institutions. By offering substantial financial and reputational incentives, all institutions are more likely to strive for teaching excellence and focus on retention and employability. This should improve outcomes and value for money for all students.
92. As announced in the July 2015 Budget, successful TEF performance will allow providers to maintain their fees and access to loans within the rate of inflation and up to the maximum fee cap, which will continue to be set under the same Parliamentary procedure as now.
93. The value of the £9,000 and £6,000 tuition fee caps are £8,546 and £5,697 respectively in 2012 prices, showing the real value of provider tuition fee incomes are falling. These changes will make the sector more financially sustainable, giving institutions greater ability to invest in resources and high-quality teaching, benefiting all students. Students will not face any increases in up-front costs of tuition, as loan entitlement amounts will automatically adjust and graduates will continue to be protected with a progressive loan system. Only those that go on to earn higher salaries will repay the additional loan balance in full.

²⁶ Teaching Excellence Framework: Technical Consultation for Year 2 – BIS (2016)
www.gov.uk/government/uploads/system/uploads/attachment_data/file/523340/bis-16-262-teaching-excellence-framework-techcon.pdf

94. The incentives that underpin TEF will motivate all providers to increase their teaching quality as they compete for financial and reputational rewards. Therefore, students at all competing providers can expect to see improvements in the service they experience. In addition, the focus on retention and employability through the TEF metrics will mean that students, particularly those from disadvantaged backgrounds will be better supported through their degrees; increasing their chances of completion and progressing to high-skilled employment or further study. Students at consistently more successful institutions (particularly from Year 3 onwards, when the number of TEF levels increases), may experience an additional benefit. Employers are likely to view graduates more highly if they have attended institutions with a strong reputation.

Differential impacts

95. The TEF will provide a benefit to all students across the higher education sector however we are likely to see some differences across different groups.

Representation of protected groups across the higher education sector

96. Some alternative providers and Further Education Colleges will only be able to reach higher levels of TEF if they have enough data to inform the metrics. Our analysis²⁷ has indicated that some protected groups are overrepresented at these institutions and will therefore not initially benefit as much as students at traditional institutions. Instead, they will receive Level 1 of TEF, if they pass their Quality Assurance (QA) assessment. However, as TEF develops each year (e.g. through the increased availability of data across the sector to inform the metrics), it will be able to increasingly draw in more non-traditional providers allowing these benefits to grow across the sector over time.

Institutional performance in the assessment process

97. Provisional analysis, based on the proposed core metrics developed to form part of the TEF assessment, suggests that providers at the lower end of the expected performance distribution have a marginally higher representation of older students and students from BME backgrounds. However, these core metrics are only one aspect of a more holistic assessment that will take into account a wider range of contextual information and evidence. It is therefore not possible to say whether these results will be replicated in the final assessments. Further, we anticipate that the TEF will incentivise poorer performing universities to raise their teaching quality more than other institutions, meaning the students attending these will stand to benefit the most.
98. There is a possibility that the inclusion of the “other” category, which is a common practice in other statistical collections, in the denominator for the employment/destinations metric, which covers graduates who are retired, in ill health, looking after the home or family, or taking time out to travel (or similar) could penalise institutions for taking on students more likely to give this answer on their DLHE return. There is a risk that institutions may take this into account in their recruitment.

²⁷ Please see annex for this provisional analysis

99. However, it is our assessment that this is a small risk which will in practice not materialise as institutions that are more likely to recruit these students will have the opportunity to disclose this on their contextual TEF submission. Final decisions will be taken by panels able to consider an institutions performance in the round. Furthermore, some of the graduate categories are covered within the TEF in benchmarking, meaning they will be able to be separated within the metrics.

Variation in higher education outcomes and non-continuation rates across different groups

100. There is evidence that some protected groups and students from low income backgrounds experience less favourable outcomes than some of their peers. HEFCE research²⁸ suggests disabled students, BME students and those from low participation neighbourhoods are less likely to gain a first or upper second in their degrees. Additionally, recent research from the IFS²⁹ also shows that a graduate's family income background influences earnings long after graduation. Additional evidence shows that non-continuation rates are higher for mature students compared to young students, disabled students compared to non-disabled students, male students compared to female students and students from Black ethnic backgrounds compared to those of other ethnicities.
101. TEF is designed to motivate institutions to support students of all backgrounds through university, and improve retention rates and employment outcomes. Providers' performance in achieving positive outcomes for disadvantaged students will be a key part of TEF, through the use of benchmarked metrics, specific splits covering students from low participation backgrounds and guidance that teaching excellence should be consider across the student body. This in turn should lead to better degree and employment outcomes for all students, and should therefore particularly benefit students from those groups.

Information barriers and exercising choice

102. Evidence suggests that those from lower socio-economic groups, women and ethnic minority groups face the greatest information barriers³⁰, while individuals from disadvantaged backgrounds can lack the family and social networks with the experience and knowledge to help them achieve their aspirations³¹. This reduced 'social capital' limits students' access to the information and opportunities they need. Therefore, these groups will benefit the most from the information provided on teaching quality and outcomes as a result of TEF.

²⁸ See annex for HEFCE evidence on differential outcomes

²⁹ What and Where you Study Matter for Graduate Earnings – but so does Parents' Income – IFS (2016) www.ifs.org.uk/uploads/publications/pr/graduate_earnings_130416.pdf

³⁰ Supporting analysis for the Higher Education White Paper, BIS Economics Paper No.14, (June 2011). www.gov.uk/government/uploads/system/uploads/attachment_data/file/32110/11-1007-supporting-analysis-for-higher-education-white-paper.pdf

³¹ *Educational aspirations: how English schools can work with parents to keep them on track* - Menzies, L (2013) JRF Viewpoint www.jrf.org.uk/report/educational-aspirations-how-english-schools-can-work-parents-keep-them-track

Equality Analysis

103. Our assessment is that all students over time will benefit from improvements in teaching quality and an increased focus on employability, increasing the value for money of their investment in HE. Impacts will not necessarily be uniform across disadvantaged and protected groups, as some will benefit more than others.

