

Equality impact assessment for the Lifetime Skills Guarantee Level 3 offer

Under the Equality Act 2010, public authorities are required to have due regard to equality impacts when making decisions in the exercise of its functions (Public Sector Equality Duty). In particular, public authorities are required to have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The Equality Act 2010 identifies the following as protected characteristics for the purpose of the public-sector equality duty:

- Age
- Disability
- Gender reassignment
- Pregnancy and Maternity
- Race (including ethnicity)
- Religion or belief
- Sex
- Sexual orientation

This equalities impact assessment ('EIA') is developed with a view to identifying disproportionate positive or negative impacts of the policy on the published date on persons with protected characteristics as considered from the perspective of to the need to have to regard to the: (a) elimination of discrimination, (b) advancement of equality of opportunity and (c) fostering good relations.

According to this EIA as at its published date, no categories of persons with a protected characteristic will be disproportionately negatively impacted by the policy. Overall, we expect the policy to have a positive (or at least neutral) impact on all categories of persons with protected characteristics. We identify that, despite eligibility being open to any category of persons with protected characteristics subject to the general conditions of Lifetime Skills Guarantee Level 3 offer, certain categories of persons with protected characteristics may be challenged by obstacles to participation. This reduces the likelihood of them benefitting from the expected positive impacts of this policy. This EIA therefore sets out proposed mitigations, to be further developed and implemented, which intend to address obstacles to participation.

1. Outline of the proposal

The Lifetime Skills Guarantee Level 3 offer was announced by the Prime Minister on 29 September 2020 as part of the Government's 'Lifetime Skills Guarantee'. This offer will replace loan funding with grant funding for any adult over the age of 24 looking to achieve their first level 3 qualification. The policy also includes an uplift, which will support and incentivise providers to deliver provision to meet the needs of adult learners and increase the sector's capacity to deliver qualifications included in the offer.

While adults aged 19-23 have their first full level 3 fully funded, adults aged 24+ must apply for an Advanced Learner Loan (or self-fund) if they wish to achieve their first Level 3. This acts as a barrier to accessing education as cost is one of the key barriers for adults undertaking learning.¹ This has had a measurable negative impact on uptake for level 3 qualifications.² This offer will introduce full funding for these learners, so adults aged 24+ and without a first level 3 can benefit from free, fully funded courses from a selection with high economic value and strong alignment with key skills priorities. Removing funding barriers to level 3 provision was a key recommendation in the Augar Review and is a central skills priority for the Secretary of State and No.10.

This policy will tackle the funding barriers that can prevent adults from taking up learning, opening entry to more professions. As such, this policy impacts adults falling under any or more than one of the categories of protected characteristics. Courses will be available in a variety of lengths, to support adults to get the skills they need to boost their careers. The qualifications have been identified to help adults improve their job prospects. They have good wage outcomes and/or address skills needs in the economy. Qualifications will initially be available in these Subject Sector Areas:

- Accounting and Finance
- Agriculture
- Building and Construction
- Business Management
- Child Development and Well Being
- Engineering
- Environmental Conservation
- Health and Social Care
- Horticulture and Forestry
- ICT for Users
- ICT Practitioners
- Manufacturing Technologies
- Mathematics and Statistics
- Medicine and Dentistry
- Nursing and Subjects Allied to Medicine³
- Public Services
- Science
- Teaching and Lecturing

¹ Kantar and Learning and Work Institute; *Decisions of Adult Learners*, DfE policy paper, 2018. Available [here](#).

² DfE (2018); *Impact Evaluation of 24+ Advanced Learner Loans Research Report*. Available [here](#).

³ No participation data is available for this cohort however we have appropriately considered eligibility and the potential impacts on persons with protected characteristics, having due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Transportation Operations and Maintenance
Warehousing and Distribution

The qualifications list will remain under review to ensure that it responds to changing labour market needs and that review is subject to its own Public Sector Equality Analysis.

2. Which departmental priorities does the request link to?

The Lifetime Skills Guarantee Level 3 offer supports the following departmental priorities:

a. Driving economic growth

Adult participation in learning is currently at historically low levels⁴ and 23% of people fail to reach Level 3 by the age of 25.⁵ Prior to 2013/14, when Advanced Learner Loans (ALLs) were introduced, all adults' first full level 3 qualifications were fully funded regardless of age and the removal of this funding was the primary cause for the substantial decline in adult learner numbers at Level 3.

