

Equality and Human Rights Impact Assessment (EHRIA)

EHRIAs support SFC to meet the statutory duties stipulated under the Equality Act 2010 and support Public Bodies in Scotland demonstrate that Equality and diversity is at the heart of their policies, practices and decisions are fair. EHRIAs are the thorough and systematic analysis of a new or revised policy to determine whether they have a differential impact on a particular group in relation to equality, diversity and human rights.

In our strategic plan 2015-18, we commit to a system of further and higher education which will be accessible and diverse. We will contribute to a more equal society by embedding equality and diversity across all our functions, supporting participation, tackling prejudice, and by placing good relations at the heart of our organisation.

The process can be seen as a quality control mechanism which SFC can use to evaluate new or revised policy and best meet the equality, diversity and human rights needs of staff and students in the institutions that we fund, our stakeholders, and for SFC staff as an employer.

In Scotland, the specific duties require us to assess and review new and revised policies and practices against the three needs of the Public Sector Equality Duty (PSED), use evidence, act on the results and publish the EIA accessibly.

'Policy' needs to be understood broadly to embrace the full range of functions, practices, activities and decisions for which the Scottish Funding Council is responsible: essentially everything the Scottish Funding Council does. This includes both current policies and new policies under development.

SFC has developed an equivalent Equality and Human Rights Impact Assessment model to incorporate equality, diversity and human rights considerations, referred to here as an 'EHRIA'.

Guidance on how to complete an EHRIA can be found in the Annex section of this document.

Template to be completed by the person leading the EHRIA

Policy Owner	John Kemp, Director, Access, Skills and Outcome Agreements Martin Smith, Chief Funding and Information Officer, Finance Directorate Gordon McBride, Assistant Director, Finance Directorate
SFC Directorate	Access, Skills and Outcome Agreements Directorate and Finance Directorate
EHRIA Commenced	Date: Spring 2011
Version number	V1
EHRIA Completed	Date: 29 August 2016
New/revised policy/practice signed off by Management	Date: 20 March 2015 We started using the new model across the sector in 2015-16. This was approved by our Board as funding allocations at their meeting on the 20 March. However, we estimate that the full transition to the new model will not be complete until 2020 and as such this assessment cannot be considered fully complete until that time.
EHRIA actions due for review	Date: August 2017
Quality Assessed	This initial assessment will be presented to the SFC's Access and Inclusion Committee (September 2016) and the new Credit System Review Working Group (September 2016).
Publication	28 April 2017

Equality and Human Rights Impact Assessment Publication Document

Our intention is that this template will support you to complete an Equality and Human Rights Impact Assessment (EHRIA) and for us as a collective organisation to complete our statutory requirements.

Prior to the publication on the SFC's website, every EHRIA will be assessed by the Equality & Diversity Group who will be responsible for displaying the publishing document on the SFC external website. Guidance on how to complete an EHRIA can be found in the Annex section of this document.

Stage 1: Background information

Title of Policy:	New Credit-based Funding Model for the College Sector		
EHRIA Lead Person:	John Kemp, Director, Access, Skills and Outcome Agreements Martin Smith, Chief Funding and Information Officer, Finance Directorate Gordon McBride, Assistant Director, Finance Directorate		
Who else is involved in the EHRIA?	Lorna MacDonald, Director, Finance Directorate Fiona Burns, Assistant Director for Access and Outcome Agreement Manager Alyssa Newman, Funding Policy Officer, Finance Directorate		
Date EHRIA completed:	29 August 2016	Is this a new or revised policy?	New <input checked="" type="checkbox"/>
Date EHRIA published and where:	on or before 28 April 2017 SFC website		Revised <input type="checkbox"/>
Review date and frequency:	August 2017		

Stage 2: Scoping and evidence gathering

Why are you introducing the new policy, or why are you revising an existing policy?	<p>The letters of guidance from the Cabinet Secretary and the 'putting learners at the centre' policy of 15 September 2011 have directed SFC to reform the way places are allocated to the college sector and to simplify the way colleges are funded for the delivery of these places. Annex A provides extracts and links to the guidance letters.</p> <p>Putting Learners at the Centre – <i>"SFC funding methodology has supported stability and the improvement of the financial health of the college sector over the last few years, it has been unresponsive to changing needs and demography, has been driven by historical patterns, and has not obviously driven improvements in performance. Moreover, there is a widely held view in the sector that funding for college provision and the rules associated with it are unnecessarily complicated"</i></p> <p>Our guidance letter of 21 September 2011 – <i>"Council to take account of emerging social, economic needs and changing demography in its</i></p>
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allocation of resources both for teaching and for student support;in developing the most efficient arrangements for delivery of provision in regional groupings, including mergers, and college/university collaborations and mergers, and to reflect such restructuring in its funding arrangements."