Low income backgrounds

104. TEF will provide an overall benefit for students (and future graduates) from low income backgrounds. Evidence suggests that these students are more likely to face information barriers and will therefore benefit from the increased information provided by the TEF, being able to access higher quality teaching and resultantly obtaining greater value for money from their HE investment.

105. In terms of outcomes, students from low income backgrounds underperform relative to their more advantaged peers, potentially as a consequence of variability in teaching. TEF is designed to increase teaching quality at all institutions and address the variability in teaching standards and outcomes across the sector. Therefore, we expect that as TEF develops with increased focus on high quality teaching and employability, outcomes will improve comparatively more for students from low income backgrounds, addressing this variation and providing this group with an increase in the value for money of their HE investment.

106. We know that students from low income backgrounds are overrepresented at alternative providers and FECs, meaning a group of these students will not immediately have ample information about the standards of teaching at providers with insufficient data. However, as providers gather more information each year, and the TEF processes develop to include newer providers, more students from these groups will be able to benefit.

107. TEF will enable institutions to maintain their fees in real terms if they can demonstrate that they offer high quality teaching. We have looked at the relevant evidence (see annex³²) and have concluded that this is unlikely to impact on participation. Higher education will remain free at the point of access for those who are eligible, as tuition fee loans will increase to cover tuition fees (which will not increase for all institutions).

Age

108. Overall, TEF is expected to provide a benefit to students regardless of their age. Older students are more likely to take up part-time study options, and TEF will recognise both part-time and full-time teaching quality.

109. We know that mature students are overrepresented at alternative providers and FECs, meaning a group of these students will not immediately have ample information about the standards of teaching at providers with insufficient data.

³² See "Consideration on the role of debt aversion and cost sensitivity in increasing tuition fees in line with inflation"

However, as providers gather more information each year, and the TEF processes develop to include newer providers, more students from these groups will be able to benefit.

110. In addition, non-continuation rates are higher for mature students meaning that they will benefit more from the improvements in retention that the TEF is expected to bring.
111. We expect teaching quality to increase across the sector, not just in the most successful institutions. By offering financial and reputational rewards, all institutions are more likely to strive for teaching excellence and focus on retention and employability. This in turn will provide improved outcomes for all students.

Gender

112. TEF will provide an overall benefit for both male and female students (and future graduates), through reducing information asymmetries, increasing teaching quality and improving retention and employment outcomes. In particular, impacts may differ on the basis of gender representation at particular providers and the current tendency for men to experience better HE outcomes than women in terms of graduate employment.
113. Data suggests³³ that male students are slightly overrepresented at alternative providers, meaning that in the early stages of TEF, a group of male students will not immediately have ample information about the standards of teaching at providers with insufficient data. However, as providers gather more information each year, and the TEF processes develop to include newer providers, more male students will be able to benefit.
114. In addition, non-continuation rates are higher for male students meaning that they will benefit more from the improvements in retention that the TEF is expected to bring.
115. In the long run, we expect the groups currently experiencing the most unfavourable outcomes will benefit the most from TEF. Evidence suggests that male students experience more favourable outcomes than their female counterparts³⁴. Therefore, we expect that as TEF develops with increased focus on high quality teaching, retention and employability, outcomes will improve comparatively more for female students providing them, on average, with an increase in the value for money of their investment.

Ethnicity

116. TEF will benefit all students (and future graduates) of all ethnicities. However, we expect students from ethnic minority backgrounds to benefit the most from TEF; as evidence suggests they face greater information barriers and experience less favourable outcomes relative to white students.

³³ See annex for representation of protected and disadvantaged groups at HEIs, APs and FECs

³⁴ See annex for HEFCE evidence on differential outcomes

117. Data suggests that students from BME backgrounds are overrepresented at both FECs and alternative providers, meaning a group of these students will not immediately have ample information about the standards of teaching at providers with insufficient data. However, as providers gather more information each year, and the TEF processes develop to include newer providers, more students from these groups will be able to benefit.
118. In addition, non-continuation rates are higher for students from Black ethnic backgrounds meaning that this group will benefit more from the improvements in retention that the TEF is expected to bring.
119. Some responses to the Green Paper consultation queried whether an outcome metric in the TEF assessment process could potentially disadvantage students from ethnic minority backgrounds who tend to experience less favourable graduate outcomes than their peers. Benchmarking in the TEF assessment process and breakdowns of submissions by ethnicity will help to stop this from happening.

Disability

120. TEF will provide an overall benefit for students who have a disability. In particular, the focus on improved teaching quality, retention and employability will mean that disabled students will experience an improvement in their HE outcomes, which evidence suggests are lower than students without a disability³⁵.
121. Some consultation responses queried whether an outcomes measure in the TEF metrics could potentially disadvantage disabled students. This is because disabled students tend to experience less favourable outcomes than their non-disabled peers. However, the process of benchmarking by characteristic in this process should ensure that being disabled will not have an impact on the admission process across all institutions.
122. In addition, non-continuation rates are higher for disabled students meaning that they will benefit more from the improvements in retention that the TEF is expected to bring.

Religion

123. TEF will provide an overall benefit for students regardless of their religious beliefs, reducing information asymmetries, increasing teaching quality and improving retention and employment outcomes. There is no evidence to suggest that the impact of TEF will differ on the basis of this protected characteristic.

Other characteristics covered by the public sector equality duty

124. TEF is expected to benefit students regardless of their protected characteristics. There is insufficient evidence to suggest that possessing one of these characteristics will lead to students not benefiting from TEF.

³⁵ See evidence on graduate outcomes in annex

Conclusion

125. Overall, TEF is expected to provide a benefit to students regardless of their background through reducing information asymmetries, increasing teaching quality and improving employment outcomes. Our assessment is that TEF will particularly benefit those from groups that find it hardest to obtain reliable information on course quality and have traditionally experienced poorer outcomes.

Giving all students the same choices

126. The Government has outlined reforms aimed at increasing the information available to both students and policy makers. This will enable better informed choices for students, and aid better policy design and evaluation. More detail regarding these is available in Chapter 2, from paragraph 31 onwards, of the White Paper.

Analysis of impact

Overall impacts

127. Overall it is anticipated that the policies proposed are likely to have a positive impact for students, increasing choice and participation, and helping achieve widening participation objectives.

