



Department
for Education

Equality Analysis: Higher Education Student Finance for the 2018 to 2019 Academic Year

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Introduction

Under the Equality Act 2010, the Department for Education (DfE), 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. Analysing the effects on equality of these regulations through developing an equality analysis is one method of ensuring that consideration of equality issues feeds into policy formation, and informs Ministers' decision making.

DfE as a public 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.

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:

- a) Remove or minimise disadvantages suffered by persons with protected characteristics;
- b) Take steps to meet the needs of persons who share a relevant protected characteristic; and
- c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons it disproportionately low.

The general equality duty covers the following protected characteristics: age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

To date we are yet to find evidence to suggest that the characteristics of gender reassignment, pregnancy and maternity and sexual orientation have an impact on the likelihood of a student to receive certain student support products beyond the assumption that pregnant women or mothers would be more likely to receive or go on to receive certain targeted grants designed to support those with dependants or childcare. There is no robust data collected on religion or belief at undergraduate level and so there are limitations in assessing the effect of policy changes for 2018/19 on different religious groups.

As disadvantage in education is still apparent in connection to family income and economic status we will also look at the impact on individuals from lower income groups. We will use the terms protected and disadvantaged groups as well as protected characteristics. Protected groups are a reference to people with protected characteristics, and disadvantaged groups refer to low income groups with low participation rates more widely.

Any queries or comments about this Equality Assessment should be addressed to: Linda Brennan, Department for Education, Great Smith Street, London, SW1P 3BT, linda.brennan@education.gov.uk

Summary of equality impacts across the proposed changes

Changes to the overall student finance system

A number of policy proposals considered in this analysis concern changes to student finance arrangements with maximum loans and grants for living and other costs uplifted by forecast inflation (3.2%) and maximum fees and fee loans maintained at existing levels.:

- Increases in grants that act as a contribution towards the cost of living, dependants' grants and disabled students allowances, by forecast inflation;
- Increases in loans for living costs by forecast inflation.
- Maximum tuition fees and fee loans maintained at 2017/18 levels in 2018/19.
- Increases in loans for students starting postgraduate master's degree courses by forecast inflation.

Our assessment is that these proposed changes will have a marginally positive impact for those with and without protected characteristics. Although student loan debt may rise, this is largely due to increases in maintenance support, which if not implemented would make higher education less affordable for students from lower income backgrounds in particular. Further to this, frozen tuition fee caps and loans will mean students will face a lower real terms debt burden; marginally improving the attractiveness of the student loan offer. These changes will not significantly affect participation decisions.

Replacing NHS bursaries with loans

Overall our assessment for the proposed change from bursaries to loans is in line with the conclusion reached by DH in their Equality Analysis¹; that "although to a lesser extent than undergraduate nursing, midwifery and AHP courses the postgraduate courses have a disproportionately female intake and so the reforms will possibly have an adverse impact on women." There is also some evidence that women, older students, those with a lower income and students from some religions are slightly more likely to be averse to taking out increased borrowing. The increased student loan borrowing burden for postgraduate and dental profession students may therefore make their participation on courses less likely.

This DH initiative should be seen in context; these changes are designed to enable growth in the postgraduate healthcare student intake by lifting student number controls; ensure the long-term sustainability of university provision, and support the needs of the

¹https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680681/Equality_Analysis_health_care_education_funding.pdf

healthcare workforce. Without a suitable funding solution, the Government risked a steep decline on its current intake of postgraduate students, impacting the overall workforce and reducing future levels of expertise and clinical leadership. Without the mixed model (a minority remaining on bursaries while most move onto student loans) for dental profession students, again there would be a detrimental impact on workforce supply and availability of provision.

Other changes

Other changes covered in this analysis have been assessed to have positive equality impacts for those from protected groups. These benefits may vary, with some groups potentially exhibiting different levels of debt aversion.

Background

The overall intention of support for living and tuition costs is to ensure that finance is not a barrier to entry into higher education. The intention is that no eligible student in England should be deterred from attending higher education on the grounds of affordability; that attendance in higher education is based on the ability to learn, not the ability to pay; and that spending power is placed in the hands of the students.

This continues to be a guiding principle for the Government's reforms to the Higher Education Student Funding system, reforms that have aimed to expand and widen participation in Higher Education, ensure that higher education institutions in England have the funding they need to remain world class, whilst ensuring financial sustainability for the taxpayer.

The Government is committed to maintaining the UK's world class higher education system while living within its means. Graduates generally earn considerably more than people without a degree and therefore the system is designed to ensure that those who benefit most contribute most towards the cost of their higher education.

Proposed policy changes and equality analysis

Maximum fees and fee loans in 2018/19

Maximum tuition fees and fee loans for institutions for the 2018/19 academic year are set out below:

Maximum Fees and Fee Loans for 2018/19 – rates are maintained at 2017/18 levels.					
Mode of Study	Higher Education Institution	Maximum Fee (Institution without a Teaching Excellence and Student Outcomes Framework - TEF - award)	Maximum Fee (Institution with a TEF award)	Maximum Fee Loan (Institution without a TEF award)	Maximum Fee Loan (Institution with a TEF award)
Full-time	Funded by Higher Education Funding Council for England - HEFCE (<u>with</u> access agreement from Office for Fair Access – OFFA)	£9,000	£9,250	£9,000	£9,250
Full-time	HEFCE funded (<u>without</u> OFFA access agreement)	£6,000	£6,165	£6,000	£6,165

Maximum Fees and Fee Loans for 2018/19 – rates are maintained at 2017/18 levels.