This decline is particularly problematic when the strong economic returns to Level 3 qualifications are factored in. There is substantial evidence that gaining a full level 3 qualification provides substantial economic benefits for individuals and the government:

- Full level 3 qualifications result in a 9% earnings return and 4ppts increase in the chance of employment on average.⁶
- The Net Present Value (NPV) per pound of Government funding is estimated to be £16-21 for Full Level 3 qualifications.⁷
- Key sectors (such as construction or manufacturing) suffer from pervasive skills shortages due to inability to recruit appropriate candidates: 48% of skilled trade vacancies proved hard to fill for skills-related reasons.⁸ Boosting productivity across the country is key to the levelling up agenda, which this policy will support.⁹

b. Boosting and levelling up education standards

The UK suffers from a longstanding productivity gap with international competitors, a trend which has worsened since economic growth stalled after the 2007-8 global financial crisis. UK productivity is lower than Germany's by 26%¹⁰. Too many individuals are trapped in low-wage, unstable work with no feasible means of progressing into better-paid, more productive roles. Meanwhile, key sectors (such as construction or manufacturing) suffer from pervasive skills shortages due to inability to recruit appropriate candidates. Boosting productivity across the country is key to the levelling up agenda, which this policy will support.¹¹

c. Support for the most disadvantaged and vulnerable

There is significant variation of unemployment and wages both between regions and within them.¹² Regions with higher unemployment or more fragile employments are more likely to get stuck in a low-skill equilibrium than others, leading to unequal outcomes for individuals – there are fewer employment and training opportunities, which in turn limits the growth of skills and

⁴ LWI (2019); *Adult Participation in Learning Survey 2019*. Available [here](#).

⁵ DfE (2018); Post-16 education: highest level of achievement by age 25 – England. Available [here](#).

⁶ DfE (2019); Post 18 Education and Funding Review. Available [here](#).

⁷ BIS (2015); Further education: measuring the net present value in England. Available [here](#).

⁸ DfE (2019); *Employer Skills Survey 2019* p.32. Available [here](#).

⁹ Available [here](#).

¹⁰ ONS (2016); *International comparisons of UK productivity (ICP), final estimates (2016)*. Available [here](#).

¹¹ Available [here](#).

¹² ONS (2020); *Labour Market in the Regions of the UK: September 2020*. Available [here](#).

wages. In addition, research indicates that those in lower income brackets are less likely to enrol in adult education without financial support, which this policy aims to address.¹³

3. Summary of the evidence considered for each of the protected characteristics in demonstrating due regard to the equality duty.

1. Data from the Individualised Learner Records (ILR), including 24+ Advanced Learner Loans learning aims excluding prior attainment of Level 3 and above. More details on the ILR are available in Annex A.
2. Average data on earnings five years after learning by demographics and Sector Subject Area (SSA).¹⁴

4. Impact assessment

Age

In nine sectors, 10% or more learners were aged 50+ (Horticulture and Forestry 20%, Health and Social Care 18%, Teaching and Lecturing 16%, Warehousing and Distribution* 15%, Business Management 12%, ICT for users* 11%, Environmental Conservationism* 11%, ICT for Practitioners 10%, Mathematics and Statistics* 10%)

Across Level 3 qualifications taken in 2018/19 the breakdown of the age of learners is below¹⁵.

Age	Percentage of Learners
24-30	28
31-49	61
50+	12

Disability

8% of total learners who took a qualification now included within the Lifetime Skills Guarantee Level 3 offer in 2018/19 declared a disability. In 7 sectors 15% or more of learners had declared a disability with the highest proportions being agriculture* (38%), science (28%) and Horticulture and Forestry (27%) and Transport Operations and Maintenance (25%). In a further 6 sectors between 10% and 14% of learners declared a disability.

Gender reassignment

We have engaged with analysts and data on gender reassignment is not collected within the ILR. We are not aware of any other sources of this data. Nevertheless, we have appropriately considered eligibility and the potential impacts persons with this protected characteristic having due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Race

¹³ Kantar and Learning and Work Institute; *Decisions of Adult Learners*, DfE policy paper, 2018. Available [here](#).