Data to Improve Analysis and Policy

128. By obtaining information regarding individuals' entrance into higher education, through UCAS, it will allow a more complete picture of progress through from early education, into and throughout higher education, and beyond into employment. Analysts will be able to better understand the impact the decisions and outcomes of an individual have on their progression into higher education and beyond. This will allow better design and evaluation of policy, which could in turn help ensure intended benefits to students are realised.

129. A potential issue with the data provision, specifically in the case of UCAS, is that not all higher education providers, in particular alternative providers (APs), recruit through UCAS. As such, any data collected will only provide a 'complete picture' of the progress for a certain group of students, which could potentially not be representative of the wider higher education landscape. Information on alternative providers shows that students are more likely to be mature and from a BME background than at public providers. While overall there may still be expected positive benefits for students as a whole, there is a risk that any policy decisions taken on the basis of this data does not fully take into account the small number of students who enter HE outside of UCAS.

130. However, UCAS covers the vast majority of full time undergraduate provision for people living in England, Wales and Northern Ireland, and statistics relating to recruitment at this level can be taken as being close to full. As such this is considered a satisfactorily representative sample, and significantly reduces the risk.

Reduce Student Barriers to Information

131. The publication of various entry and retention statistics by higher education providers will increase the amount of information available to students. Research published by

BIS and the Sutton Trust³⁶, has identified information barriers as being one of the key factors in limiting progress on widening participation within higher education. A recent report by HEFCE³⁷ also emphasised the importance of ensuring relevant information is delivered to help learners understand how different choices can help them achieve their ambitions. By reducing these barriers for students, they will be able to make better informed decisions, increasing confidence in the value of higher education, and that the institution they choose to attend will best suit their needs.

132. It could be argued that the improvement of information may only increase choice for those able to exercise greater geographical mobility. Various studies³⁸ have shown that certain student groups base their decision on where to study dependent on where they currently live, or where their family live. As such, these less geographically mobile groups would be unlikely to see their decision impacted by the availability of such data, and should the information reflect unfavourably on their institution, could even seek to deter them from entry to that institution.
133. Some consultation responses also queried whether evidence within higher education was fully supportive of increased information leading to an increase in access to higher education, highlighting a report by HEFCE³⁹ which references usage of Unistats. However, the report also highlights that users had found the site useful, and highlighted that lack of knowledge regarding the site was a key factor in the low usage. Under the new measures, the availability of information on providers will significantly improve, and be delivered both via a central repository and directly by individual institutions. In the longer term, geographical mobility may be less of an issue, with policies to encourage competition leading providers to improve their offers of non-traditional provision.

Widening Participation

134. The DFA's role in assigning responsibility for identifying good practice and monitoring compliance of widening participation will move to the OfS, along with HEFCE's responsibility for the Student Opportunity Fund. For the first time, responsibility for Access Agreements and the SOF will be brought under a single regulatory body, with access to wide ranging data, research programme and analytical capabilities to maximise their effectiveness. This will allow better formulation of advice, and evaluation of provider's efforts towards widening participation, to help ensure providers are taking the necessary steps to improve, ultimately benefiting students.

³⁶ Tracking the Decision-making of High Achieving Higher Education Applicants' – BIS and The Sutton Trust (2012) www.gov.uk/government/uploads/system/uploads/attachment_data/file/82789/12-1240-tracking-decision-making-of-high-achieving-higher-education-applicants.pdf

³⁷ 'Causes of Differences in Student Outcomes' – HEFCE (2015) www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/Independentresearch/2015/Causes_of_differences_in_student_outcomes/HEFCE2015_diffout.pdf

³⁸ Such as 'Access, Choice and Participation in Higher Education' – Centre for the Economics of Education (2009) <http://cee.lse.ac.uk/ceedps/ceedp101.pdf>

³⁹ UK Review of Information About Higher Education – Report on the Review of the Key Information Set and Unistats – HEFCE (2015) www.hefce.ac.uk/media/HEFCE,2014/Content/Pubs/2015/201527/HEFCE2015_27.pdf

135. The fact that the OfS will monitor closely the success of institutions in meeting their widening participation commitments, and the chance that access agreements could be refused should satisfactory progress against agreed benchmarks occur, means that it is likely that institutions will dedicate both time and resources, to improving the opportunities and outcomes of those with protected characteristics. Furthermore, there is the possible impact of negative public perception, to performing badly in this regard, which should further incentivise institutions to deliver improvements.

Differential impacts

136. Overall the policy impacts are likely to benefit all students to some degree; however it is important to look at how the impact is felt by students of different characteristics and backgrounds.

Alternative Providers

137. It is expected that people partaking in non-traditional provisions of higher education should also see benefit in choice and participation from the increase in information regarding the institutions. It is possible, given the issue of UCAS not collecting data for many alternative providers, that the benefits could be felt less by students, due to potential information gaps surrounding the providers. However, the increased exposure for alternative providers as a result of the increase of data publication, alongside HEFCE providers on a central site, could in turn lead to a particularly high increase in participation for enrolments at such institutions⁴⁰.
138. Furthermore, current alternative providers who become approved providers under the new system will need to now publish access statements, leading to an increase in student confidence in such providers, as they will better understand the commitment of the institution to widening participation. This in turn should lead to an increase in participation at such providers, and potentially a fall in drop-out rates.

Low income backgrounds

139. The policies are likely to have a particularly significantly positive impact on those from less advantaged socio-economic backgrounds, who are the some of the most underrepresented in higher education. By having better access to data Government and the HE sector will be able to design more effective policy in support of social mobility; better information for students will help them make better decisions; and through the anticipated incentivisation (through transparency) of higher education providers to do more to improve their widening participation efforts, participation should increase.
140. These positive impacts may be reduced slightly, due to the importance of distance-from-home in choosing an institution to study at for students from lower income

⁴⁰ Alternative Providers of Higher education: Improving Quality and Value for Money' – BIS consultation (2015) www.gov.uk/government/consultations/alternative-providers-of-higher-education-improving-quality-and-value-for-money

families⁴¹. If the increase of information revealed that institutions local to low income students were poor performers, this could have a detrimental impact on participation for lower income students, should no high quality institution be available locally. Equally, it could incentivise such institutions to be more open to a wider range of students. This impact on participation is likely to be minimal, as research also showed that while distance-from-home had a significant impact on which institution a student may favour, it had only a small impact on their decision whether or not to actually participate in higher education.