Mode of Study	Higher Education Institution	Maximum Fee (Institution without a Teaching Excellence and Student Outcomes Framework - TEF - award)	Maximum Fee (Institution with a TEF award)	Maximum Fee Loan (Institution without a TEF award)	Maximum Fee Loan (Institution with a TEF award)
Part-time	HEFCE funded (<u>with</u> OFFA access agreement)	£6,750	£6,935	£6,750	£6,935
Part-time	HEFCE funded (<u>without</u> OFFA access agreement)	£4,500	£4,625	£4,500	£4,625
Full-time	Privately Funded	No maximum fee cap.	No maximum fee cap.	£6,000	£6,165
Part-time	Privately Funded	No maximum fee cap.	No maximum fee cap.	£4,500	£4,625

Full Time Fee and Fee Loans for new and continuing students

- Maximum tuition fees for full time courses and full time distance learning courses starting on or after 1 September 2012 at Higher Education Funding Council for England (HEFCE) funded) higher education institutions that have a current Teaching Excellence and Student Outcomes Framework (TEF) award and have an access agreement with the Office for Fair Access (OFFA) will be maintained at £9,250 in 2018/19.
- For HEFCE funded higher education institutions that have a current TEF award but do not have an access agreement with OFFA, the maximum tuition fee for full time and full time distance learning courses starting on or after 1 September 2012 will be maintained at £6,165 in 2018/19.
- For HEFCE funded institutions that do not have a current TEF award, maximum tuition fees for full time and full time distance learning courses starting on or after 1 September 2012 will remain at the 2017/18 levels of £9,000 and £6,000 in 2018/19, depending on whether or not they have an access agreement with OFFA.
- The maximum fee loan for full time and full time distance learning courses at publicly funded institutions starting on or after 1 September 2012 will be maintained at £9,250 in 2018/19.
- Maximum tuition fees and fee loans for students undertaking a work placement year of a Sandwich course either in the UK or abroad will remain at 20% of the maximum applicable full-time fees and fee loans in 2018/19. Maximum tuition fees and fee loans for students undertaking an Erasmus study or Erasmus work placement year or a period of study at an overseas provider that is not an Erasmus year will remain at 15% of the maximum applicable full-time fees and fee loans in 2018/19.
- For full time courses starting before 1 September 2012, the maximum tuition fee and fee loan at publicly funded institutions will be £3,465 in 2018/19, the same as in 2017/18.

Tuition Fees and Fee Loans for part time higher education courses.

- For part-time courses starting on or after 1 September 2012 at HEFCE funded higher education institutions that have a current TEF award and have an access agreement with OFFA, the maximum tuition fee will be maintained at £6,935 in 2018/19.
- For HEFCE funded institutions that have a current TEF award but do not have an access agreement with OFFA, the maximum part time tuition fee for courses starting on or after 1 September 2012 will be maintained at £4,625 in 2018/19.
- For HEFCE funded institutions that do not have a current TEF award, the maximum tuition fees for part time courses starting on or after 1 September 2012 will be £6,750 and £4,500 respectively in 2018/19, the same as in 2017/18.

- Maximum fee loans for part time courses at publicly funded institutions starting on or after 1 September 2012 will be maintained at £6,935 in 2018/19.

Tuition Fee Loans for higher education courses at private institutions.

- For full time and full time distance learning courses starting on or after 1 September 2012 at private institutions that have a current TEF award, the maximum fee loan will be maintained at £6,165 in 2018/19.
- For private institutions that do not have a current TEF award, the maximum fee loan for full time and full time distance learning courses starting on or after 1 September 2012 will be maintained at £6,000 in 2018/19.
- For part time courses starting on or after 1 September 2012 at private institutions that have a current TEF award, the maximum fee loan will be maintained at £4,625 in 2018/19.
- For private institutions that do not have a current TEF award, the maximum fee loan for part time courses starting on or after 1 September 2012 will be £4,500 in 2018/19, the same as in 2017/18.

Analysis of proposals for maximum fees and fee loans for 2018/19

Our assessment is that maintaining fee caps at 2017/18 levels at 2018/19 will not significantly alter participation decisions. Eligible students charged up to unchanged maximum fees will see a small real terms decrease in the value of the tuition fees they pay and the maximum value of the loans they can take out to cover these fees. This real terms decrease will have the marginal benefit of reducing the cost of HE for these students in the long run.

There are a very small number of HEFCE funded institutions who did not participate in TEF in 2017/18 who now have a current TEF award for 2018/19. Under legislation, these institutions will be able to increase their fees up to the TEF related fee cap (for full-time courses from £9,000 to £9,250) in 2018/19 with a consequent increase in debt for students taking out loans to meet the costs of their fees. In such circumstances our assessment is that, while evidence suggests that students from ethnic minorities, less advantaged backgrounds, mature students, single parents and female students are more likely to be debt averse², the potential increase in fees and fee loans for these institutions will not be significant enough to alter participation decisions. This is because the increases will be nominal; in real terms students will be neither worse or better off as a

² Please see <https://www.gov.uk/government/publications/higher-education-student-support-regulations-2015-equality-analysis> for more information on the debt aversion of particular groups.

³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680681/Equality_Analysis_healthcare_education_funding.pdf

result. For those concerned about any fee rise, they may also have the option to attend a lower cost (unranked) HE provider.

Maximum fee loans for private institutions will be maintained at 2017/18 levels in 2018/19 with higher fee loan being made available to students at institutions with a current TEF award for 2018/19. These institutions do not have a cap on the fees that they can charge; the fee loan supporting the student potentially covers only a proportion of their tuition costs. Eligible students at most of these institutions will see a small real terms decrease in the value of the loans they can take out towards the costs of their fees. A very small number of private institutions who did not participate in TEF in 2017/18 now have a current TEF award for 2018/19. Students studying at these institutions in 2018/19 will benefit from the higher fee loan that private institutions with a TEF award attract (£6,165 for a full-time course compared with £6,000 for private institutions without a TEF award).