¹⁴ Further education: Outcome-based success measures academic year 2017/18. Available [here](#)

¹⁵ The percentages in the table have been rounded so come to 101%

The breakdown of qualifications between learners from BAME and White backgrounds in 2018/19 suggests that a higher proportion of learners from a BAME background are likely to take qualifications than the general population. However, learners from a White background are more likely to take courses which lead to an average salary 14.5% higher.

32% of learners studying the selected courses in 2018/19 were from BAME backgrounds, 66% were from White backgrounds (unknown 1.5%). If this pattern continues, learners from a BAME background will benefit disproportionately more from the funded courses than learners from a White background compared to the general UK population. (In the UK 87% of the population are White and 13% belong to a Black, Asian, or Mixed or Other ethnic group)

The five subject areas (for which data is held) with the highest percentage of learners from a BAME background, with the average salary outcomes after 5 years¹⁶ are:

Subject Sector Area	% BAME Learners	Median earnings 5 years after study
ICT for users*	72%	£21,080
Science	46%	£19,900
Business Management	42%	£20,720
ICT Practitioners	37%	£18,980
Health and Social Care	36%	£19,070
	Average	£ 19,950

*these courses had less than 100 learners in total

The five subject areas with the highest percentage of learners from a White background, with the average salary outcomes after 5 years are:

Subject Sector Area	% White Learners	Median earnings 5 years after study
Environmental Conservation*	100%	£19,050
Warehousing and Distribution*	95%	£30,420
Horticulture and Forestry	92%	£18,630
Manufacturing Technologies	92%	£21,600
Agriculture*	91%	£27,130
	Average	£23,366

*these courses had less than 100 learners in total

Religion of belief

We have engaged with analysts and data on religion and belief is not collected within the ILR. We are not aware of any other sources of this data. Nevertheless, we have appropriately considered eligibility and the potential impacts persons with this protected characteristic having due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Sex

If the breakdown of qualifications between women and men in 2018/19 remains constant it is likely that more women than men will take up courses that will now be funded through the Lifetime Skills Guarantee Level 3 offer. However, according to same breakdown and if it remains constant, men are more likely to take courses that lead to higher wage outcomes. Although eligibility is the same for all protected characteristics and the Lifetime Skills

¹⁶ Median annualised earnings five years after study for learners who achieved in academic year 2012/13. There is no existing earnings data for learners who achieved a full level 3 qualification in SSA Mathematics and Statistics in academic year 2012/12, so is not included within this analysis.

Guarantee Level 3 offer is expected to have a positive impact on all groups, it is noted that there may be some obstacles to participation in certain SSAs which may more likely impact woman than men.

Historical participation rates indicate that the uptake of the qualifications in scope for this offer is comprised predominantly of women. In 2018/19, 14,440 Level 3 learning aims in qualifications in scope of this offer were taken by women and 9,560 by men. In 9 of the 19 Subject Sector Areas (SSA) women studied more learning aims than men. In two SSAs (Business Management and ICT for Users) the split was around equal between women and men, and in 10 SSAs men studied more learning aims than women. In many cases there is a disparity between the numbers of men and women studying in a SSA.

- women comprised less than 5% of learners in Building and Construction, Engineering and Environmental Conservation^{17*} in 2018/19.
- in Health and Social Care, Accounting and Finance and Teaching and Lecturing, male learners comprised between 18-19% of learners. They comprised 8% of learners for Medicine and Dentistry and 3% of learners for Child Development and Wellbeing.

The qualifications in scope with an historically higher proportion of male learners generally have higher wage outcomes than those undertaken predominantly by women. When looking at median earnings five years after study, Warehouse and Distribution (£30,420), Engineering (£29,520) and Manufacturing Technologies (£27,130) offer the highest wage return of the SSAs. In these sectors, the learners are predominantly men (81%, 95% and 80% respectively).¹⁸

Sexual orientation

We have engaged with analysts and data on sexual orientation is not collected within the ILR. We are not aware of any other sources of this data. Nevertheless, we have appropriately considered eligibility and the potential impacts persons with this protected characteristic having due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Pregnancy and maternity

We have engaged with analysts and data on pregnancy and maternity is not collected within the ILR. We are not aware of any other sources of this data. Nevertheless, we have appropriately considered eligibility and the potential impacts persons with this protected characteristic having due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations.

