Department for Education

Higher education student finance for the 2022 to 2023 academic year

Equality Analysis

November 2021

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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.

One means of meeting this requirement is to carry out an Equality Analysis which helps us understand the potential impact of new policy proposals and regulations on people from different groups in society and whether some are likely to be affected more than others.

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 of 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 also no robust data collected on religion or belief at undergraduate level and so there are limitations in assessing the effect of policy changes for 2022/23 on different religious groups.

As disadvantage in education is still apparent in connection to family income and economic status we will also consider 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 Analysis 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 equality analysis concern changes to student finance arrangements for the 2022/23 academic year with maximum loans and grants for living and other costs and postgraduate loans uplifted by forecast inflation (2.3%).

- Increases in grants that act as a contribution towards the cost of living for students starting full-time undergraduate courses before 1 September 2016 by 2.3%;
- Increases in dependants' grants for full-time undergraduate courses by 2.3%;
- Increases in loans for living costs for undergraduate courses by 2.3%; and
- Increases in loans for students starting postgraduate master's degree courses and doctoral degree courses in 2022/23 by 2.3%;

Our overall 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 loans for living costs for undergraduate courses and loans towards the costs of postgraduate courses, which if not implemented would make higher education less affordable, and consequently potentially less accessible, for students from lower income backgrounds.

Proposed changes to loans, grants and allowances in 2022/23

Support for Undergraduate Courses

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 undergraduate students and eligible continuing full-time undergraduate students starting their courses on or after 1 August 2016 will be increased by forecast inflation (2.3%) in 2022/23.
- For students living away from home and studying outside London, the maximum loan for living costs for 2022/23 will be £9,706. The equivalent loan rate for students living away from home and studying in London will be £12,667, for those living in the parental home during their studies, £8,171 and for those studying overseas as part of their UK course, £11,116.

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 undergraduate students and eligible continuing full-time undergraduate students starting their courses on or after 1 August 2016 and who are eligible for benefits will be increased by forecast inflation (2.3%) in 2022/23.
- For undergraduate students who are entitled to benefits who are living away from home and studying outside London, the maximum loan for living costs for 2022/23 will be £11,064. The equivalent loan rate for students who qualify for benefits and who are living away from home and studying in London will be £13,815; for those living in the parental home during their studies, £9,640; and for those studying overseas as part of their UK course, £12,374.

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 2022/23 for new full-time undergraduate students and eligible continuing full-time undergraduate 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 (2.3) to £4,106.

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 undergraduate students who started their courses on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (2.3%) in 2022/23 to £4,009.
- The maximum maintenance grant and special support grant for eligible continuing full-time undergraduate students, who started their courses before 1 September 2012, will be increased by forecast inflation (2.33%) in 2022/23 to £3,680.

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

- Maximum loans for living costs for eligible undergraduate students, who started their course on or after 1 September 2012 but before 1 August 2016, will be increased by forecast inflation (2.3%) in 2022/23.
- For students who are living away from home and studying outside London, the maximum loan for living costs will be £6,958. The equivalent loan rate for students living away from home and studying in London will be £9,708; for those living in the parental home during their studies, £5,534; and for those studying overseas as part of their UK course, £8,267.

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

- Maximum loans for living costs for eligible undergraduate students, who started their course on or after 1 September 2009 but before 1 September 2012, will be increased by forecast inflation (2.3%) in 2022/23.
- For students who are living away from home while studying outside London, the maximum loan for living costs will be £6,263. The equivalent loan rate for students living away from home and studying in London will be £8,764; for those living in the parental home during their studies, £4,856; and for those studying overseas as part of their UK course £7,455.

Long Courses Loans

- Maximum long courses (living costs) loans for new and continuing undergraduate 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 (2.3%) in 2022/23. The maximum long courses loan will be £104 a week for students who are living away from home and studying outside London. The equivalent loan rate for students living away from home and studying in London will be £134 a week; for those living in the parental home during their studies, £69 a week; and for those studying overseas as part of their UK course, £144 a week.

Dependants' Grants

- Maximum amounts for dependants' grants (adult dependants' grant, childcare grant and parents' learning allowance) will be increased by forecast inflation (2.3%) in 2022/23 for all new and continuing full-time undergraduate students.
- The maximum adult dependants' grant (ADG) payable in 2022/23 will be increased to £3,263. The maximum childcare grant (CCG) payable in 2022/23, which covers 85% of actual childcare costs up to a specified limit, will be increased to £183.75 per week for one child and £315.03 per week for two or more children. The maximum parents' learning allowance (PLA) payable in 2022/23 will be increased to £1,863.

Disabled Students' Allowance

- The maximum disabled students' allowance (DSA) for full-time and part-time undergraduate students will be increased by forecast inflation (2.3%) to £25,575 for new and continuing full-time and part-time undergraduate students in 2022/23.

