

## EQUALITY IMPACT ASSESSMENT RECORD

<b>Title of policy/ practice/ strategy/ legislation etc.</b>	<b>Changes to the student loan repayment threshold</b>	
<b>Minister</b>	<b>Minister for Further Education, Higher Education &amp; Science</b>	
<b>Lead official</b>	<b>David Mackay</b>	
<b>Officials involved in the EQIA</b>	<b>name</b>	<b>team</b>
	<b>David Mackay</b>	<b>Student Financial Support</b>
	<b>Eilidh Stevenson</b>	<b>Student Financial Support</b>
<b>Directorate: Division: Team</b>	<b>Higher Education and Science: Student Financial Support</b>	
<b>Is this new policy or revision to an existing policy?</b>	<b>Revision to an existing policy</b>	

### Screening

#### *Policy Aim*

To increase the student loan repayment threshold for all Scottish borrowers to £25,000.

The 2017 Scottish Programme for Government (PfG) made a commitment to raise the repayment threshold for student loans to £22,000 by the end of the Parliamentary term. The Student Support Review also recommended that the repayment threshold should be increased to £22,000 and that the Scottish Government should consider increasing it to £25,000 in line with the threshold in England and Wales.

The Minister for Further Education, Higher Education and Science announced to the Scottish Parliament on 12 June 2018, as part of the Student Support Review changes, that the repayment threshold would be increasing to £25,000 with effect from April 2021.

These changes contribute to the following national outcomes:

- We are better educated, more skilled and more successful, renowned for our research and innovation.
- Our young people are successful learners, confident individuals, effective contributors and responsible citizens.

### ***Who will it affect?***

The changes to the repayment terms and conditions will apply to all new and existing borrowers who have taken out a student loan and are in repayment.

Information provided by the Higher Education Analytical Services Division (ASD) shows that there are currently 158,261 students in repayment.

### ***What might prevent the desired outcomes being achieved?***

When considering changes to the student loan repayment threshold, we must be mindful of the potential financial implications. We also have to consider that as a regulatory change is required, these changes may not receive the support of the Scottish Parliament. A negative procedure SSI will be needed to deliver this policy.

## **Stage 1: Framing**

### ***Results of framing exercise***

An initial framing exercise was undertaken by the Higher Education and Science Division and stakeholders were identified to gather evidence to inform this EQIA. Existing evidence is available from-

The Student Loans Company (SLC) – about the number of Scottish domiciled students currently in repayment split by age and gender in the Academic Year 2020/21.

### ***Extent/Level of EQIA required***

This policy change has relevance to the protected characteristics of age and sex.

As the change to the student loan repayment threshold is intended as a positive change, to benefit all Scottish borrowers, it is considered that a concise and focused Equality Impact Assessment is proportionate in these circumstances.

## Stage 2: Data and evidence gathering, involvement and consultation

Include here the results of your evidence gathering (including framing exercise), including qualitative and quantitative data and the source of that information, whether national statistics, surveys or consultations with relevant equality groups.

Characteristic <sup>1</sup>	Evidence gathered and Strength/quality of evidence	Source	Data gaps identified and action taken
<b>AGE</b>	<p>SLC data provided by ASD:</p> <p>The following stats show numbers of Scottish domiciled students currently in repayment for per age category:</p> <p>319 in the 18 or under group (&gt;1%)            29,421 in the 19 to 24 group (55%)            14,018 in the 25 to 30 group (26%)            4,619 in the 31 to 36 group (9%)            5,589 in the 37 or over group (10%)</p>	SLC	The data used in this EQIA was taken from the Financial Year (FY) 2020-21.
<b>DISABILITY</b>	No data to correlate disability with current borrowers of ICR loans.		
<b>SEX</b>	<p>SLC data provided by ASD:</p> <p>There were 31,196 (58%) female Scottish domiciled student borrowers in 2020/2021 compared to 22,770 (42%) male students.</p>	SLC	The data used in this EQIA was taken from the Financial Year (FY) 2020-21.