Obstacles to participation : proposed mitigations

The data outlined above illustrates historical and projected participation rates. From the data, it is identified that there may be some differences in how people from different groups may access the courses and benefits. Although not an equality impact of the eligibility to the Level 3 adult offer, we identify that there may be obstacles to participation which impact the categories of persons with protected characteristics and may result that such persons do not benefit from positive impact of the policy. We have also considered obstacles to participation in respect of categories of protected characteristics for which we do not have data (as above).

¹⁷ Courses marked * had less than 100 learners in total in 2018/19

¹⁸ Further education: Outcome-based success measures academic year 2017/18. Available [here](#)

Accordingly, we have developed mitigations to address obstacles to participation and an outline of these is set out below. These mitigations are currently being developed in more detail before they will be implemented. A key focus of the mitigations will be to encourage learners to take qualifications they may not have previously considered, including highlighting courses with higher wage outcomes to prospective learners.

- Develop and share good practice case studies highlighting initiatives that have been successful in increasing enrolments from learners with protected characteristics. This will include exploring engagement with charities to promote case studies.
- Encourage providers to review and consider their own data on participation from learners with protected characteristics when developing marketing and enrolment strategies.
- Collecting data and monitor take up of learners with protected characteristics within the first year of the entitlement, with the intention of reviewing the policy and chosen qualifications in light of the findings and any PSED context.
- Explore how DfE can support providers to deliver the offer in a flexible way, for example through online or blended learning, to increase opportunity and participation for those with specific barriers relating to their protected characteristics.
- Work with other government departments and industry bodies to ensure this offer can be signposted to within other initiatives to boost participation amongst groups with protected characteristics.

5. Decision, perceived impacts, and mitigations.

The Lifetime Skills Guarantee Level 3 offer tackles a key barrier to adult learning and provides funding to all eligible adults 24+ to take a first level 3 qualification offer provides funding for courses for adults which they would otherwise have had to fund through an Advanced Learner Loan or self-funding. This provides an opportunity for adults in all protected groups to achieve better career and wage outcomes.

Eligibility for the Level 3 funded courses is the same for all categories of persons with protected characteristics from the perspective of having due regard to need to the: (a) elimination of discrimination, (b) advancement of equality of opportunity and (c) fostering good relations. The Lifetime Skills Guarantee Level 3 offer is expected to have an overall positive impact on all persons, including those with protected characteristics. We do not consider that any category of persons with protected characteristics is negatively impacted or disproportionately negatively impacted and we have considered appropriately the need to advance equality and foster good relations.

In the below table, where we have historical data for the relevant characteristics, we have assessed the equalities impact accordingly. In all of these categories, the equalities impact is considered to be positive. Where we do not have historical data, we have assessed the equalities impact and consider it to be at least neutral. We want to support learners from all protected characteristics to take advantage of the Lifetime Skills Guarantee Level 3 offer which is why we will introduce the mitigations outlined above. We have not identified that any categories of persons with a protected characteristic will be disproportionately negatively impacted by the policy.

Protected characteristic	Positive	Negative	Neutral
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Disability	x		
Pregnancy and maternity			x
Marriage or civil partnership			x
Race	x		
Religion or belief			x
Sex	x		
Sexual orientation			x
Gender reassignment			x
Age	x		

6. Monitor and review

The Public Sector Equality Duty is a continuing duty and the public authority is required to keep the equalities impacts of a policy proposal under review. Accordingly, this EIA will be reviewed regularly following an analysis of ILR data and any other relevant data. To assess data as close as possible to real-time as possible we intend to assess course registration data for April - November to align with mandatory returns.

Annex A: Methodology

This section outlines the methodology behind the Equalities Impact Assessment and also provides the data underlying the figures shown in the document.

Methodology

- a. The Equalities Impact Assessment is based on 2018/19 enrolment information on adult learners (24+), for Sector Subject Areas (SSAs) included in the Lifetime Skills Guarantee Level 3 offer.
- b. This data excluded any qualifications other than Awards, Diplomas, Certificates, National Diplomas, National Certificated, A/AS level.
- c. The analysis looks at the protected characteristics for adult learners within the SSAs.
- d. Enrolment information for individuals is taken from the Individualised Learner Record (ILR) collection run by the ESFA. This is based on data returns from FE education colleges and training providers, about learners in the system and the learning undertaken by each of them.
- e. The ILR data source for this analysis is the final collection of 2018/19 and includes information on provision for the full academic year.
- f. Wage data is based on median annualised earnings five years after study for Full Level 3 skills qualification achieved in academic year 2012/13 by sector subject area.¹⁹