Part-time loans for living costs

- The maximum loan for living costs in 2022/23 for new part-time undergraduate students starting degree level courses on or after 1 August 2018 will be £9,706 for students living away from home and studying outside London. The equivalent loan rate for students living away from home and studying in London will be £12,667; for those living in the parental home during their studies £8,171; and for those studying overseas as part of their UK course, £11,116. The amount of loan a part-time student qualifies for will, in addition to household income, depend on the intensity of study on the course when compared to a full-time course.

Support for Postgraduate Courses

Maximum loans for new students starting Postgraduate Courses in 2022/23

- Maximum loans for new students starting postgraduate master's degree courses in 2022/23 will increase by forecast inflation (2.3%) to £11,836.
- Maximum loans for new students starting postgraduate doctoral degree courses in 2022/23 will be increased by forecast inflation (2.3%) to £27,892.

Disabled Students' Allowance for Postgraduate Students

- The maximum disabled students' allowance will be increased by forecast inflation (2.3%) to £25,575 for new and continuing full-time and part-time postgraduate students in 2022/23.

The rationale for student finance

Higher education represents a significant investment in both terms of time and money. While the costs of study, in the form of tuition fees and living expenses, are incurred up front, the benefits, in the form of higher lifetime earnings and improved health and well-being, do not materialise until later after the student has graduated.

Government intervention is needed because a private sector led credit market for student finance would not work: students would not be able to borrow, partially or fully full, the money they need to fully cover the costs they incur during study and repay the lender once they have graduated and started earning an income.

Put another way, the supply of higher education student finance which private lenders make available would be less than student demand. This in large part because students are unlikely to have collateral which they can offer lenders as security (human capital not being a physical asset) or sufficient liquidity to service loan repayments. Moreover, lenders do not have perfect information about the credit worthiness of students and their ability to repay the loan (which will be based on the student's employment and earnings outcomes after they graduate)[1].

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[1] An overview of the different reasons for government intervention in the context of higher education student finance can be found here: https://www.ifs.org.uk/uploads/Lorraine%20Deardren%20-%20The%20complicated%20issue%20of%20HE%20finance.pdf

In response, private capital markets lenders may seek to limit their exposure to the risk of non-repayment by student borrowers by either rationing the amount of credit they offer to students or charge even higher risk premia to cover the higher risk of lending (exacerbating even further the adverse selection problem).

As a result, finance would represent a barrier to participation. Only those students who would be able to fund the upfront costs of their studies through private means (e.g. personal savings or income or commercial borrowing) would be able to participate in higher education.

By providing up-front funding, a government-backed student finance system makes higher education free at the point of use, thereby ensuring that access is based on ability to learn rather than the ability to pay.

The case for annually uprating student support by inflation

Sustained increases in prices and the cost of living reduce the real value of money, in terms of the quantity of goods and services that a given amount of money will buy. The most widely used measure of inflation, the Consumer Price Index (CPI), was 3.1% in the twelve months to September 2021, although there was significant variation across the different categories of expenditure (see Table 1 below) [2] [3].

The student support package – the amount of support a student can receive from the Government towards living costs – is determined annually. For 2022/23, the package will be increased by the rate of forecast inflation of 2.3%. The inflation measure used is RPI-X (Retail Price Index excluding mortgage interest payments). This is based on the OBR forecast RPI-X figure for the first Quarter of the 2023 calendar year which was published in November 2020.[4]

Increasing the maximum level of student support available across these different streams of funding in line with forecast inflation aims to ensure that students do not suffer a real reduction in their income. This means they should be able to make the same spending decisions as they did previously with regards accommodation, travel,

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[2] In the twelve months to September 2021, the Consumer Price Index (CPI) was 3.1%. This will figure will vary across different goods and services produced in the UK economy. Source: Table 4, Consumer price inflation tables - Office for National Statistics

[3] The CPI is different to the Retail Price Index (RPI) which is no longer recognised as a national statistic. The CPI is lower than the RPI because it is calculated in a different way and is based on a different basket of goods (e.g. it excludes owner occupiers' housing costs such as mortgage interest payments which are included in the RPI). In the twelve months to September 2021, the RPI stood at 4.9%. (Table 37 Consumer price inflation tables - Office for National Statistics)

[4] Table 1.7, https://obr.uk/download/november-2020-economic-and-fiscal-outlook-supplementary-economy-tables/

food, entertainment and course related items such as books and equipment, the costs of which will also have been rising over time.