In conclusion, we do not expect that these proposed changes to fees and fee loans will significantly alter participation decisions or have an equality impact on protected groups.

Student support for new eligible students starting postgraduate courses in nursing, midwifery and the allied health professions and certain undergraduate courses in dental profession subjects on or after 1 August 2018.

From 1 August 2018, new students starting full-time postgraduate pre-registration courses in nursing, midwifery, the allied health professions (AHPs) and some pre-registration courses in dental profession subjects (dental hygiene and/or dental therapy) will receive support for tuition fees and for living costs through the standard student support system. This will replace the current arrangements for these courses where course fees and NHS bursaries for living costs are paid by Health Education England (HEE). These new students will therefore be subject to the same general student finance arrangements that apply to other undergraduate students in 2018/19. The Department of Health has decided, following a consultation, to make several grants available to eligible healthcare students in England in addition to the standard student support package, which will include support for childcare costs, travel and dual accommodation costs and exceptional hardship funds.

Students will qualify for support for a full-time and part-time pre-registration course in a dental profession subject beginning on or after 1 August 2018 or a full time postgraduate pre-registration course beginning on or after that date, even if they hold a previous qualification that is equivalent or higher than their prospective course.

Analysis

The revised equality analysis produced by the Department of Health; “Reforming healthcare education funding: creating a sustainable future workforce”³ (DH EA) assessed the impacts of the proposed changes to individuals from disadvantaged backgrounds and individuals possessing protected characteristics. They found that:

“Without a suitable funding model the government risked a steep decline on its current intake of postgraduate students. Not only would this have had a detrimental effect on overall workforce numbers it is likely to have reduced the future levels of expertise and clinical leadership in the Service. Without the mixed model envisaged for dental profession students in 2018/19 there could be a detrimental impact on workforce supply and courses could be forced to close as a result.

The student support for living costs will be significantly greater than the bursary provision currently in place to assist with living costs whilst students are undertaking their course. In the wider higher education system the introduction of £9,250 fees has not put students off from applying for higher education, with record entry rates for young people from disadvantaged backgrounds of 20.4% this year. Nevertheless the financial implications of repaying student loan borrowing for both an undergraduate and postgraduate course will need to be evaluated as the increased financial burden may create a downward pressure on postgraduate student numbers across all protected characteristics.

The demographic profile of nursing, midwifery and AHP students means that this policy would have the most significant impact on women and older students. Statistically, women over the age of 25 are more likely to give birth, meaning that the pregnancy and maternity, and carers’ characteristics are also of increased significance for this policy. As such, the issues of pregnancy / maternity, child dependant allowances, travel expenses and a hardship fund are available.”

We have built on this DH analysis with our own, in order to ensure the Secretary of State for Education has due regard to the equality duty when making a decision to allow access to the student loan system for these students.

We have approached this analysis in the following way:

1. We first analyse the recent evidence on the impact of the equivalent changes for undergraduate students. The potential equality impacts of this change were assessed in the equality analysis for Higher Education Student Finance for the 2017/18 academic year⁴.

³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680681/Equality_Analysis_healthcare_education_funding.pdf

⁴https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/577420/Equality_Analysis_for_Student_Support_Regulations_2016.pdf

2. We then draw on the evidence base on changes to financial support as well as the analysis performed by the Department for Health⁵ and assess the likely impacts of the proposed policy change on individuals possessing a protected characteristic or from disadvantaged backgrounds.

Assessment of the impact of undergraduate healthcare changes

On 1st August 2017, financial support for new students starting pre-registration courses in nursing, midwifery, the allied health professions (AHPs) (excluding courses in dental hygiene and dental therapy) and operating department practice (ODP) was moved to the standard student support system. This replaced the arrangement where course fees and NHS bursaries for living costs were paid by Health Education England (HEE). Analysis on the impact of these changes will help to form our assessment of the proposals under consideration in this Equality Analysis. For this analysis we have chosen to focus on nursing courses in particular.

The UCAS end of cycle report shows that the total number of applicants to nursing fell by 18 per cent in 2017 compared with the number of applicants in 2016, equating to 11,750 fewer applicants. This proportional fall in applicants to nursing was bigger than the overall 2.6 per cent fall in applicants across the sector for 17/18. However, this fall in applicants to nursing did not translate into an equivalently large fall in acceptances, which fell by 0.9 per cent compared with 2016.

⁵https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/680681/Equality_Analysis_health_care_education_funding.pdf

Changes in nursing applications and acceptances, 2016 and 2017 application cycles⁶

		Change in applications (%)	Change in acceptances (%)
Age	17 and under	-5	80
	18	-10	10
	19	-18	1
	20	-11	5
	21 and over	-25	-5
Sex	Men	-25	-9
	Women	-19	0
Ethnic group	Asian	-20	7
	Black	-19	19
	Mixed	-22	-6
	White	-20	-5
	Other	-24	8
	Unknown	-23	29
Disability indicator	Disability declared	-16	3
	No disability declared	-21	-1
Total (nursing)		-20	-1
Total (all subjects)		-4	0

⁶ UCAS end of cycle report resource (2017)

Although there were falls in applications to nursing for all groups between 2016 and 2017 (as set out in the table above), these reductions only translated into falls in acceptances for some groups. There were falls in acceptances to nursing for older applicants, men, mixed and white ethnic groups, as well as for those not declaring a disability.

In general, the changes in applications between different groups are similar. However, we can observe that older applicants and men saw proportionally the largest reductions in applications (both 25%) between 2016 and 2017. This translated to falls in acceptances for both groups (5% and 9%) between 2016 and 2017 compared with increased acceptances for all other age groups and a marginal reduction in acceptances for female applicants.