In subsequent letters of guidance we were asked to make regional funding allocations taking account of demography, and regional efficiencies and simplification.

It was recognised that we were prioritising, through our demographic model, young people. Our guidance letter of 9 January 2013 stated "*whilst prioritising young people, college regions demonstrably deliver appropriate support for a wide range of learners, including ensuring that such provision provides access to meaningful FE for students with learning disabilities.*"

Our guidance letter of 28 March 2013 stated that "*I recognise the concerns that have been expressed about the emphasis we have given to provision for young people. This has been absolutely necessary given the difficult financial and economic environment. However, the additional funding that we have been able to allocate allows us the opportunity allocate funding to allow colleges to offer more courses to older learners in proportion to the regional demographics. I would suggest about a further 2% of WSUMs for this purpose. Without being prescriptive in the courses to be provided, you should encourage colleges to provide part-time provision that meet the needs of their region, including women returners. In doing so, I recognise you may need to increase the funding available for childcare to support those with family responsibilities.*"

Our guidance letter of 21 October 2013 recognised the progress that we were making working with the sector on:

- *a simpler system of setting 'prices' for different provision which also takes account of the economies of scale we can expect from large urban colleges compared with smaller rural ones;*
- *a rational basis for estimating regional need for college provision based on demographics, thereby moving away from a formulaic approach, but also properly reflecting the different characteristics of different regions, student flows and other factors; and*
- *an approach founded on discussion and negotiation of regional funding allocations which ties together funding with needs and delivery.*

We were also asked to introduce the new arrangements and manage the transition when moving from WSUMs to credits ensuring that no region would lose more than 1% in cash terms. This would prevent unmanageable

	<p>swings in funding at any college region.</p> <p>We introduced a parallel running exercise in 2014-15 to monitor the impact of moving to the simpler credit based funding system. Subject to a successful evaluation process we introduced the new system in 2015-16.</p> <p>An equalities impact assessment on the governments 'putting learners at the centre' policy was completed in late 2012 before the college allocation for 2013-14 were finalised. In parallel, SFC developed our demographic places model that implemented the 'putting learner at the centre' policy that prioritised places for the 16 to 24 age group who were outwith a positive destination. The results from our demographic places model provided SFC with an indication of the number of places required in each local authority area based on these priorities. These results were used to provide a direction of travel for each region including those who required additional places to meet potential demand from the priority groups, those who could meet potential demand with fewer places and those who on balance were at about the right level.</p> <p>Whilst our demographic model identified the number of places required in each area our complicated WSUMs system made it much harder to allocate the correct number of places to each region. Moving to the credit system it was easier to ensure each region received the correct number of places and to deliver a more transparent and accountable funding methodology.</p>
<p>What is the intended outcome(s) and impact of the new policy, or making the changes to an existing policy?</p>	<p>The intention of our demographic approach to allocating college places has been to prioritise places for the 16 to 24 group in line with the 'putting learners at the centre policy'. From an equalities standpoint our intention has always been that this change will have a neutral equalities impact although it is recognised that a drive to prioritise places for the 16-24 age group can have potential positive and negative impacts. This issue is considered in this assessment.</p> <p>It is recognised that prioritising the younger age groups may mean less places for older learners although additional places for older learners were made available for 2013-14 onwards as signalled in the letter of guidance of 28 March 2013.</p> <p>The cabinet secretary's guidance letter of 21 October 2013 spoke about introducing a simpler system of setting prices for 2014-15. The intention of the simplified approach to funding was to aid transparency and accountability of the college funding system and to align with our demographic places model and the 'putting learners at the centre' policy. The letters of guidance from the cabinet secretary for 2014-15 and 2015-16 spoke about minimising the financial impact of moving from the</p>