Table 1: CPI rate of inflation and by category of expenditure

	% change over 12 months (to September 2021)
CPI (Overall index)	**3.1**
01 Food and non-alcoholic beverages	0.8
02 Alcoholic beverages and tobacco	2.7
03 Clothes and footwear	0.6
04 Housing, water, electricity, gas and other fuels	1.9
05 Furniture, household equipment and maintenance	4.5
06 Health	1.3
07 Transport	8.4
08 Communication	1.5
09 Recreation and culture	2.7
10 Education	2.9
11 Restaurants and hotels	5.1
12 Miscellaneous goods and services	1.0

Source: ONS (2021) Consumer price inflation, UK: September 2021

The protected characteristics of student support recipients

Table 2 below shows the protected characteristics profile of student support recipients for each product type. By comparing the profile of each product type against that of the undergraduate full-time loan for living costs claimant population, it is possible to determine the extent to which protected groups in each of the different product claimant populations are under, over or proportionately represented.

We use the undergraduate full-time loan for living costs student population as the basis for comparing the profile of protected characteristics of different product groups. This is because it has the largest number of claimants (tuition fees loans notwithstanding) which means it is more likely to representative of the whole student population. In academic year 2019/20 the number of English domiciled undergraduate full-time students receiving a loan for living costs (maintenance loan) was 1,051,570.

The analysis focuses on age, gender and disability. Ethnicity is not included because there are significant limitations on ethnicity data as reported by the SLC as students are not required to declare their ethnicity.

Age

SLC data in Table 2 below shows the percentage of young and mature students (defined as being 21 years of age or over ***at the start of their course***) awarded different types of student support. The data shows that mature students are:

- Significantly over-represented in the part-time loan for living costs claimant population. This is likely to reflect the fact that mature students are more likely than younger students to study part-time because of their personal circumstances (e.g. family, work or financial commitments).

- Significantly over-represented in the postgraduate masters and doctoral loans populations, reflecting the fact that students are typically over the age of 21 when enrolling on these more advanced levels of study.

- Significantly over-represented in the maintenance and special support grant claimant populations and in the dependants related grant populations (i.e. ADG, PLA, CCG).

- Significantly over-represented in the postgraduate and part-time undergraduate DSA claimant population. They are also over-represented in the travel element of full-time undergraduate DSA.

Gender

Table 2 below shows that there is less variation in the gender profile across the different product claimant population compared to other protected characteristics. The key observations to note are:

- Female students are significantly over-represented in the population of childcare grant and parents' learning allowance claimant population while males are over-represented in the adult dependants' grant population.
- Female students are over-represented in the part-time loan for living costs claimant population. This is likely to reflect the fact that female students are more likely than male students to study part-time because of their personal circumstances (e.g. family commitments).
- Female students are over-represented in the full and part-time undergraduate DSA claimant population as well as the postgraduate DSA population.

Disability

SLC does not require a student to declare whether or not they have a disability, so students applying for DSA has been used as a proxy. However, we would expect this to be a sub-set of the total number of students with a disability because not all students with a disability need additional support funded by DSA on top of any reasonable adjustments provided by their institution. The data shows that:

- DSA recipients are significantly over-represented in the part-time loan for living costs population.
- DSA recipients are modestly over-represented in the full-time maintenance and special support grant population and also in in the dependants related grant populations (CCG, PLA and ADG).

Table 2: Protected characteristics profile of 2019/20 England domiciled borrowers by product

Mode of Study	Product Group	Number of Borrowers	Disability Status		Gender		Age	
			Receiving DSA	Not Receiving DSA	Male	Female	Under 21	21+
Undergraduate	Full Time Maintenance Loans	1,051,570	5.9%	94.1%	42.5%	57.5%	58.4%	41.62%
	Full Time Tuition Fee Loans	1,072,890	6.0%	94.0%	42.7%	57.3%	60.3%	39.7%
	Full Time Maintenance and Special Support Grants	11,260	13.5%	86.5%	52.0%	48.0%	0.1%	99.9%
	Full Time Disabled Students Allowance (DSA)	62,285	100.0%	0.0%	32.7%	67.3%	49.5%	50.5%
	Non Medical Helper	38,875	100.0%	0.0%	31.5%	68.5%	47.1%	52.9%
	Equipment DSA	25,595	100.0%	0.0%	32.0%	68.0%	55.8%	44.2%
	General DSA	40,245	100.0%	0.0%	31.8%	68.2%	54.4%	45.6%
	Travel DSA	4,045	100.0%	0.0%	29.3%	70.7%	31.7%	68.3%
	Other Targeted Support Awards	68,640	9.6%	90.4%	22.2%	77.8%	2.6%	97.4%
	Adult Dependants Grant	18,355	7.7%	92.3%	49.1%	50.9%	0.3%	99.7%
	Parental Learners Allowance	62,375	9.6%	90.4%	20.3%	79.7%	1.3%	98.7%
	Childcare Grant	26,000	11.1%	88.9%	11.4%	88.6%	1.8%	98.2%
	Travel Grant	1,540	4.0%	96.0%	36.9%	63.1%	61.6%	38.4%
	Part Time Tuition Fee Loans	81,655	5.6%	94.4%	32.9%	67.1%	7.0%	93.0%
	Part Time Maintenance Loans	6,705	16.0%	84.0%	32.8%	67.2%	5.3%	94.7%
	Part Time Grants - Course Grant	x	x	x	x	x	x	x
	Part Time Grants - Tuition Fee Grant	x	x	x	x	x	x	x
	Part Time Disabled Students Allowance (DSA)	3,995	100.0%	0.0%	29.7%	70.3%	5.6%	94.4%
	Non Medical Helper	2,310	100.0%	0.0%	28.2%	71.8%	4.3%	95.7%
	Equipment DSA	1,920	100.0%	0.0%	28.8%	71.2%	6.0%	94.0%
	General DSA	2,855	100.0%	0.0%	29.1%	70.9%	6.6%	93.4%
	Travel DSA	170	100.0%	0.0%	25.9%	74.1%	3.5%	96.5%
Postgraduate	Post Graduate Masters Loans	82,620	..	..	38.7%	61.3%	0.2%	99.8%
	Post Graduate Doctoral Loans	2,720	..	..	45.0%	55.0%	0.0%	100.0%
	Post Graduate DSA	6,910	100.0%	0.0%	30.0%	70.0%	0.1%	99.9%
	Non Medical Helper	..	..	..	..	..	..	..
	Equipment DSA	..	..	..	..	..	..	..
	General DSA	..	..	..	..	..	..	..
	Travel DSA	..	..	..	..	..	..	..