Ethnicity

141. The availability of data from bodies associated with higher education provision, and the resulting implications for helping improve widening participation policy and design, will likely have a particularly positive impact for black students of Caribbean heritage, for whom higher education participation is especially low⁴².
142. The introduction of the transparency duty is also likely to have a particular impact on BME students, whose drop-out rate after the first year is particularly low⁴³. There is also disparity in attainment, with white students more likely to achieve a first or upper second class degree, than any other BME group⁴⁴. On balance, the policy is anticipated to have positive impacts for BME students, particularly in retention and attainment, due to their ability to make better informed decisions regarding which institution will help them reach their potential, and the increased efforts of providers on outcomes for BME students.
143. Furthermore, white boys from the most disadvantaged backgrounds, for whom participation is the lowest in higher education, should also significantly benefit. From a combination of targeted efforts by the OfS on promoting widening participation, and better policy through a greater availability of data, participation and retention should improve.

Disability

144. As a result of the new focus of the DFA on improving support for disabled students, it is likely that disabled students will in particular benefit from the proposals. Evidence shows that full-time Disabled students are 20 per cent more likely to drop out after their first year, and are less likely to achieve a first or upper second class degree classification⁴⁵. Through receiving better support from institutions, it is possible that disabled students, and in particular those with specific learning difficulties, will see a

⁴¹ 'Access, Choice and Participation in Higher Education' – Centre for the Economics of Education (2009) <http://cee.lse.ac.uk/ceedps/ceedp101.pdf>

⁴² Socio-economic, ethnic and gender differences in HE participation - BIS Research Paper No.186 www.gov.uk/government/uploads/system/uploads/attachment_data/file/474273/BIS-15-85-socio-economic-ethnic-and-gender-differences.pdf

⁴³ 8.5% for BME and 11.1% for black students, compared to just 6.5% for white students. Chinese students and Asian/Indian students have lower dropout rates at 4.5% and 4.9% respectively.

⁴⁴ Equality in higher education Statistical Report 2015 - Equality Challenge Unit www.ecu.ac.uk/publications/equality-higher-education-statistical-report-2015/

⁴⁵ Equality in higher education Statistical Report 2015 - Equality Challenge Unit www.ecu.ac.uk/publications/equality-higher-education-statistical-report-2015/

fall in drop-out rates and increase in attainment, helping to close the disparity between non-disabled students.

Age

145. The policies are likely to have a positive impact on both mature and young students, as both will benefit from the increased access to information, and associated improvement in decision making. New guidance issued to the DFA should also benefit participation of both groups, with the specific focus given to young disadvantaged white boys, and to improving part-time study options, on which mature students are particularly well represented.

Gender

146. Women are well represented in higher education, and have similar, if not slightly better, levels of attainment than men. We expect that both genders should benefit from the proposed policies, however with a particular focus on improving access for white boys from the most disadvantaged backgrounds, it is likely that males may particularly see improvements in participation.

Other Protected Characteristics covered by the Public Sector Equality Duty

147. Analysis of the impact on students with other protected characteristics is severely hindered by a lack of data regarding them. HESA does collect data on some of these characteristics, however completion is optional and the majority of responses are 'blank'. It is not possible to determine whether this is due to students choosing not to answer, or due to institutions not asking their student body. Therefore in the absence of further evidence, it is not anticipated that the impacts of the described policies will differ for these groups, relative to the student population as a whole.

Conclusion

148. In conclusion, the impact of these policies has been assessed as positive, both in terms of widening participation generally, and extending equality of opportunity for students from underrepresented backgrounds, including those with protected characteristics.
149. In particular, it is likely that those who are underrepresented most in higher education, young white males from the least advantaged socio-economic and black Caribbean backgrounds, will benefit the most, given the potential focus that widening participation targets can provide.
150. Furthermore, it is hoped that BME students in general, although especially black students, will see an improvement in achievement, both through the incentivisation of institutions to do more to assist these groups, and through the improvement of information available to students, allowing them to make better informed decisions about where to study, to get the best value.
151. It is important to stress that while some groups may benefit more than others, overall, those who will benefit most, are those currently facing the greatest challenges within higher education.

Alternative student finance

152. The policy proposed by the Government, as described in paragraph 46 onwards in Chapter 2 of the White Paper, is the introduction of an alternative student finance package that meets the principles of Islamic Finance.

Analysis of impact

Overall impacts

153. The key policy intention is that more prospective students should feel comfortable with the options available to them and be able to access student finance and pursue higher education, increasing participation rates. Students who previously felt they could not enter higher education due to interest charged on student loans will in future have an alternative option. Furthermore, the policy could also reduce the financial burdens on students, and their families, who are currently choosing to self-finance. This may alleviate concerns over funding, and lead to an improvement in Muslim students' experience of higher education, which in turn could lead to higher attainment and retention.
154. Minimising the disadvantage of those who for religious reasons are opposed to the payment of interest by providing another option will advance equality of opportunity and should increase participation as described above. It is also hoped that good relations could be fostered between people who may possess characteristics that prevented them from previously entering higher education, and those who do not. Work by Hewstone & Swart⁴⁶ highlights the positive impact within society, of increased contact between different groups on reducing prejudice and improving relationships. Also, Hello, Scheepers & Gijsberts⁴⁷ conclude that the education effect holds in explaining ethnic prejudice, although the magnitude varies by country.
155. As there is no overall consensus in Islamic Finance there is a risk that a very small number of potential students may continue to feel unable to access student support. This will be mitigated by working closely with experts in Islamic Finance and engaging with stakeholders in the Muslim community during the development of the alternative student finance product.

Differential Impacts

Low income background

156. Evidence suggests that Muslims are particularly over-represented in the lowest socio-economic communities. As such, the policy should particularly support potential students from disadvantaged backgrounds. Removing this barrier to entry will allow more people to benefit from higher education.