Role of debt aversion

Attitudes to student debt have changed over time; in 2002 only 52% of applicants to HE considered borrowing money for university to be a good investment, whereas this had risen to 74% in 2015⁷. However these attitudes are not uniform across the population of applicants; mature students and those from ethnic minority and disadvantaged backgrounds tend to be more debt averse than other students.

Participation data highlights an interesting paradox in that that debt averse attitudes do not necessarily result in reduced participation in HE; since the 2012 increase in tuition fees there has not been a reduction in participation rates for full-time students. The number of part-time students has declined since 2012⁸, which may suggest an increased sensitivity to financial factors amongst this group. Evidence suggests that other elements of the student support package, such as the income threshold for repayment and the debt being eventually written off, may help to reassure students about the costs of studying⁹. Ultimately opinions on whether student debt is a good investment are likely related to subjective perceptions of the graduate premium, as well as confidence in the wider economy.

⁷ Callender, C. and Mason, G. (2017) Does student loan debt deter higher education participation? New evidence from England, *Annals of American Political and Social Science* 671 (1) pp.20-48. At: <http://www.llakes.ac.uk/sites/llakes.ac.uk/files/58.%20Callender%20and%20Mason.pdf>

⁸ HESA (2017) Changes and trends in the student population. At: <https://www.hesa.ac.uk/news/09-02-2017/changes-and-trends-student-population>

⁹ DfE (Forthcoming) The influence of financial factors on higher education decision making.

Potential impact of changes for healthcare students on disadvantaged and protected groups

Disadvantage

The proposed changes for healthcare students will result in more upfront support than the combination of means-tested and non-means-tested bursaries under the NHS Bursary Scheme. This increased support should have the impact of easing financial concerns during study for students with low incomes. However, potentially running against this is an increased risk to participation of this group due to their increased sensitivity to debt.

In order to mitigate this impact, additional non-repayable support will be available from DH to students in the form of travel grants, childcare allowances and other provisions including for cases of exceptional hardship. This additional financial support is expected to ease the financial concerns of disadvantaged students who are more likely to face financial hardship.

Age

Evidence shows that mature students tend to be more debt averse, whilst their decision-making around HE participation is expected to be more complex because of other commitments they are more likely to have. Although there will be a benefit from the greater level of living cost support available, mature students may choose not to take up the additional loan available and decide to take up additional part-time work or study at an institution closer to home. This is important because 64.35% of postgraduate healthcare students and 42% of dental profession students at HEFCE funded institutions are over 25 years of age, compared with only 18% of students generally. Further to this, we have seen that the recent changes to undergraduate funding have potentially had a greater impact on those aged over 21.

Age Group	Healthcare courses		Dental profession subjects		General Population in England
	<i>Undergrad</i>	<i>Postgrad</i>	<i>HEFCE institutions</i>	<i>Non-HEFCE institutions</i>	
Under 25	56.54%	35.65%	58%	62%	30.2%
25+	43.46%	64.35%	42%	38%	69.8%

Based on their over representation and the potentially higher levels of debt aversion amongst mature students, there is a greater risk to the participation and outcomes of mature students on healthcare courses as a result of switching from bursaries to loans.

Disability

The DH EA identifies that there are proportionally fewer disabled students in the population on dental profession students at HEFCE funded institutions and postgraduate healthcare students that receive the bursary than for the population of all students and compared to the UK population as a whole.

	Healthcare courses		Dental profession subjects		General Population in England
	<i>Undergrad</i>	<i>Postgrad</i>	<i>HEFCE institutions</i>	<i>Non-HEFCE institutions</i>	
Disability prevalence	3.63%	4.63%	3%	4%	18% ¹⁰

This data suggests that the impact of this policy is proportionately more likely to fall on students without rather than with disabilities. We are not aware of any evidence on how views to debt vary between disabled and non-disabled groups.

Gender

Evidence suggests that women are more debt averse than men. As outlined in the DH EA, females make up the majority of students on dental profession courses at HEFCE funded institutions and postgraduate healthcare courses are therefore more likely to be impacted by the proposed changes. However, there is some evidence from the recent changes to undergraduate funding that although female applicants for nursing fell significantly from 2016 to 2017, this did not translate to an equivalent fall in acceptances. Proportionally, the fall in acceptances was higher for men.

¹⁰ This is the figure for the adult working age population: Family Resources Survey - Working Age Population (UK): https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/600465/family-resources-survey-2015-16.

Gender	Healthcare courses		Dental profession subjects		General Population in England
	Undergrad	Postgrad	HEFCE institutions	Non-HEFCE institutions	
Male	11.41%	16.69%	8%	6%	49.4%
Female	87.09%	80.45%	90%	94%	50.6%
Prefer not to say/other	1.5%	2.86%	2%	0%	n/a

Based on their over representation and evidence of increased levels of debt aversion, there is a greater risk to the participation and outcomes of female students on dental profession courses at HEFCE funded institutions and postgraduate healthcare courses as a result of switching from bursaries to loans. The potential risk to female participation may be mitigated by the increased levels of support available via the loans system, whilst in addition several grants will be made available to eligible healthcare students by DH. These include support for childcare costs (£1000/annum), travel and dual accommodation costs and exceptional hardship funds (£3000/AY) which are expected to serve the same purpose.

Ethnicity

Evidence shows that students from ethnic minorities are more likely to come from a lower socio-economic background. There is evidence that students from ethnic minorities and lower income groups may be more debt averse. The policy change therefore presents a greater risk to the participation of this group of students. As the DH EA identifies, there is a higher representation of ethnic minority students on dental profession courses at HEFCE funded institutions and postgraduate healthcare courses compared to the general population in England and Wales. Further to this, evidence from the recent changes to the undergraduate system shows that despite applications from all ethnic groups falling, there were only reductions in acceptances for the mixed and white ethnic groups.