Notes: Figures are for loans, grants and allowances paid by Funding Body England for the 2019/20 academic year as at 31st August 2020. Only England-domiciled borrowers are included (EU-domiciled students are excluded). Age is defined as at start of academic year 2019/20 (1st Sept 2019). Figures are for enrolled borrowers not just entrants. Figures for part-time ADG and CCG claimants not reported as disclosive. Postgraduate DSA is only one product, unlike undergraduate DSAs before 2021/22 which is split into four products in the figures above, hence why only one postgraduate figure is reported. Number of borrowers rounded to the nearest 5, x=below 3 suppressed to preserve confidentiality, .. =not available . Disaggregated figures do not always add up because of missing data.

Analysis of proposed policy changes

It is anticipated that inflation-indexed uplift in undergraduate loans for living costs as well as the postgraduate masters and doctoral loans will benefit all students, including low income groups who tend to be more reliant on financial support and are more likely to be from minority ethnic backgrounds[5].

Students who are female, older or disabled will particularly benefit from the inflationary increase in the part-time loan for living costs based on the SLC protected characteristics profile data reported in Table 2 above.

Older and disabled students will be most positively impacted by the inflationary rise in dependants' grants (ADG, PLA, CCG) where they are over-represented with female students benefiting from just the uplift in CCG and PLA.

The impact of policy changes on higher education participation

As noted above, student finance exists to ensure that cost of study and affordability do not represent a barrier to participation in higher education while the inflationary uplift applied each year serves to ensure that students are not made worse off because of a reduction in the real value of the funding they receive.

Some students groups, especially those with protected characteristics, may however be more debt averse than others which may lead them to making poorer decisions about higher education, including choosing not to participate, even when it is in likely to benefit them in the long-run (see Box 1 below) [6].

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[5] HMG (2019) Income distribution: ethnicity facts and figures https://www.ethnicity-facts-figures.service.gov.uk/work-pay-and-benefits/pay-and-income/income-distribution/latest#:~:text=Percentage%20of%20households%20

[6] For an overview of the literature and evidence base see for example Fagence and Hansom (2018) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/693188/Influence_of_finance_on_higher_education_decision-making.pdf and Pollard et al. (2019) https://www.gov.uk/government/publications/the-student-finance-system-impact-on-disadvantaged-young-people

Box 1: Debt aversion

Debt (or loan) aversion relates to the unwillingness of a person to borrow because of the financial costs associated with taking out a loan as well as the psychological effects such as anxiety and distress[7] [8]. This can lead to people choosing not to borrow even though it would very likely improve their personal circumstances in the long run.

In the context of higher education, debt aversion relates to the reluctance of students to take out loans to cover the cost of their studies even when investment in their human capital will deliver positive long-term returns in terms of better employment and earnings prospects[9].

This may be driven by a mix of sociological and cultural factors. For example, students may come from families with negative attitudes towards debt that have been influenced by past experience of over-indebtedness and its consequences. Similarly, students and their families may have religious values or beliefs which discourages or does not allow borrowing, especially if the loans attract interest.