<sup>1</sup> Refer to Definitions of Protected Characteristics document for information on the characteristics

<p><b>PREGNANCY AND MATERNITY</b></p>	<p>No data to correlate pregnancy and maternity with current borrowers of ICR loans.</p>		
<p><b>GENDER REASSIGNMENT</b></p>	<p>No to correlate gender reassignment with current borrowers of ICR loans.</p>		
<p><b>SEXUAL ORIENTATION</b></p>	<p>No data to correlate sexual orientation with current borrowers of ICR loans.</p>		
<p><b>RACE</b></p>	<p>No data to correlate race with current borrowers of ICR loans.</p>		
<p><b>RELIGION OR BELIEF</b></p>	<p>No data to correlate religion or belief with current borrowers of ICR student loans.</p>		
<p><b>MARRIAGE AND CIVIL PARTNERSHIP</b> (the Scottish Government does not require assessment against this protected characteristic unless the policy or practice</p>	<p>N/A</p>		

relates to work, for example HR policies and practices - refer to Definitions of Protected Characteristics document for details)

### Stage 3: Assessing the impacts and identifying opportunities to promote equality

Having considered the data and evidence you have gathered, this section requires you to consider the potential impacts – negative and positive – that your policy might have on each of the protected characteristics. It is important to remember the duty is also a positive one – that we must explore whether the policy offers the opportunity to promote equality and/or foster good relations.

#### Do you think that the policy impacts on people because of their age?

Age	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			<p>The repayment threshold will be increased irrespective of age, this policy change is seen to be equally positive for all age groups.</p> <p>It will create a particular advantage for the 19-24 year age bracket, since this component makes up the majority of borrowers with outstanding repayments. Older borrowers may feel disadvantaged as they will already have been making repayments at a lower income threshold for a number of years. However, the increase is intended to reflect changes in average earnings as a result of inflation. The previous repayment threshold was increased annually with reference to the retail price index. The policy is not retrospective; any borrower of any age will continue to be liable to make repayments calculated on the previous income threshold, prior to the new legislation coming into force.</p>

Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations among and between different age groups			X	No evidence of differential impact at this time.

### Do you think that the policy impacts disabled people?

Disability	Positive	Negative	None	Reasons for your decision
Eliminating unlawful discrimination, harassment and victimisation	X			There is no information to confirm the impact on disabled people as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of disability, and is therefore seen as a positive change for all.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations among and			X	No evidence of differential impact at this time.



between disabled and non-disabled people				
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**Do you think that the policy impacts on men and women in different ways?**

<b>Sex</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	X			The change will be to the particular advantage of women, as they make up the majority of the borrower population. However, as the repayment threshold will be increased for both male and female students, the policy change is seen to be equally positive for both genders.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations between men and women			X	No evidence of differential impact at this time.

**Do you think that the policy impacts on women because of pregnancy and maternity?**

<b>Pregnancy and Maternity</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>

Eliminating unlawful discrimination	X			There is no information to confirm the impact on pregnancy and maternity as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of pregnancy and maternity, and is therefore seen as a positive change for all. There may be particular benefits for pregnancy and maternity, as any reduction in earnings during a period of maternity leave would be factored into the earnings assessment.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations			X	No evidence of differential impact at this time.

**Do you think your policy impacts on transsexual people?**

<b>Gender reassignment</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	X			There is no information to confirm the impact on Gender reassignment as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of gender reassignment, and is therefore seen as a positive change for all.

Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations			X	No evidence of differential impact at this time.

**Do you think that the policy impacts on people because of their sexual orientation?**

<b>Sexual orientation</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	X			There is no information to confirm the impact on sexual orientation as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of sexual orientation, and is therefore seen as a positive change for all.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations			X	No evidence of differential impact at this time.

**Do you think the policy impacts on people on the grounds of their race?**

<b>Race</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	X			There is no information to confirm the impact on race as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of race, and is therefore seen as a positive change for all.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate, by increasing the level of income the borrower is required to obtain before repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good race relations			X	No evidence of differential impact at this time.