⁴⁶ *Fifty-odd years of inter-group contact: From hypothesis to integrated theory* – Hewstone and Swart (2011)

⁴⁷ *Education and Ethnic Prejudice in Europe: explanations for the cross-national variances in the educational effect on ethnic prejudice* – Hello, Scheepers & Gijsberts (2002)

Age

157. We do not have sufficient data to make a robust analysis of the potential differential impact between young and mature students, as it is not possible to identify differences in their aversion to interest accumulating debt.

Gender

158. Evidence shows that, in contrast to the general population, Muslim students are more likely to be male than female. The 2011 Census data shows that 9.3 per cent of the total student population (higher education and further education) are Muslim and of that 9.3 per cent males represent around 55.9 per cent and females 44.1 per cent. This compares to the student population of all other religions (including those of no religion but excluding Muslim students) where 48.5 per cent male and 51.5 per cent female.
159. Some responses to the 2014 consultation⁴⁸ suggested that the lack of an alternative finance option could restrict the access of Muslim women to higher education. Information provided at a recent inquiry into improving employment opportunities for British Muslims, also highlighted financial reasons as restricting access to higher education for Muslim women⁴⁹. As a result, it is possible that the provision of an alternative finance product could lead to an increase in participation of women, thus helping reduce this disparity.

Ethnicity

160. Given that, as identified above, Muslims are likely to particularly benefit from the introduction of the policy, it follows that the largest will be expected to be amongst ethnic groups where there is a higher concentration of Muslims. It should therefore to help meet the Prime Minister's goal to increasing the number of BME students going to university. Data from the Muslim Council of Britain, drawing on the 2011 census, suggests almost one in three of the UK's BME population is of the Muslim faith⁵⁰.

Disability

161. We do not have sufficient data to make a robust analysis of the potential impact to disabled students or prospective students, however we do not expect there to be a particularly large impact on disabled students.

Religion

162. While many Muslim students enter higher education under the existing student loan system, there are differing opinions about interest-bearing loans which may prevent some Muslim students from accessing a loan. The introduction of an alternative

⁴⁸ Shari-compliant student finance consultation – BIS (2014) www.gov.uk/government/consultations/sharia-compliant-student-finance

⁴⁹ <http://data.parliament.uk/writtenevidence/committeeevidence.svc/evidencedocument/women-and-equalities-committee/employment-opportunities-for-muslims-in-the-uk/oral/31998.html>

⁵⁰ 'British Muslims in Numbers: A Demographic, Socio-economics and Health profile of Muslims in Britain drawing on the 2011 Census' – The Muslim Council of Britain (2015) www.mcb.org.uk/wp-content/uploads/2015/02/MCBCensusReport_2015.pdf

finance product will benefit such students. As a result the policy should lead to an increase in participation amongst Muslim students.

Other protected characteristics covered by the Public Sector Equality Duty

163. We do not have sufficient data to make a robust analysis of the potential impacts on other characteristics such as sexuality, gender reassignment etc. However we do not expect there to be a particularly differentiated level of impact to these groups relative to others.

Conclusion

164. Overall, the policy addresses a potential barrier to entry faced by some potential students, and should lead to an increase in higher education participation. No particular group of students should be worse off as a result of the policy, and the most significant gains will be felt by Muslim students.

Architecture

165. The Government has outlined changes to the architecture of the higher education sector, largely through the creation of the Office for Students (OfS) as the new regulatory body. The OfS will have students' interests at its heart, ensuring a high quality education experience is available for students from all backgrounds. More information regarding these changes can be found in Chapter 3 of the White Paper.

Analysis of impact

Overall impacts

166. Analysis suggests that the policies relating to the establishment of the OfS as the regulator of the higher education sector will benefit all students. The OfS, created by combining the existing roles of HEFCE and the DFA, will establish robust powers on widening participation to promote student choice and help to ensure quality within the higher education sector. These powers should lead to benefits in both access and quality to students, with students from some underrepresented groups, who are more likely to possess a protected characteristic, particularly benefiting.

167. Powers will be introduced to enable the OfS and the Secretary of State to enter and inspect higher education providers subject to the issuing of a court warrant, if there is a reasonable suspicion that a provider has committed a serious breach of conditions of OfS funding, or registration or the Student Support Regulations.

168. These powers are expected to incentivise providers to operate at a high standard and so have a positive impact on outcomes experienced by students. It is expected that the powers are most likely to be applied to those institutions that are currently classified as alternative providers, suggesting the greatest benefits will be felt by students with those characteristics that are most prevalent in the student body at such institutions.

Differential Impacts

Low income

169. One of the key focuses of the OfS will be on improving access to higher education for disadvantaged students. Similarly, young white boys from the lowest socio-economic backgrounds have been identified as having especially low participation at just ten per cent⁵¹, and improving the participation of this group is an ambition of the Government. Given this focus, and the establishment of robust powers to pursue widening participation within a single, data driven regulatory body, it is expected that participation, as well as retention and attainment, of students from disadvantaged backgrounds will particularly benefit from the reforms.

⁵¹ Boys to Men: The underachievement of young men in higher education – and how to start tackling it – HEPI (2016) www.hepi.ac.uk/wp-content/uploads/2016/05/Boys-to-Men.pdf

Ethnicity

170. BME students are expected to particularly benefit from the planned changes. BME students are highly represented at alternative providers, and as a result are likely to benefit from the increased ability of Government to address concerns.
171. Furthermore, young people from black Caribbean backgrounds have amongst the lowest participation rates of any ethnic background, and as such stand to benefit the most from the creation of the OfS, and its widening participation focus. BME students generally should benefit, given their comparatively low attainment, and the focus of the OfS on quality within higher education.

Disability

172. It is not expected that the architecture reforms should be a different level of impact for students who are disabled, relative to those who are not disabled.

Age

173. It is expected that the establishment of the OfS should benefit students of all ages. Mature students are considerably more highly represented at alternative providers, than at public institutions. As such, the increased scrutiny of these providers by the Government, should lead to improvements in quality, which will particularly benefit mature students.

Gender

174. It is expected that both male and female students should benefit from the increase in student focus following the creation of the OfS.