The literature on debt aversion in higher education has evolved over time, reflecting changes in the student finance system and the increasing shift in the cost of study away from the taxpayer to the student. Evidence on student attitudes to risk reveal that students have become more comfortable taking on debt to fund their studies[10].

Attitudes to debt are not uniform across the student population. Students who are female, older or from ethnic backgrounds and lower socio-economic groups are more likely to be debt averse. This will reflect in large part their personal circumstances (e.g. family or financial commitments) which will influence their perceptions of the costs, risks and benefits of investing in higher education[11].

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[7] Baum, S. and Schwartz, S. (2013) *Student aid, student behaviour and educational attainment* *https://gsehd.gwu.edu/sites/default/files/documents/PUBLISHED_Baum_Schwartz.pdf*

[8] Callender, C. and Mason, G. (2017) *Does student loan debt deter higher education participation: new evidence from England* https://www.llakes.ac.uk/sites/default/files/58.%20Callender%20and%20Mason.pdf

[9] Callender and Mason (2017) found that in 2015, 74% of respondents stated that student loans to fund a university education represented a good investment. This compared with 52% when the same question was asked students in 2002. Much of the increase was attributed to more positive responses from female students.

[10] Callender, C. and Mason, G. (2017) *Does student loan debt deter higher education participation: new evidence from England* https://www.llakes.ac.uk/sites/default/files/58.%20Callender%20and%20Mason.pdf

[11] See for example Gayardon, A. *et al.* (2019) *The determinants of student loan take-up* https://link.springer.com/content/pdf/10.1007%2Fs10734-019-00381-9.pdf and Callender and Mason (2017) *Does student loan debt deter higher education participation: new evidence from England* https://www.llakes.ac.uk/sites/default/files/58.%20Callender%20and%20Mason.pdf

While an increase in loan funding will increase student debt (in nominal terms only), an equivalent increase in grant funding will not (since it does not need to be repaid). However, the income contingent nature of loan repayments means that the longer-term impact will only be felt by high/middle earning borrowers who go on to repay all or nearly all of their student loan. Any outstanding loan balance is cancelled at the end of the students' loan term.

Based on the available evidence, the inflationary increase in undergraduate loans for living costs, maintenance grants for full-time pre August 2016 starters, full-time dependants grants and full-time, part-time and postgraduate disabled students' allowance for 2022/23 will not significantly alter participation decisions or have a differential impact across protected groups. The increase will be nominal; in real terms students will be neither worse nor better off. Further, there is little evidence that the 2012 reforms which saw a significant increase in HE fees and associated debt levels, have had a significant impact in deterring participation in higher education amongst disadvantaged groups of students. In addition, the experience of introducing loans for undergraduate students suggests students are increasingly accepting of debt when it represents an investment in their education.

As with undergraduate support, the amendments to increase the maximum amount of loan available for postgraduate master's degree courses and postgraduate doctoral degree courses in line with inflation for 2022/23, are 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.

Impact of an inflationary increase to maximum DSA for 2022/23 on undergraduate and postgraduate DSA recipients

As a general point, it is rare for students to take up the maximum, or close to the maximum, of the DSA. This is because DSA funding is awarded on the basis of need (i.e. it is awarded for specific disability-related support needs recommended by a needs assessor and approved by SLC). The vast majority of students currently use only a small proportion of the maximum DSA and so we forecast that they will see no change as a result of an inflationary increase to the maximum DSA for 2022/23.

An inflationary increase will maintain the value of the maximum DSA in real terms in 2022/23 for students who qualify for the maximum DSA.

Other proposed changes to higher education student finance for 2022/23

Introducing a new Eligibility Category in Regulations for Afghan Locally Employed Staff.

A new eligibility provision is being introduced in Student Finance Regulations for higher and further education so that current and former employees of the UK Government and their family members that have been granted leave to enter from Afghanistan to the UK under the Home Office's Relocation and Assistance Scheme may qualify for student support in England, home fee status and are "qualifying persons" for the purposes of tuition fee limits. Students who are in this category will not need to satisfy a three-year ordinary residence requirement. This category of student will need, however, to have been ordinarily resident in the UK and Islands since the grant of such leave.

Eligible persons and their family members who have been granted leave and who are starting undergraduate courses in the 2022/23 academic year will qualify for loans for tuition fees and living costs and grants for living and other costs where applicable.

Eligible persons and their family members who have been granted leave under this category who are starting postgraduate master's degree courses in the 2022/23 academic year and postgraduate doctoral degree courses in the 2022/23 academic year will qualify for postgraduate master's degree and postgraduate doctoral degree loans, respectively.

Eligible persons and their family members who have been granted leave and who are starting courses at the European University Institute (EUI) in Florence in the 2022/23 academic year will qualify for grants for living and other costs to undertake postgraduate courses at the EUI.

Eligible persons and their family members who have been granted leave are starting Further Education courses in the 2022/23 academic year who are granted leave under these categories will qualify for advanced learner loans.