	<p>WSUM to simplified credit system and our consultations with the sector reinforced this point. The design and implementation of the simplified funding system focussed on minimising the financial impact between the two approaches to pricing whilst achieving our policy aims of alignment with the demographic places approach and increased transparency. The intention was that the sector would continue to deliver the same number of college places for the same level of funding than would have been realised under the WSUM system.</p>
<p>What quantitative and/or qualitative evidence as well as case law relating to equality and human rights have you considered when deciding to develop new or revise current policy?</p>	<p>A range of qualitative and quantitative methods were utilised to gather and analyse data relating to this change from WSUMS to the credit system funding model. This includes:</p> <ul style="list-style-type: none"> • Literature review – including SFC publications and government reports • Quantitative analysis – analysing demographic models and potential changes to funding • Qualitative analysis – SFC engaged and consulted with a number of relevant stakeholders including college staff and students. This includes: running parallel sessions where three college regions were funded through the old funding mechanism but in parallel received targets under the new model, setting up a curriculum sub group, setting up a parallel running group to allow the new simplified funding model to be examined in detail, setting up a student support group, providing updates and presenting at numerous committees and advisory groups to seek their advice and develop policy changes, and SFC staff met with EIS, Education Scotland and the Scottish Government regarding the proposed changes
<p>Who did you consult with?</p>	<p>Planning for SFC’s simplified approach to college funding has been conducted over a number of years. The potential impact of this new funding system on equalities and diversity was considered throughout the development period. This is evidenced through SFC’s engagement and consultation with a number of relevant stakeholders including:</p> <ul style="list-style-type: none"> • Feedback from our parallel running exercise in 2014-15 where three college regions were funded through the old funding mechanism but in parallel received targets under the new model. SFC will seek feedback from colleges throughout the 2015-16 year to monitor the effectiveness of the new system and its impact on the student body including equality issues. The first workshop on simplification with college principals began in mid-2011. The College Funding Group has met regularly since this point to advise SFC on the development of our demographic needs based places model, simplified funding model and their relationship with our

outcome agreement. The group has included the following members:

- Tony Jakimciw, Borders College Region
- Michael Foxley, Highlands and Islands Region
- Willie Mackie, Ayrshire College Region
- Angela McCusker, Dundee and Angus College
- Russell Marchant, Barony College
- Graham Hyslop, Langside College
- Susan Walsh, Glasgow Clyde College
- Hugh Logan, Fife College
- Gordon Paterson, Clydebank College
- Martin McGuire, New College Lanarkshire
- Christina Potter, Dundee and Angus College
- Mike Devenney, UHI
- Iain Macmillian, Lews Castle College
- Frank Hughes, Moray College
- Mandy Exley, Edinburgh College
- Annette Bruton, Edinburgh College
- Ken Thomson, Forth Valley College
- Carol Turnbull, Dumfries and Galloway College
- Mhairi Harrington, West Lothian College
- Deborah Lally, Perth College UHI
- Jim Godfrey, Scotland's Colleges
- Shona Struthers, Colleges Scotland
- Andrew Witty, Colleges Scotland
- Tracey Elliot, Glasgow Clyde College
- Gillian Hamilton, Edinburgh College
- Stuart Thompson, City of Glasgow College
- Gavin Bruce, SFC
- Duncan Condie, SFC
- Michael Cross, SFC
- Sharon Drysdale, SFC
- Paul Girdwood, SFC
- Elizabeth Horsburgh, SFC
- John Kemp, SFC
- Gordon McBride, SFC
- Lorna MacDonald, SFC
- Alyssa Newman, SFC
- Ken Rutherford, SFC
- Martin Smith, SFC

- A curriculum sub group was set up during 2013. This included three vice/depute principals who were charged with examining the impact of proposed changes to the funding system on college curriculum. The curriculum expert group met three times and fed

back to the college funding group. The three college members were:

- David Fairweather, New College Lanarkshire
 - Ray Mudie, Dundee and Angus College
 - Eleanor Harris, Glasgow Clyde College
- A parallel running group was also set up in 2014 to allow the new simplified funding model to be examined in detail. The colleges involved were tasked to run the new funding system in their college for 2014-15 alongside the existing WSUMs system and report on potential issues and help develop guidance for the sector for full implementation in 2015-16. The external group members included representatives from the senior college management from three colleges involved in the parallel running exercise who met on 4 occasions:
- Ray Mudie, Dundee and Angus College
 - Derek Smeall, New College Lanarkshire
 - Jannette Brown, Dumfries and Galloway College
- SFC set up a Student Support Review Group that was also asked to consider the impact of the proposed new funding system on student support entitlements. This group included representatives from colleges and NUS. We have implemented some policy changes as a result of this review but we are currently undertaking a separate comprehensive EHRIA on student support. The group had its first meeting on 1 August 2014 and met again on the 28 August and 1 October and 5 November 2014. Kelly Parry visited all college regions to discuss the student support review with college staff and students. Following that, there was a student support review workshop on 2 October 2014 and Kelly Parry presented to the colleges Scotland and SFC Board. A student support report was presented to the government in 2015. The following representatives formed this Student Support Review Group:
- Kelly Parry, Edinburgh College Students Association
 - Fife College student representative
 - Many Exley, Edinburgh College
 - Brian Hughes, Glasgow Clyde College
 - Marion Erne, Dumfries and Galloway College
 - Angela Toal, Child Poverty Action Group
 - Martin Smith, SFC
 - Gordon McBride, SFC
 - Sarah Kirkpatrick, SFC

- SFC and the College sector, through the College Funding Group, agreed to establish a Group to review the process for colleges to agree claims in excess of 15/18 credits (otherwise known as one plus activity), and to help SFC review its Credit Guidance and improve policy for future years. The One Plus Advisory Group met on 23 November 2016 and 21 February 2017 to review and make recommendations on the following issues that were identified by colleges: the tolerance threshold; work experience/placements; access and employer programmes; and the use of additional units to improve retention or improve prospects for employment. The following were members of the Group:
 - Robin Ashton, Glasgow Colleges Regional Board
 - Stephanie Graham, West College Scotland
 - David Killean, Borders College
 - Martin McGuire, New College Lanarkshire
 - Derek Smeall, New College Lanarkshire
 - Andrew Witty, Colleges Scotland
 - Sharon Drysdale, SFC
 - Elizabeth Horsburgh, SFC
 - Gordon McBride, SFC
 - Ken Rutherford, SFC
 - Martin Smith, SFC
 - Kenny Wilson, SFC

The Credit Review Working Group also contributed to this topic at its meeting on 2 March 2017 and the revised Credit Guidance was presented to the College Funding Group on 22 March 2017 for comment.

- SFC provided updates and presented papers to our student support (FESSAG) and statistical advisory groups to seek their advice on developing our thinking. We also ran a workshop for senior college staff and provided updates to the MIS community of practice on a regular basis.
- Two college newsletters were published on our website updating stakeholders on developments and proposed changes to our funding approaches. These were widely circulated:
 - December 2014:
http://www.sfc.ac.uk/web/FILES/Funding/A_simplified_approach_to_college_funding_December_2014.pdf
 - July 2014:
http://www.sfc.ac.uk/web/FILES/Funding/A_simplified_approach_to_college_funding_July_2014.pdf

	<p style="text-align: center;">o_college_funding.pdf</p> <ul style="list-style-type: none"> • SFC staff also met with EIS, Education Scotland and the Scottish Government regarding the proposed changes. <p>Equality groups were not consulted on the main technical changes on the new credit-based funding model for the college sector as it was intended to be policy neutral. With hindsight we should have done so, in particular on the needs-based funding elements. However, SFC did consult with equality groups (e.g., Dyslexia Scotland, Who Cares? Scotland, The National Autistic Society, etc.) in relation to the Extended Learning Support (ELS) review which was a part of the wider change. A separate ELS EHRIA (with the move to an Access and Inclusion Strategy) was brought to and accepted by the AIC and SFC’s Board.</p>
What did you learn?	<p>The development and implementation of the demographic and simplified funding models evolved over a 4 year period in full partnership with the college funding group and other expert groups and stakeholders as required.</p> <p>This was a significant period of learning for all parties concerned and helped develop a shared understanding of the complexity and flexibility of the college sector. It became clear from sensitivity analyses that small changes could have significant intended and unintended consequences for colleges and stakeholders.</p> <p>Partnership working/planning and staged implementation helped deliver our shared goals.</p>
How did the consultation shape the policy?	<p>The delivery of the demographic and simple funding models is an excellent example of partnership working between the funding council and the college sector.</p> <p>The College Funding Group was clear throughout the development and implementation phases that there should not be change for changes sake. As a result one of the main aims when developing the simplified funding model was to achieve minimal financial impact when moving to the new system. Through consultation with the group the simplified model was refined to a point where the grants calculated under both methods gave the same results within 1% for 2015-16. However, in agreement with the group the implementation of the simplified model was staged to ensure no college lost out financially in 2015-16.</p> <p>The simplified model was originally planned to move from a system of 18 funding groups to 4 price groups with the premiums for ELS and Dominant programme group 18 (DPG 18) activity being identified as a separate grant</p>