**Do you think the policy impacts on people because of their religion or belief?**

<b>Religion or belief</b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	X			There is no information to confirm the impact on religion or belief as a result of this policy change. However, the repayment threshold will be increased for all borrowers, irrespective of religion or belief, and is therefore seen as a positive change for all.
Advancing equality of opportunity	X			This policy change ensures that students are supported not just during their studies but after they graduate by increasing the level of income the borrower is required to obtain before

					repayments will begin, creating a more stable position for Scottish students in repayment.
Promoting good relations			X		No evidence of differential impact at this time.

**Do you think the policy impacts on people because of their marriage or civil partnership?**

<b>Marriage and Civil Partnership<sup>2</sup></b>	<b>Positive</b>	<b>Negative</b>	<b>None</b>	<b>Reasons for your decision</b>
Eliminating unlawful discrimination	N/A			

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<sup>2</sup> In respect of this protected characteristic, a body subject to the Public Sector Equality Duty (which includes Scottish Government) only needs to comply with the first need of the duty (to eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Equality Act 2010) and only in relation to work. This is because the parts of the Act covering services and public functions, premises, education etc. do not apply to that protected characteristic. Equality impact assessment within the Scottish Government does not require assessment against the protected characteristic of Marriage and Civil Partnership unless the policy or practice relates to work, for example HR policies and practices.

## Stage 4: Decision making and monitoring

### ***Identifying and establishing any required mitigating action***

If, following the impact analysis, you think you have identified any unlawful discrimination – direct or indirect - you must consider and set out what action will be undertaken to mitigate the negative impact. You will need to consult your legal team in SGLD at this point if you have not already done so.

Have positive or negative impacts been identified for any of the equality groups?	Positive impacts as a result of increasing the repayment threshold have been identified for Scottish students in repayment in all equality groups.
Is the policy directly or indirectly discriminatory under the Equality Act 2010 <sup>3</sup> ?	SG does not consider there to be any direct or indirect discrimination as a result of this policy change.
If the policy is indirectly discriminatory, how is it justified under the relevant legislation?	N/A
If not justified, what mitigating action will be undertaken?	N/A

### ***Describing how Equality Impact analysis has shaped the policy making process***

The EQIA has identified that there are gaps in the information available relating to the characteristics of the current borrowers of student loans and therefore the impact the repayment threshold has on the protected characteristics. However, increasing the repayment threshold in general

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<sup>3</sup> See EQIA – Setting the Scene for further information on the legislation.

is seen as a positive change for all equality groups, as it increases the level of income a student is required to obtain before repayments will begin, which puts the student in more favourable and stable conditions.

### ***Monitoring and Review***

Any change to the policy will be subject to ongoing monitoring by the Higher Education and Science Division and the Student Loans Company will continue to publish annual statistics in relation to student loan repayments, including the total amount of borrowers and the total amount owed.

### **Stage 5 - Authorisation of EQIA**

Please confirm that:

- ◆ This Equality Impact Assessment has informed the development of this policy:

Yes  No

- ◆ Opportunities to promote equality in respect of age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation have been considered, i.e.:

- Eliminating unlawful discrimination, harassment, victimisation;
- Removing or minimising any barriers and/or disadvantages;
- Taking steps which assist with promoting equality and meeting people's different needs;
- Encouraging participation (e.g. in public life)
- Fostering good relations, tackling prejudice and promoting understanding.

Yes  No

- ◆ If the Marriage and Civil Partnership protected characteristic applies to this policy, the Equality Impact Assessment has also assessed against the duty to eliminate unlawful discrimination,



harassment and victimisation in respect of this protected characteristic:

Yes  No  Not applicable

## **Declaration**

**I am satisfied with the equality impact assessment that has been undertaken for the increase to the student loan repayment threshold and give my authorisation for the results of this assessment to be published on the Scottish Government's website.**

**Name: Roddy Macdonald**

**Position: Deputy Director**

**Authorisation date: 21/12/2020**