Eligible persons and their families will also qualify for home fee status and, for undergraduate courses, be subject to maximum tuition fee limits.

Analysis

The limited evidence available means that a detailed and specific analysis of the potential equality impacts has not been possible. However, we conclude that the creation of the new eligibility category for student support is a positive change, which will have a positive impact on individuals from a protected group (race) as it will enable them to access student support for higher education without needing to wait until they obtain settled status or qualify under the long residency category.

Changes to home fee status and tuition fee support for family members of settled persons living in the UK.

For the current academic year, 2021/22, family members of UK nationals are able to continue accessing student support as they could when the UK was a member of the EU. However, family members of other settled persons are not currently entitled to tuition fee loans. Now we have left the EU there is no obvious justification for treating family members of UK nationals more favourably than family members of other settled persons.

All settled persons living in the UK by definition have a strong connection to the UK, and have unrestricted rights to enter and remain, and their family members have access to identical immigration routes, regardless of the nationality of the settled person.

Family members of all settled persons in the UK who are starting full-time and part-time undergraduate courses in 2022/23 qualify for tuition fee loans. Eligibility is currently limited to family members of UK nationals. This category of person must be ordinarily resident in the UK and Islands (the Crown Dependencies) for three years prior to the start of their course in order to qualify for tuition fee loans.

This category of person who are starting postgraduate master's degree courses and postgraduate doctoral degree courses in 2022/23 will qualify for postgraduate master's degree and doctoral degree loans. In addition, this category of person who are starting further education courses in 2022/23 will qualify for advanced learner loans.

In addition, family members of all settled persons in the UK who are starting courses in 2022/23 will qualify for home fee status and, for undergraduate courses, be subject to maximum fee limits.

Analysis

With regard to extending rights to the family members of all settled persons in the UK, neither HESA nor SLC collect data on family relationships. However, in AY 2019/20 there were only 196 non-UK, non-EU nationals accessing student support[12] and it is likely that only a very small proportion of these would have been family members of non-UK nationals (i.e. the additional group).

Given that we are extending rights to family members of all settled persons in the UK, we consider that the equality impacts (if any) are not likely to be significant but would expect a positive impact on those with the protected characteristics of race (as all would be non-British), age, gender and disability given access to student support is being enhanced. This policy will help facilitate access to education for these additional students.

Changes to tuition fee support and home fee status for settled persons and their family members living in the specified British Overseas Territories.

UK nationals and their family members domiciled in specified British overseas territories (BOTs) are currently entitled to home fee status on the basis of three years' ordinary residence in the UK, Islands and the specified BOTs (and have been since 2007).

Persons who have settled status on arrival in the UK, and those covered by the EU Withdrawal Agreement, EEA EFTA Separation Agreement or Swiss Citizens' Rights Agreement (the Withdrawal Agreements) who come to the UK from specified BOTs and who are starting full-time and part-time undergraduate courses in 2022/23 will qualify for tuition fee loans. To qualify, persons resident in the BOTs will need to satisfy the three-year ordinary residence requirement in the UK, Islands or specified BOTs. In addition, the family members of all persons settled when in the UK will now have access to home fee status, subject to the same residence requirement. Persons with citizens' rights in the UK under the Withdrawal Agreements will be able to count periods of residence in all overseas territories as part of the normal three-year qualifying period for eligibility for tuition fee loans.

Corresponding changes in relation to student support will be made for students in these categories who are starting postgraduate master's degree courses and postgraduate doctoral degree courses in 2022/23 who will qualify for postgraduate

[12] Management information as at 14 June, 2020, provided by the Student Loans Company.

master's degree and doctoral degree loans. In addition, students in these categories who are starting further education courses in 2022/23 will qualify for advanced learner loans.

In addition, family members of students in these categories who are starting courses in 2022/23 will qualify for home fee status and, for undergraduate courses, be subject to maximum fee limits.

Analysis

With regard to settled persons and their family members living in the BOTs, given the limited numbers of students involved and given that we are extending rights to home fee status and tuition fee support to all settled persons as well as those covered by the Withdrawal Agreements, and home fee status to the family members of person who would be settled in the UK, we consider that the equality impacts (if any) on this front are not likely to be significant but we would expect a positive impact on those with the protected characteristics of race, age, gender and disability from BOTs given access to home fee status is being enhanced. We do know from analysis previously undertaken of HESA data that in 2018/19 UK nationals from the BOTs studying undergraduate courses in England were more likely to be over 30 and female than UK nationals in the UK, but less likely to be disabled. Data on ethnicity is not held. This policy will help facilitate access to education for these additional students.