Ethnicity	Healthcare courses		Dental profession subjects		General Population in England
	<i>Undergrad</i>	<i>Postgrad</i>	<i>HEFCE institutions</i>	<i>Non-HEFCE institutions</i>	
White	75.78%	68.23%	77%	70%	85.4%
Black, Asian and minority ethnic	23.38%	27.67%	21%	30%	13.6%
Prefer not to say/not known	1.84%	4.10%	2%	1%	n/a

The proposed policy change is therefore likely to impact upon a proportionally higher number of ethnic minority students, who will lose their access to non-repayable financial support. However, there is evidence that students from some ethnic minority backgrounds are more likely to attend higher education than white students, even if they are from a disadvantaged background. In order to mitigate this impact, additional non-repayable support will be available to students in the form of travel grants, childcare allowances and other provisions including for cases of exceptional hardship.

Religion

As the DH EA states, the students under consideration in these reforms are less likely to have a religion than the England and Wales population as a whole. The policy does not directly discriminate on the basis of religion or belief. Students on dental profession courses at HEFCE funded institutions and postgraduate healthcare courses will lose their access to non-repayable financial support but will now have access to more financial support to meet their costs. There is evidence to suggest that there are groups of Muslim students whose feel unable to take out an interest bearing loan. This means that this group of students will no longer have access to funding for living costs as non-repayable finance is no longer available. Some groups of Muslims, who are opposed to interest bearing loans, may decide not to pursue healthcare courses because of this change.

The Higher Education and Research Act 2017 permits the Secretary of State to award students “alternative payments” which are neither grants or loans. The Department for Education are working towards delivery of alternative student finance for AY 2020/21 for new undergraduate students.

Sexual orientation

Data provided in DH EA indicates that the representation of individuals of particular sexual orientations is broadly similar across the NHS bursary and general UK populations. This suggests that the impacts described throughout this analysis are not more likely to fall on individuals of particular sexual orientations.

Sexual Orientation	Healthcare courses		Dental profession subjects		UK Population
	Undergrad	Postgrad	HEFCE institutions	Non-HEFCE institutions	
Heterosexual / straight	91.75%	86.44%	93%	96%	93.0%
Lesbian / Gay	1.57%	2.56%	1%	<1%	1.2%
Bisexual	0.91%	1.64%	1%	<1%	0.7%
Other	n/a	0.26%	1%	<1%	0.5%
Prefer not to say	5.79%	9.10%	4%	4%	n/a
Non-response	0%	0%	n/a	n/a	n/a

Following implementation of the policy, DH will continue to monitor developments through existing stakeholder forums and other suitable feedback opportunities.

Pregnancy and maternity

Analysis from DH EA asserts that the pregnancy and maternity characteristic is relevant for this policy change because there are a large proportion of female students over the age of 25 on dental profession courses at HEFCE funded institutions and postgraduate healthcare courses funded by the NHS Bursaries. NHS BSA data shows that 1.3 per cent of students on these courses claimed maternity allowance in 2014/15 but there is a lack of robust data for other populations. For this reason it is difficult to know how many students have children.

Our assessment is that this impact of the policy proposal is not likely to differ on the basis of a student being pregnant as there is no evidence to suggest that there are differences

in levels of debt aversion between those who possess this characteristic and those who do not. However, while there is living cost support provided by SFE for students who are absent from their course for 60 days for reasons including pregnancy, any extension of living cost support beyond 60 days is provided on a discretionary basis if the student falls into financial hardship. This discretion could potentially have an adverse impact on those students who do fall pregnant during their studies and deter participation. The potential risk to participation may be mitigated by the increased levels of support available via the loans system, whilst in addition several grants will be made available to eligible healthcare students by DH. These include support for childcare costs (£1,000 for the 2018/19 academic year), travel and dual accommodation costs and exceptional hardship funds (£3,000 for the 2018/19 academic year) which are expected to serve the same purpose.

Healthcare Courses and the Devolved Administrations

New English domiciled students starting full-time postgraduate pre-registration healthcare courses from 1 August 2018 and studying in the Devolved Administrations will be eligible for the standard undergraduate package of fee loan and living costs support, except where they agree to a two-year employment commitment in Wales after completing their course when they will be eligible for a NHS Wales bursary and a reduced rate non means-tested loans for living costs from DfE.

Unlike new students starting postgraduate pre-registration healthcare courses in England from 2018/19, students studying in Scotland and Wales will not qualify for the additional Department of Health support package. In addition to the standard student support package, this includes support for childcare costs, travel and dual accommodation costs and exceptional hardship funds.

New English domiciled students starting full-time dental profession subjects from 1 August 2018 onwards at institutions in Scotland and Wales will qualify for the same fee loan and living costs support as other undergraduate students starting full-time higher education courses in 2018/19. Students studying undergraduate pre-registration dental profession subjects in Scotland will no longer qualify for Scottish Healthcare Allowances in 2018/19 and those studying in Wales will only qualify for bursaries from NHS Wales if they commit to 2 years work in the NHS in Wales after they have completed their course. New students who do not commit to 2 years work in the NHS in Wales after registration will qualify for the standard DfE package of fee and living costs support. Students committing to 2 years work in Wales after registration will, in addition to a bursary from NHS Wales, also qualify for a reduced rate non means-tested loan for living costs from DfE. Institutions in Northern Ireland do not offer courses in undergraduate pre-registration dental profession subjects.

The impact of the reforms for 2018/19 on new students in the above categories who do not qualify for NHS bursaries or Scottish Healthcare Allowances is set out above.

However, new students who opt for the Welsh 2 year employment option will have a significantly lower debt on completion of their course which may act as an incentive for entry. However, they will not benefit from the full increase in funds available via the loans system.