Other Characteristics covered by the Public Sector Equality Duty

175. Currently there is a lack of data regarding characteristics such as belief, gender reassignment and sexuality across the higher education sector. As such it is not possible to analyse the impact of these reforms on those groups. However, it is not anticipated that the proposals should result in negative impacts for students with such characteristics.

Conclusion

176. In conclusion, the proposed creation of the OfS is expected to provide significant benefits for students. This is both through a greater, more concentrated focus on ensuring a wider range of choice through the sector, and through greater ability to monitor institutions to ensure providers are delivering courses of expected quality.

Research and Innovation

177. We do not consider that there will be an equalities impact from the establishment of UK Research and Innovation (UKRI). Our assessment suggests that the establishment of UKRI will have a limited impact on recipients of research and innovation funding.
178. As a public body, UKRI will have a duty to consider the needs of all individuals in their day to day work – in shaping policy, in delivering services, and in relation to their own employees. This mirrors the existing role of the Research Councils and Innovate UK in promoting equality and diversity. The Government will continue to promote diversity in the research community.

Consideration of the Family Test

179. The Family Test was introduced on 31 October 2014. The objective of the test is to introduce an explicit family perspective to the policy making process, and ensure that potential impacts on family relationships and functioning are made explicit and recognised in the process of developing new policy.
180. Our assessment is that the policies covered in this Equality Analysis will not have a family impact beyond improved access to higher education and better employment prospects for graduates, which is positively associated with stable family formation.

Annex

Evidence and analysis used in this Equality Analysis

Evidence on debt aversion and cost sensitivity to inflation linked tuition fees

Reforms to student in recent years have enabled the HE sector to expand in a way that is financially sustainable. While care is needed in extrapolating patterns observed in the past, they generally suggest that the crucial driver of student participation is the ability to access sufficient support to cover their costs, rather than the form in which that support is given. Analysis of HESA student record data suggests that the diversity of the full time first degree entrant population in 2014/2015 has not been significantly affected by the major reforms of 2012.

Other research, however, suggests that attitudes to debt are not uniform across the student population. Students from less advantaged backgrounds and mature students are more debt averse and more concerned about the costs of HE and this (alongside other factors) can play into decisions about participation in HE⁵². Survey data from the NUS (2012) shows older higher education students are more likely to worry about their financial situation⁵³. Additionally, a further finding from Universities UK⁵⁴ is that single parents are more likely to be debt averse. As single parents are more likely to be female than male, this suggests that debt aversion may be more of an issue for female students.

Overall, the Government does not believe that allowing institutions to maintain fees in line with inflation upon receiving a TEF award will significantly alter the participation decisions of these groups. The upper fee cap will go up by no more than inflation, meaning there will not be an increase in real terms. Higher education will also remain free at the point of access for those who are eligible, as tuition fee loans will increase to cover increased tuition fees. The evidence on balance suggests that this will mitigate any negative impacts on participation.

⁵²For example Access for All: An investigation of young people's attitudes to the cost of higher education using the Longitudinal Study of Young People in England (Strategic Society Centre, 2013) <http://strategicsociety.org.uk/wp-content/uploads/2013/07/Access-for-All1.pdf>. C. Callender and J. Jackson, (2005), "Does the fear of debt deter students from higher education?", Journal of Social Policy, Vol 34, No 4. This study was based on a survey of 1,954 prospective HE students studying in 82 FECs, schools and sixth form colleges. In addition Gorard S, Smith E, May H, Thomas L, Adnett N and Slack K (2006). Review of Widening Participation Research: Addressing the Barriers to Participation in Higher Education: A report to HEFCE by the University of York, Higher Education Academy and Institute for Access Studies.

⁵³ The Pound in Your Pocket Summary Report - NUS (2012) www.poundinyourpocket.org.uk/downloads/PIYP_Summary_Report.pdf

⁵⁴ Attitudes to debt – Universities UK (2003) www.universitiesuk.ac.uk/highereducation/Documents/2003/DebtSummary.pdf

Key demographic data

Table 1: Profile of students at higher education institutions⁵⁵

		Full-time	Part-time
Ethnicity	Asian	13%	7%
	Black	8%	8%
	Mixed	4%	3%
	Other	2%	1%
	White	73%	81%
Gender	Female	55%	57%
	Male	45%	43%
	Other	0%	0%
Age	21-24	26%	20%
	Over 24	10%	72%
	Under 21	64%	8%
Disability	No	88%	84%
	Yes	12%	16%
	DSA	6%	4%
Polar 3 quintiles 1 & 2		11%	

Profile of students at alternative providers

We have looked at the available evidence on the student demographics at alternative providers and have come to the following judgements with regards to the representation of protected and disadvantaged groups at these institutions.

Low income backgrounds

The available evidence suggests that amongst students that receive student support, those at alternative providers are more likely to receive a full maintenance grant than their counterparts at public providers and are therefore more likely to be from low income backgrounds. 71 per cent of students at alternative providers receive a full maintenance grant compared to 41 per cent at public providers, according to a forthcoming BIS report.

⁵⁵ HESA student record 14/15 www.hesa.ac.uk/index.php?option=com_studrec&Itemid=232&mnl=14051

The BIS 2013 report⁵⁶ highlights that students from Non-White backgrounds were significantly more likely to access rely on Student Loans Company support alongside their loan compared to their white counterparts who were significantly more likely to use personal savings, current earnings and parental support to help with living costs.

Age

Students at alternative providers are more likely to be older than their counterparts at public providers. SLC record 77per cent of students at alternative providers in 2013/14 were over the age of 21 compared to 36 per cent at publicly funded institutions.

Gender

The available evidence suggests that students at alternative providers are more likely to be male than their counterparts at public providers. In 2012/13 the percentage of students at public providers who are female was 57 per cent, higher than the 48 per cent at alternative providers.

Ethnicity

The available evidence suggests that students at alternative providers are more likely to be from black and minority ethnic backgrounds.

Disability

The available evidence on students with disabilities is inconclusive.

Other protected characteristics covered by the Public Sector Equality Duty

The available evidence on these characteristics is inconclusive.