Not extending rights to tuition fee loans for the family members of persons with settled status in the UK who are ordinarily resident in the BOTs, could have a marginally negative impact on those protected categories mentioned. However, given there is limited rationale for making this change, and the extremely low numbers concerned, the impact is assessed to be negligible.

UK nationals and EU nationals and their family members with citizens' rights residing in Gibraltar will not have access to tuition fee loans or home fee status in England for courses starting on or after 1 January 2028. However, the addition of a new category that provides access to tuition fee loans to those living in specified BOTs (which includes Gibraltar) will allow those from Gibraltar with settled status on arrival in the UK plus those covered by the EU Withdrawal Agreement, to access home fee status and student support without time limit. Further, the Government of Gibraltar already pays tuition fees on behalf of their residents with Gibraltarian status, and therefore this change will have no discernible impact on those with protected characteristics.

In academic year 2018/19, there were 938,390 full-time undergraduate students enrolled at English Higher Education Institutions, who were UK nationals domiciled in the UK prior to study. There were 205 UK nationals classified as Gibraltar domiciled, 480 UK nationals domiciled in the remaining BOTs and no UK nationals domiciled in EU OTs. There were also 430 EU nationals domiciled in Gibraltar, 10 in the remaining BOTs and 60 in the EU OTs. Hence the number of persons affected by the policy position will be small.

There are many similarities and some minor differences regarding the UK and EU nationals domiciled in Gibraltar and other specified BOTs that should be noted. The table below shows the following:

- The protected characteristics of UK national students domiciled in BOTs resembles the protected characteristics of students of all nationalities domiciled in BOTs.
- The protected characteristics of UK national students domiciled in Gibraltar resembles the protected characteristics of students of all nationalities domiciled in Gibraltar, although the split between male and females in the latter is more evenly balanced.
- The age distribution of UK national students domiciled in BOTs is similar to the age distribution of UK domiciled UK national students
- UK nationals domiciled in Gibraltar tend to be younger (under 24) than in the UK or other BOTs generally.
- The share of female students among UK national students domiciled in BOTs is greater than the share of female students domiciled in the UK, although the share of female students with UK nationality in Gibraltar is slightly below that of male students.
- Disability characteristics are slightly lower for UK national students domiciled in BOTs compared to those in the UK, with a lower percentage still of UK nationals with a known disability domiciled in Gibraltar.
- With regard to EU nationals, those domiciled in EU OTs more closely mirror those EU nationals in the UK while a higher proportion of those in Gibraltar fall into the younger age bracket (below 24 years). There are slightly more EU nationals aged 30 and over domiciled in the BOTs than UK nationals domiciled in the BOTs.
- EU nationals domiciled in the BOTs with a known disability are slightly higher than UK nationals in the BOTs, although the number of EU students was very small.
- We do not hold data for protected characteristics of those domiciled outside the UK under ethnicity[13].

Our assessment is that although protected groups of EU nationals who will be affected by our proposed position are slightly over represented, namely gender (females) the impact of these options will not differ on the basis of these characteristics.

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[13] HESA collects ethnicity information from UK domiciled students only.

As set out above, persons with citizens' rights in the UK under the Withdrawal Agreements will be able to count periods of residence in all overseas territories (which includes EU overseas territories) as part of the normal three-year qualifying period for eligibility for tuition fee loans. Our assessment is that persons with citizens' rights who arrived in the UK before the end of the transition period, who have been granted pre-settled status under the EU settlement scheme, and where part of the previous 3 years residence was spent in an EU OT would give rise to a negligible number of eligible persons (if any) who have come here via such a route. The equalities impact of this policy therefore will also be negligible.

Protected characteristics of full-time undergraduate enrolments by nationality[1] and domicile[2]