Proposed changes to undergraduate loans for living costs, grants and allowances in 2018/19

Changes to grants and loans for living and other costs for undergraduates in 2018/19 are set out below:

Maximum loans for living costs in 2018/19 for full-time undergraduate students under the age of 60 on the first day of the first academic year who start their courses on or after 1 August 2016.		
Rate of Loan	Eligibility for means-tested DWP benefits.	Maximum loan for 2018/19 (£)
Outside London	Students not eligible for benefits	£8,700
London	Students not eligible for benefits	£11,354
Home	Students not eligible for benefits	£7,324
Overseas	Students not eligible for benefits	£9,963
Outside London	Students eligible for benefits	£9,916
London	Students eligible for benefits	£12,382
Home	Students eligible for benefits	£8,640
Overseas	Students eligible for benefits	£11,090

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016.

- Maximum loans for living costs for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 will be increased by forecast inflation (3.2%) in 2018/19.
- For students living away from home and studying outside London, the maximum loan for living costs for 2018/19 will be £8,700. The equivalent loan rates for students living away from home and studying in London will be £11,354, for those living in the parental home during their studies, £7,324 and for those studying overseas as part of their UK course, £9,963.

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016 who are entitled to certain benefits.

- Maximum loans for living costs for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 and who are entitled to benefits will be increased by forecast inflation (3.2%) in 2018/19.
- For students who are entitled to benefits who are living away from home and studying outside London, the maximum loan for living costs for 2018/19 will be £9,916. The equivalent loan rates for students who qualify for benefits and who are living away from home and studying in London will be £12,382; for those living in the parental home during their studies, £8,640; and for those studying overseas as part of their UK course, £11,090.

Loans for living costs for new full-time students and continuing full-time students starting their courses on or after 1 August 2016 who are aged 60 or over at the start of their course.

- The maximum loan for living costs in 2018/19 for new full-time students and eligible continuing full-time students starting their courses on or after 1 August 2016 who are aged 60 or over on the first day of the first academic year of their course, will be increased by forecast inflation (3.2%) to £3,680.

Maintenance Grants and Special Support Grants for full-time students who started their courses before 1 August 2016.

- The maximum maintenance grant and special support grant for eligible continuing full-time students who started their courses on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (3.2%) in 2018/19 to £3,593.
- The maximum maintenance grant and special support grant for eligible continuing full-time students, who started their courses before 1 September 2012, will be increased by forecast inflation (3.2%) in 2018/19 to £3,299.

Loans for living costs for full-time students who started their courses before 1 August 2016.

- Maximum loans for living costs for eligible students, who started their course on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (3.2%) in 2018/19.
- For students who are living away from home and studying outside London, the maximum loan for living costs will be £6,236. The equivalent loan rates for students living away from home and studying in London will be £8,702; for those

living in the parental home during their studies, £4,960; and for those studying overseas as part of their UK course, £7,410.

Loans for living costs for eligible full-time students who started their courses before 1 September 2012.

- Maximum loans for living costs for eligible students, who started their course on or after 1 September 2009 but before 1 September 2012, will be increased by forecast inflation (3.2%) in 2018/19.
- For students who are living away from home while studying outside London, the maximum loan for living costs will be £5,614. The equivalent loan rates for students living away from home and studying in London will be £7,855; for those living in the parental home during their studies, £4,352; and for those studying overseas as part of their UK course £6,682.

Long Courses Loans.

- Maximum long courses (living costs) loans for new and continuing students who are attending full-time courses that are longer than 30 weeks and 3 days during the academic year will be increased by forecast inflation (3.2%) in 2018/19.

Dependants Grants.

- Maximum amounts for dependants' grants (adult dependants' grant, childcare grant and parents' learning allowance) will be increased by forecast inflation (3.2%) in 2018/19 for all new and continuing full-time students.
- The maximum adult dependants' grant (ADG) payable in 2018/19 will be increased to £2,925. The maximum childcare grant (CCG) payable in 2018/19, which covers 85% of actual childcare costs up to a specified limit, will be increased to £164.70 per week for one child and £282.36 per week for two or more children. The maximum parents' learning allowance (PLA) payable in 2018/19 will be increased to £1,669.

Part-time grants and loans.

- For students who started part-time and full-time distance learning courses before 1 September 2012 and who are continuing their courses in 2018/19, maximum fee and course grants will be increased by forecast inflation (3.2%) in 2018/19. Maximum fee grants will be increased to £907, £1,088 or £1,363, depending on the intensity of study of the course. Maximum course grants will be increased to £297.

Disabled Students Allowances.

- Maximum grants for full-time and part-time undergraduate and postgraduate students with disabilities will be increased by forecast inflation (3.2%) in 2018/19.

Analysis

We know that some disadvantaged and protected groups are overrepresented amongst recipients of different student support products, so are more likely to be impacted by the proposed changes. For example¹¹;

- **Maintenance grants (available for full-time students starting courses before 1 August 2016)** disadvantaged students, those from ethnic-minority backgrounds and older students are overrepresented amongst this population.
- **Dependants grants-** older students are overrepresented across all grants, female students are overrepresented amongst CCG recipients, whilst male students are overrepresented amongst ADG recipients.
- **Disabled Students Allowances** – By definition, recipients are more likely to have a disability.
- **Part-time grants and loans (available for part-time students starting courses before 1 September 2012)** – students studying part-time courses¹² are more likely to be female and older when compared with the full-time student population.
- By increasing the maximum levels of support available across these different streams of funding in line with forecast inflation, it will ensure that students do not suffer a real terms reduction in their income. This increase in support is likely to disproportionately benefit students from low income backgrounds, who rely more on financial support and are more likely to belong to protected groups.
- Any impact will differ on the basis of whether these streams of funding are provided as grants or loans. An increase in loan funding will increase student debt (in nominal terms only) whilst an equivalent increase in grant funding will not. However, the income contingent nature of loan repayments means that the long-term cost impact will only be felt by those who go on to achieve high earnings.
- The other factor is the extent to which the inflation linked increase in funding streams reflects the cost of living increases experienced by different groups. The most recent Student Income and Expenditure Survey (SIES) for 2014/15 does not find evidence of any differences in the expenditure of full and part time students in England by gender, ethnicity or social class¹³.