Table 2: Understanding the market of alternative providers of higher education and their students in 2014⁵⁷

Characteristic	Alternative Providers	Publicly funded Providers
25 and over	51%	36%
Male	58%	44%
BME	46%	19%
Disability	15%	9%

⁵⁶ Private funded providers of higher education in the UK – BIS Research Paper No.111 www.gov.uk/government/uploads/system/uploads/attachment_data/file/207128/bis-13-900-privately-funded-providers-of-higher-education-in-the-UK.pdf

⁵⁷ BIS Research Paper No. 227, Understanding the market of alternative providers of higher education and their students in 2014 (2016)

Table 3: BIS analysis based on SLC data on student demographics⁵⁸

Characteristic	Alternative Providers	Publicly Funded Providers
21 and over	77%	36%
Male	54%	47%
Received full maintenance grant	71%	41%
Disability	5%	9%

Table 4: Privately funded providers of higher education in the UK⁵⁹

Characteristic	Privately Funded Providers	Publicly Funded Providers
From outside UK	50%	13%
BME (non-white)	45%	24%

Further Education Colleges

We have looked at the available evidence on the student demographics at Further Education Colleges and have come to the following judgements with regards to the representation of protected and disadvantaged groups at these institutions.

Low income backgrounds

The available evidence suggests that students at FECs are more likely to come from low income backgrounds than their counterparts at HEIs.

Age

The available evidence suggests that students at FECs are more likely to be older than their counterparts at HEIs.

Gender

The available evidence suggests that male and female students are proportionately represented at FECs relative to the population at HEIs.

Ethnicity

The available evidence suggests that students at FECs are more likely to be White than their counterparts at HEIs.

⁵⁸ Profile of English domiciled, applicants, awarded student support for full-time HE courses by provider type Academic year 2012/13 (effective date – 17/11/2013)

⁵⁹ Private funded providers of higher education in the UK – BIS Research Paper No.111
www.gov.uk/government/uploads/system/uploads/attachment_data/file/207128/bis-13-900-privately-funded-providers-of-higher-education-in-the-UK.pdf

Disability

The available evidence on students with disabilities is inconclusive.

Other protected characteristics covered by the Public Sector Equality Duty

The available evidence on these characteristics is inconclusive.

The following demographic data, which the assessments above are made from, is taken from a BIS research paper⁶⁰, using the 2009/10 cohort:

Disadvantage

Our estimates find that 20 per cent of new entrants to FECs are from low participation areas. This compares with 11 per cent for new entrants to HEIs in the same year and now.

Table 5: Age of students

	HEIs	FECs
17 and under	1%	1%
18-22	52%	32%
23 -26	13%	12%
27 and over	34%	55%

Table 6: Ethnicity of students

	HEIs	FECs
Black or Black British	7%	5%
Asian or Asian British	14%	6%
Other (including mixed)	4%	2%
White	68%	83%
Unknown	7%	4%

Disability

Patterns of self-declared disability were the same for higher education students in each sector for those aged 20 and under and for those aged between 21 and 24. For those aged 25 or over, the proportion with a self-declared disability was slightly larger in FECs than in HEIs.

⁶⁰ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32425/12-905-understanding-higher-education-in-further-education-colleges.pdf

TEF Core metric analysis

Table 7: Provisional assessment of institution performance across the TEF core metrics

The 'High', 'Medium', 'Low' columns are indicative measures based on those providers with two or more positive (high) or negative (low) flags, where a flag denotes a statistically and materially significant difference between actual score and benchmarked score, using three year averages. The metrics cover HESA non-continuation rates up to 2012/13, National Student Survey responses up to 2014/15, and Destination of Leavers from Higher Education six month employment rates up to 2013/14.

Resulting distributions are purely indicative because final TEF assessments will be based upon updated metrics data and, crucially, consideration by assessment panels of contextual information and provider submissions relating to teaching quality.

Figures may not sum to 100% due to rounding.

			English average	% of students at high score providers	% of students at medium score providers	% of students at low score providers
Ethnicity	Full-time	Asian	13%	10%	12%	20%
		Black	8%	6%	9%	12%
		Mixed	4%	4%	4%	5%
		Other	2%	1%	2%	3%
		White	73%	79%	72%	60%
	Part-time	Asian	7%	8%	8%	18%
		Black	8%	6%	8%	15%
		Mixed	3%	2%	2%	5%
		Other	1%	1%	1%	3%
		White	81%	82%	76%	60%
Gender	Full-time	Female	55%	55%	58%	56%
		Male	45%	45%	42%	44%
		Other	0%	0%	0%	0%
	Part-time	Female	57%	50%	58%	54%

			English average	% of students at high score providers	% of students at medium score providers	% of students at low score providers
		Male	43%	46%	39%	46%
		Other	0%	0%	0%	0%
Age	Full-time	21-24	26%	26%	26%	29%
		Over 24	10%	7%	12%	15%
		Under 21	64%	67%	62%	57%
	Part-time	21-24	20%	26%	27%	35%
		Over 24	72%	54%	62%	47%
		Under 21	8%	20%	12%	19%
Disability	Full-time	No	88%	85%	87%	87%
		Yes	12%	15%	13%	13%
		DSA	6%	8%	7%	6%
	Part-time	No	84%	80%	82%	83%
		Yes	16%	18%	16%	18%
		DSA	4%	10%	9%	7%
Polar 3 quintiles 1 & 2			11%	11%	12%	9%

Evidence on HE outcomes

The available evidence shows that there are differences in degree employment outcomes across disadvantaged and protected groups during graduates' early careers. However some differences between groups persist, whereas others diminish.

BIS statistics show that 68 per cent of young graduates with parents in the lowest six occupation groups are working in top 3 occupations groups (professional or managerial level jobs) six months after graduating. This compares to 74 per cent for young graduates with parents in the highest three occupation groups⁶¹.

Analysis by HEFCE⁶² compares outcomes across different groups (gender, POLAR3 classification and ethnicity) for the 2006-07 student cohort with their sector adjusted average. The sector adjusted average takes account of a student's characteristics to calculate the expected performance outcome for a particular group. The outcomes examined are: (i) Degree and employed or studying and (ii) Degree and graduate job or studying

For POLAR3, quintile 1 and 2 areas outcomes are significantly below the sector-adjusted average. Those from quintile 5 have performed significantly above the sector average. The greatest difference is in the percentage of the cohort who achieved a degree and continued to graduate employment or further study.