English Higher Education Institutions

Academic Year 2018/19

		UK Nationalities				EU Nationalities				All Nationalities			
		Domicile				Domicile				Domicile			
		UK	Gibraltar	British Overseas Territories[3]	EU Overseas Territories[4]	UK	Gibraltar	British Overseas Territories[3]	EU Overseas Territories[4]	UK	Gibraltar	British Overseas Territories[3]	EU Overseas Territories[4]
Age	20 years & under	65.2%	77.9%	58.8%	100.0%	45.5%	77.7%	58.3%	42.4%	63.0%	77.7%	56.1%	38.6%
	21-24 years	24.5%	20.1%	28.5%	0.0%	26.3%	21.6%	33.3%	39.0%	24.8%	21.2%	31.3%	40.0%
	25-29 years	4.4%	1.5%	6.5%	0.0%	10.7%	0.0%	0.0%	15.3%	4.9%	0.5%	7.1%	15.7%
	30 years & over	5.9%	0.5%	6.3%	0.0%	17.5%	0.7%	8.3%	3.4%	7.3%	0.6%	5.4%	5.7%
	Age unknown	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%
Gender	Female	56.4%	46.6%	61.5%	100.0%	59.2%	52.1%	58.3%	49.2%	56.6%	50.5%	62.9%	47.1%
	Male	43.5%	53.4%	38.5%	0.0%	40.8%	47.7%	41.7%	49.2%	43.3%	49.4%	37.1%	51.4%
	Other	0.1%	0.0%	0.0%	0.0%	0.0%	0.2%	0.0%	1.7%	0.1%	0.2%	0.0%	1.4%
Disability status	Known disability	17.8%	9.3%	13.1%	0.0%	8.3%	9.3%	16.7%	8.5%	16.9%	9.3%	11.1%	7.1%
	No known disability	82.2%	90.7%	86.9%	100.0%	91.7%	90.7%	83.3%	91.5%	83.1%	90.7%	88.9%	92.9%
Ethnicity	White	72.4%				62.7%				69.2%			
	Black	6.8%				15.8%				8.9%			
	Asian	13.5%		N/A[5]		9.8%		N/A[5]		14.2%		N/A[5]	
	Other (including mixed)	6.5%				10.1%				6.9%			
	Ethnicity unknown	0.8%				1.7%				0.9%			
	Grand Total	**938,390**	**205**	**480**	**0**	**66,060**	**430**	**10**	**60**	**1,046,855**	**635**	**840**	**70**

Source
DfE analysis of Higher Education Statistics Agency (HESA) student record

Notes
Figures are based on HESA standard higher education registration population
Figures have been rounded up or down to the nearest five, so components may not sum to totals
Percentages are calculated using unrounded figures
[1]Nationality is defined as country of legal nationality

[1]Where a student has dual-nationality, if one nationality is British then they are coded as UK nationality. If neither nationality is British but one is non-UK EU, then they are coded as relevant EU country nationality.
[1]Otherwise, they are coded as either country. More information on HESA definitions of nationality can be found here:
1https://www.hesa.ac.uk/collection/c17051/a/nation
[2]Domicile refers to country of student's permanent home address prior to entry to the course. More information regarding domicile can be found here:
2https://www.hesa.ac.uk/collection/c19051/a/domicile
[3]British Overseas Territories include: Anguilla, Bermuda, British Virgin Islands, Cayman Islands, Falkland Islands, Montserrat, Pitcairn Islands, South Georgia and South Sandwich Islands, St Helena,
[3]Ascension and Tristan da Cunha, Turks and Caicos Islands
[4]EU Overseas Territories include: Greenland and Faroe Isles (Denmark possession),Netherlands Antilles (Bonaire, Curacao, Saba, St Eustatius and St Maarten) and Aruba (Netherlands possession),
[4]New Caledonia, French Polynesia, Wallis and Futuna Mayotte, St Pierre et Miquelon, French Southern Territories, St Barthelemy (French possession)
[5]Ethnicity data is only available for UK domiciled students

Omitted Countries
HESA defines 'no settled inhabitants' as no inhabitants apart from military and scientific personnel, staff of contractors and seasonal residents
Antarctic Territories are omitted as there are 'no settled inhabitants'. Although there are a number of national territorial claims to parts of Antarctica, these have been in abeyance since the Antarctic Treaty in 1961
British Indian Ocean Territories is omitted as indigenous inhabitants have been displaced elsewhere and as such there are no settled inhabitants

Omitted Countries Source
https://www.hesa.ac.uk/collection/c18051/a/domicile

Family Test

A number of policy proposals considered in this family test analysis concern changes to student finance arrangements with maximum loans and grants for living and other costs for undergraduate courses and grants and loans for postgraduate courses uplifted by forecast inflation (2.3%) in 2022/23:

- Increases in maintenance grants for full-time students starting full-time undergraduate courses before 1 September 2016 by 2.3%;
- Increases in dependants' grants for full-time undergraduate courses by 2.3%;
- Increases in DSA for full-time and part-time undergraduate and postgraduate courses by 2.3%.
- Increases in loans for living costs for full-time and part-time undergraduate courses by 2.3%;
- Increases in loans for students starting postgraduate master's degree courses and postgraduate doctoral degree courses in 2022/23 by 2.3%;

Our assessment is that in general these proposed changes will not have a particular impact on families. The increase in debt will be in nominal terms only meaning that students with family commitments will be no worse or better off as a result. Moreover, the income contingent nature of loan repayments means that the longer-term impact will only be felt by those students with family commitments who go on to earn more than the minimum repayment threshold after they graduate, which is currently set at £27,295 for further education and undergraduate HE courses and £21,000 for postgraduate master's degree and doctoral degree courses.

Changes to eligibility criteria for 2022/23 will increase the number of people who are likely to be eligible for student support to undertake higher education courses and may assist access where specific grants are available for those students who are parents and for those with childcare and adult dependent responsibilities.

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