¹¹ The equality analysis for the 2016/17 regulations provides evidence on the characteristics of those students who were awarded student support in 2013/14

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/482110/bis-15-639-student-finance-equality-analysis.pdf

¹² A proxy we will use for recipients of a part-time fee loan or grant

¹³ Forthcoming

- Our overall conclusions is that any impact of these changes is likely to be neutral to marginally positive. Although some protected groups are overrepresented amongst those receiving some student support products, there is no real impact in debt levels and these students would otherwise find participating in HE less affordable.

Debt Aversion

An impact of increasing loans by inflation will be an increase in student loan debt. Attitudes to debt are not uniform across the student population, with the evidence suggesting students from ethnic minorities, disadvantaged backgrounds and mature students are more debt averse and cost sensitive than others. Additionally, research suggests that single parents and female students are more likely to be debt averse. It is unclear, however, what effect if any this greater debt aversion has on their participation decisions. As noted above, there is little evidence that the 2012 reforms which saw a significant increase in HE fees and associated student debt levels, have had a significant impact in deterring participation in higher education amongst disadvantaged groups of students. There is some evidence that students are more relaxed about taking on debt when they see it as an investment in their future.

Our assessment, in conclusion, is that the inflationary increase in undergraduate loans for living costs and grants for living and other costs for 2018/19 will not significantly alter participation decisions or have a differential impact in equality terms.

Proposed changes to loans for students starting postgraduate master's courses in 2018/19.

- Maximum loans for students starting postgraduate master's degree courses in 2018/19 will be increased by forecast inflation (3.2%) to £10,609.

Analysis

The loan is intended to play an important part in removing the financial barrier to studying a master's degree. By increasing the maximum level of the postgraduate master's loan available in line with inflation, it will ensure that students do not suffer a reduction in available funding via the loan in real terms. As the increase is available to all students who are starting their courses in 2018/19 and are applying for the loan, the change will mean that everyone who applies for the loan, including students from protected and disadvantaged backgrounds will benefit.

One aspect that may lead to the above changes having an unequal impact on certain groups is their level of debt aversion. Those who are more averse to taking on debt may be dissuaded from taking the loan, and thus may benefit comparatively less, than those more accepting of debt. Evidence generally indicates that people from disadvantaged and BME backgrounds, as well as women and mature students, tend to be more debt averse¹⁴¹⁵. However, the experience of introducing loans for undergraduate students¹⁶ suggests this disparity in take-up is likely to be small, with students being more accepting of debt where it represents an investment in their education, and as the income contingent repayment terms of student loans aids their affordability.

The amendment to increase the amount of loan available for postgraduate master's degree courses in line with inflation for 2018/19 is likely to have a relatively small impact on debt averse groups, as the maximum loan amount will be increased only enough to maintain its value in real terms.

¹⁴ 'Does the fear of debt deter students from higher education?', Callender and Jackson, 2013.

¹⁵ 'Attitudes to debt', Callender, Universities UK, 2003.

¹⁶ 'Attitudes to debt among indebted undergraduates: A cross-national exploratory factor analysis', Harrison et al (2015).

Other proposed changes to higher education student finance for 2018/19

Student support for armed forces personnel serving in Scotland, Wales and Northern Ireland and their families

Since 1 August 2017, UK armed forces personnel serving overseas and family members living with them have qualified for fee loans for full-time and part-time undergraduate distance learning courses with UK institutions. They will also qualify for postgraduate master's loans for full-time and part-time master's degree distance learning courses with UK institutions.

A corresponding change is being made for UK armed forces personnel serving in Scotland, Wales and Northern Ireland and family members living with them in 2018/19 who will qualify for fee loans for full-time and part-time undergraduate distance learning courses with UK institutions. They will also qualify for postgraduate master's loans for full-time and part-time master's degree distance learning courses with UK institutions.

Those students with disabilities will qualify for disabled students' allowance. This change applies to students starting or continuing distance learning courses in 2018/19 from 1 August 2018 onwards.

Analysis

Armed forces personnel serving in Scotland, Wales and Northern Ireland and their families will now have access to student support for distance learning courses. While we consider that the numbers are likely to be small, if persons in this category want to access support for a distance learning course, they will be able to do so for the first time. Data is not readily available on the protected characteristics of armed forces personal and their families, and therefore we are unable to identify those most likely to benefit from this change.

One aspect that may lead to the proposed changes having a relatively smaller impact on certain groups is their level of debt aversion. Those groups who are more averse to taking on debt, may be dissuaded from applying for a loan, and, as a result, benefit comparatively less, than those more accepting of debt. For this reason female students, older students and those from ethnic minority backgrounds are not as likely to experience the benefits of this change as other groups.

Student Support for Stateless Persons

A new category is being added to regulations for the 2018/19 academic year so that those recognised and given leave by the Home Office as stateless persons, and their

families may, after three years lawful residence in the UK, qualify for support and become subject to home fee status and tuition fee caps.

Eligible stateless persons, and their families who are starting new undergraduate courses in the 2018/19 academic year will qualify for loans for fees and living costs and grants for living and other costs where applicable. Stateless persons and their families who are starting postgraduate Master's courses in the 2018/19 academic year will qualify for postgraduate master's loans.

Eligible stateless persons starting undergraduate courses in the 2018/19 academic year at HEFCE funded institutions will also qualify for home fee status and tuition fee caps.