Women have performed significantly above what would be expected for their student profile in both outcome measures, whereas men are below the sector-adjusted averages.

Black students are significantly below the sector-adjusted average for both outcomes, the greatest difference being 14.3 percentage points below the sector-adjusted average for those who achieved a degree and continued to employment or further study.

Students of Chinese backgrounds have performed significantly below the sector-adjusted average in the percentage of the cohort who achieved a degree and continued to employment or further study and also below the sector-adjusted average in the percentage that achieved a degree and continued to professional or managerial employment or further study.

Students of Indian backgrounds have performed significantly above the sector-adjusted average in achieving a degree and professional or managerial job or study whilst White students perform significantly above the sector adjusted average on both outcomes.

New analysis by HEFCE⁶³ examines the employment outcomes of UK-domiciled students who qualified from a full-time first degree course at a publicly funded English higher education institutions in the academic year 2008-09 at six and forty months after

⁶¹ Widening participation in higher education 2015, BIS Official Statistics

www.gov.uk/government/statistics/widening-participation-in-higher-education-2015

⁶² HEFCE 2013/15 Higher education and beyond; Outcomes for full-time first degree study. The report focuses on four outcomes; Achievement of degree qualification, Degree classification, Employment circumstances, Graduate outcome.

⁶³ HEFCE 2015/23 Differences in employment outcomes: Equality and diversity characteristics.

graduation. It identifies differences in employment outcomes for different protected groups among those qualifying from, and examines whether differences seen in a graduate's early career persist into the medium term.

In general the report shows that there is a substantial improvement in graduate outcomes between six and 40 months after leaving HE. The proportion of qualifiers employed in professional and managerial roles or in further study 40 months after leaving HE was 77.8 per cent: this 'professional employment rate' was 13.7 percentage points higher than the equivalent figure six months after leaving.

In addition the report shows:

Female qualifiers have higher employment rates across their early careers, but male qualifiers catch them up. At six months, the employment rate for female qualifiers was 5.1 percentage points higher, but by 40 months the difference had reduced such that female qualifiers had a rate that was only 1.7 percentage points higher.

Higher professional employment rates among mature qualifiers do not persist. Mature students had the highest rates for all age groups, but the differences between all age groups narrow considerably between six and 40 months.

Lower professional employment rates among disadvantaged students persist across their early careers. Six months after leaving HE, professional employment rates ranged from 59.7 per cent among the most disadvantaged qualifiers to 67.4 per cent among the least disadvantaged qualifiers (a difference of 7.7 percentage points). These differences remain largely unchanged in outcomes observed 40 months after graduation. While the most disadvantaged qualifiers saw professional employment rates increase by 14.4 percentage points across their early careers (to 73.1 per cent), the least disadvantaged qualifiers saw a similar increase of 15.1 percentage points (to 80.5 per cent).

Differences in the professional employment rates for ethnic groups persist. Black Caribbean qualifiers had the lowest rate of professional employment six months after graduation, of 55.4 per cent. This was 9.3 percentage points lower than the highest rate of 64.7 per cent, observed among White qualifiers. Forty months after leaving HE the difference between the highest and lowest professional employment rates had widened to 13.2 percentage points. Black African qualifiers had the lowest rate at this stage of graduates' early careers (65.9 per cent), while Asian Indian and White qualifiers had the highest rates (79.1 per cent and 78.7 per cent respectively).

Similarities in the professional employment rates of male and female qualifiers diminish as careers develop, with a higher proportion of male qualifiers in professional employment or further study. The professional employment rate of male qualifiers increased relative to female qualifiers between six and 40 months after leaving HE. While male qualifiers had a professional employment rate only 0.3 percentage points higher than female qualifiers six months after graduation, the male qualifiers' rate was 1.9 percentage points higher 40 months after graduation.

Non-continuation rates

HEFCE recently published non-continuation rates (those no longer in HE at the end of year 1). The analysis covers full-time First Degree UK undergraduate entrants to HEIs in England up to 2012/13. Falls in retention rates for all student groups (shown below) demonstrate the considerable progress that has been made on retention.

Table 8: Non-continuation rates (%), gender

	Female	Male
2009/10	7.5	9.5
2010/11	6.3	8.4
2011/12	5.8	7.5
2012/13	6.3	8

Table 9: Non-continuation rates (%), disability

	Disability declared	No disability declared
2009/10	9.7	8.3
2010/11	8.1	7.2
2011/12	7.8	6.5
2012/13	8.4	6.9

Table 10: Non-continuation rates (%), young/mature

	Young	Mature
2009/10	7.1	13.1
2010/11	6.2	11.4
2011/12	5.7	10.3
2012/13	5.7	12

Table 11: Non-continuation rates (%), ethnicity

	Black	Mixed	Asian	White	Chinese
2009/10	12.8	9.7	8.8	7.6	5.5
2010/11	11.1	8.7	8.2	6.7	5.4
2011/12	9.4	8	6.7	6.2	5.1
2012/13	11	8.7	6.8	6.5	4.6

Enrolments

Table 12: First year enrolments in higher education by age at UK higher education institutions, Academic Years 2005/06 to 2014/15

Academic Year	20 and under	21-24 years	25-29 years	30 and over	Age unknown	Total
2005/06	350,755	200,240	138,250	362,310	6,260	1,057,815
2006/07	348,725	204,505	143,225	356,640	4,800	1,057,900
2007/08	364,030	208,565	144,370	348,830	3,030	1,068,830
2008/09	387,615	228,865	155,720	369,375	2,445	1,144,020
2009/10	405,305	249,210	161,410	366,875	2,390	1,185,190
2010/11	404,975	248,785	156,605	334,640	965	1,145,970
2011/12	424,495	245,690	141,220	305,245	685	1,117,335
2012/13	373,470	228,120	123,555	245,800	465	971,410
2013/14	400,205	231,765	125,510	238,100	155	995,740
2014/15	411,185	230,160	123,190	224,085	265	988,890

Source: HESA Student Record

1 Figures have been rounded to the nearest five.

2 Age refers to known students' ages on 31st August at the start of the academic year.



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