¹⁹ Further education: Outcome-based success measures academic year 2017/18. Available [here](#)

Data**Table 1:**

Selected SSAs	No. of learners	% Female	% Male	% LDD declared	% BAME	% age 24-49	% age 50+
Accounting and Finance	1770	81%	19%	9%	20%	92%	8%
Agriculture	70	45%	55%	34%	9%	96%	4%
Building and Construction	4150	3%	97%	5%	24%	92%	8%
Business Management	3130	51%	49%	2%	42%	88%	12%
Child Development and Well Being	3610	97%	3%	8%	33%	94%	6%
Engineering	720	5%	95%	13%	22%	95%	5%
Environmental Conservation	50	2%	98%	13%	0%	89%	11%
Health and Social Care	8360	81%	19%	10%	36%	82%	18%
Horticulture and Forestry	200	74%	26%	24%	8%	80%	20%
ICT for Users	90	49%	51%	16%	72%	89%	11%
ICT Practitioners	660	23%	77%	13%	37%	90%	10%
Manufacturing Technologies	210	16%	84%	6%	8%	91%	9%
Mathematics and Statistics	30	58%	42%	23%	55%	90%	10%
Medicine and Dentistry	280	92%	8%	4%	23%	97%	3%
Public Services	130	28%	72%	13%	25%	95%	5%
Science	160	73%	27%	29%	46%	99%	1%
Teaching and Lecturing	100	82%	18%	6%	16%	84%	16%
Transportation Operations and Maintenance	240	13%	87%	25%	32%	95%	5%
Warehousing and Distribution	60	20%	80%	15%	5%	85%	15%
Other	27630	N/A	N/A	N/A	N/A	N/A	N/A
Total	51650						

Table 2:

Subject Sector Area	No. of learners	Gender		LLDD		Ethnicity			Age		
		F	M	No	Yes	BAME	Unknown	White	24-30	31-49	50+
Accounting and Finance	1,770	1,440	330	1,620	160	360	20	1,400	530	1,100	140
Agriculture	70	30	40	40	20	10	~	60	30	40	~
Building and Construction	4,150	120	4,040	3,930	220	1,010	30	3,110	1,330	2,490	320
Business Management	3,130	1,590	1,550	3,080	60	1,310	60	1,760	820	1,950	360
Child Development and Well Being	3,610	3,510	100	3,320	300	1,200	70	2,340	920	2,460	230
Engineering	720	40	680	630	90	160	10	560	360	330	30
Environmental Conservation	50	~	40	40	10	~	~	50	20	20	10
Health and Social Care	8,360	6,810	1,550	7,500	860	3,040	140	5,170	1,780	5,070	1,520
Horticulture and Forestry	200	150	50	150	50	20	~	180	50	110	40
ICT for Users	90	40	50	70	10	60	~	20	20	60	10
ICT Practitioners	660	150	510	580	90	240	10	410	260	330	60
Manufacturing Technologies	210	30	180	200	10	20	~	200	80	110	20
Mathematics and Statistics	30	20	10	20	10	20	~	10	20	10	~
Medicine and Dentistry	280	250	20	260	10	60	~	210	150	120	10
Public Services	130	40	100	120	20	30	~	100	60	60	10
Science	160	110	40	110	50	70	~	80	110	50	~
Teaching and Lecturing	100	80	20	90	10	20	~	80	30	60	20
Transportation Operations and Maintenance	240	30	210	180	60	80	~	160	120	110	10
Warehousing and Distribution	60	10	50	50	10	~	~	60	20	40	10
Grand Total	24,010	14,440	9,560	21,990	2,020	7,700	350	15950	6,690	14,510	2,800

Notes:

- Sample is from academic year 2018/19. 51,650 adults (24+) enrolled on qualifications in the Sector Subject Areas (SSAs) that are included in the Lifetime Skills Guarantee Level 3 offer.
- To match the offer, this is looking only at learners who have not completed a Level 3 and above qualification before, and excluding any qualifications other than Awards, Diplomas, Certificates, Advanced Certificates, National Diplomas, National Certificates and A/AS Levels.
- Consequently, 24,480 aims not included in table as they are in excluded SSAs.
- Volumes have been rounded up to the nearest 10, and volumes under 5 have been suppressed – this will explain instances where totals are slightly different from the sum of the observations in the table.