Analysis

The limited data and evidence available means that a detailed analysis of the potential equality impacts has not been possible. However, we conclude that the creation of the new eligibility category for student support will have a positive impact on individuals from protected groups as it will enable them to access higher education without having to wait until they qualify for support under the Long Residence category.

The data available on those that are recognised by the Home Office as Stateless Persons shows that numbers are small. As of 31 December 2016, there have been 65 grants of leave to remain to main applicants under the Home Office's Stateless Leave policy. The Palestinian Authority, Estonia and Kuwait are the three most frequent territories of birth for persons granted Stateless Leave up to 31 December 2016. Therefore we consider, that the change will particularly positively affect those with the protected characteristic of race (which is defined as including colour; nationality; and ethnic or national origins).

Those recognised as Stateless by the Home Office and given leave as stateless persons will be able to have more direct access to higher education student support (without having to wait until they have spend half their life in the UK under the Long Residence category, or until they achieve settled status), providing them with the opportunity to benefit from the well documented high average financial returns to obtaining a degree and from the wider, more social benefits associated with higher education study.

Students in this category will have to satisfy the requirement for three years' ordinary lawful residence, in line with most other applicants, before they become eligible for home fee status, tuition fee caps and student support. In some cases this may mean a gap in students' educational progression whilst this three years' residence is acquired; but we do not assess this will be the case for all students some of whom may need to undertake study in the UK before being admitted to higher education in any event. As stated, this policy change will facilitate quicker access to student support and home fee status and capped tuition fees for eligible stateless persons compared to the current situation.

Postgraduate Master's Loans changes to the Humanitarian Protection eligibility category

The 2016 Postgraduate Master's Degree Loans Regulations currently require that persons granted humanitarian protection and their family members must be ordinarily resident in the United Kingdom on the first day of the first academic year of the course to be eligible for student support. However, in line with other eligibility categories, persons granted humanitarian protection should be ordinarily resident in England on the first day of the first academic year of their course to be eligible for the student support package available in England. The amendment will clarify that persons granted humanitarian protection and their family members must be ordinarily resident in England on the first day of the first academic year of their course to be eligible for student support from Student Finance England.

Analysis

Postgraduate master's education provision and the financial support provided is a devolved matter for England, Scotland, Wales and Northern Ireland. It is well-established that each constituent country of the UK is responsible for funding its home-domiciled students and therefore individuals who are normally ordinarily resident in the other areas of the UK should be ineligible for a loan provided by Student Finance England. The devolved administrations all have their own postgraduate master's loan schemes so any persons granted Humanitarian Protection will be able to access support irrespective of where they ordinarily reside.

Scotland and Northern Ireland offer lower levels of support than England, meaning that hypothetically some students with Humanitarian Protection ordinarily resident in one of these areas could have been eligible for higher amounts under the previous English Regulations, than they will now receive under the Scottish system (currently around £280 per annum for full-time students)¹⁷ or the Northern Ireland system (currently around £4,780 per annum)¹⁸. In theory this could mean that those with the protected characteristic of race/nationality and disadvantaged groups will have access to slightly less support and at the margins this could impact upon participation decisions. (The characteristic race/nationality has been used as Humanitarian Protection is an immigration status awarded by UKBA and any holder will have come to this country from overseas). However, given the student finance information provided to students, we believe that all students in Scotland or Northern Ireland would apply to the appropriate administration for support in any event - meaning that this technical regulatory update is, unlikely to have equality impacts in practice. If this is incorrect, the numbers affected would be very small.

¹⁷ <http://www.saas.gov.uk/>

¹⁸ <http://www.studentfinanceneni.co.uk>

Family Test

A number of policy proposals considered in this analysis concern changes to student finance arrangements with maximum loans and grants for living and other costs uplifted by forecast inflation (3.2%) and maximum fees and fee loans maintained at existing levels:

- Increases in grants that act as a contribution towards the cost of living, dependants' grants and disabled students allowances, again by forecast inflation;
- Increases in loans for living costs by forecast inflation.
- Maximum tuition fees and fee loans maintained at 2017/18 levels in 2018/19.

Our assessment is that in general these proposed changes will not have a particular impact on families.

Proposed changes to dental profession students and postgraduate healthcare students are more likely to have an impact on families, considering the demographics of the intakes where women, 25+ and those with children are overrepresented. We do not believe that the changes proposed are likely to have a significant effect on family formation, but we have considered evidence regarding the relationship between student loan debt, repayments and the maintenance or future formation of strong, stable and nurturing relationships:

- Where a household has a member commencing a higher education course the dental professions or a postgraduate healthcare course, these changes will provide them with increased financial resources to meet the cost of living, which would be expected to reduce the likelihood of financial pressures affecting the stability of the family relationship. In addition several grants will be made available to eligible healthcare students by DH. These include support for childcare costs (£1,000 for the 2018/19 academic year), travel and dual accommodation costs and exceptional hardship funds (£3,000 for the 2018/19 academic year) which are expected to serve the same purpose.
- A consequence of this proposal is an increased debt burden for graduates from the dental professions or postgraduate healthcare courses. Evidence shows that increased student debt can delay or decrease the chance of marriage, potentially reduce chances of having children and can delay other decisions, such as the decision to buy a home. However, this must be balanced against the earnings and job prospects attained by graduates, and the fact that the repayments policy is designed to be income contingent and therefore be expected to have only minimal or no impact on family relationships.

Numbers of people granted leave to remain as a Stateless Person are so small that we do not have sufficient data to determine whether the new proposal will have an impact on families. However, the new eligibility category increases the number of people who are likely to be eligible for student support to undertake higher education courses where

specific grants are available for those students who are parents and those with childcare and adult dependant responsibilities.



Department
for Education

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