line worth around £70m. Feedback from the consultation processes involving the curriculum experts and college funding group instead resulted in 5 price groups with DPG 18 activity being directly replaced by price group 5. The ELS premium alone was originally costed at £44m but through consultation with the group was increased to £50m to help ensure each college were funded to provide specialist support to students with additional learning needs.

A sub group of the college funding group informed the makeup of the new price groups to replace the 18 DPGs.

The consultation process led to an increase in the funds initially set aside for deprived postcode areas and rural funding and for the deprived postcode premium to be focussed on the 20% most deprived areas rather than the most deprived 10%.

Our consultations with the sector consistently identified the need for flexibility with ELS provision. As well as increasing funding (+£6m) for this group to ensure support was more uniformly accessible across the country SFC took the sectors advice and amended our policy to allow funding to be transferred from core teaching funding to increase the ELS premium through the OA system.

Through work with the College Funding Group the proposed price to be paid for each price group was revised to reduce the impact on funding for individual colleges.

Stage 3: Identifying outcomes and impact

Delivering on the SFC's Public Sector Equality Duty	
Consider the equality risk assessment within the context of broader staff or student journey which includes recruitment, retention, progression, promotion, training etc.	
1. Contributing to eliminating discrimination, harassment and victimisation?	Positive <input type="checkbox"/>
	Negative <input type="checkbox"/>

<ul style="list-style-type: none"> It is intended to be policy neutral. We are not aware of any aspects of this policy that would impact this area. 	No effect <input checked="" type="checkbox"/>
<p>2. Advancing equality of opportunity between those who share a protected characteristic and those who do not?</p> <ul style="list-style-type: none"> At the outset of this change we anticipated that the impact would be neutral on equalities. However, by enabling provision to be used in areas that need it the most it increases opportunity to those with the greatest need, including younger students and those from the most deprived areas. In conclusion, we feel that although the change was intended to be policy neutral, we anticipate that its impacts will be positive for younger students and for those from a socio-economic background. Furthermore, as we moved to the new model we made decisions relating to the funding of provision for students with additional support needs. These changes increased the funding level of this provision and increased the reporting expectations. As over half of these students will disclose a disability our conclusion is that this change will have a positive impact on students with a disclosed disability. Both of these points are covered in more detail later in this assessment. 	Positive <input checked="" type="checkbox"/> Negative <input type="checkbox"/> No effect <input type="checkbox"/>
<p>3. Fostering good relations between those who share a protected characteristic and those who do not?</p> <ul style="list-style-type: none"> It is intended to be policy neutral. We are not aware of any aspects of this policy that would impact this area. 	Positive <input type="checkbox"/> Negative <input type="checkbox"/> No effect <input checked="" type="checkbox"/>
<p>4. Does your policy ensure Human Rights articles compliances? Compliant <input checked="" type="checkbox"/> Breach <input type="checkbox"/></p>	
<p>5. Please indicate which articles your policy relates to:</p> <p>Consider:</p>	

- Article 1 - Free and equal
- Article 2 - Right to life
- Article 3 - Prohibition of torture
- Article 4 - Prohibition of slavery & forced labour
- Article 5 - Right to liberty & security
- Article 6 - Right to a fair trial (e.g. disciplinary procedures)
- Article 7 - No punishment without law (e.g. disciplinary procedures)
- Article 8 - Right to respect for private & family life
- Article 9 - Freedom of thought, conscience & religion
- Article 10 - Freedom of expression
- Article 11 - Freedom of assembly & association (e.g. trade union recognition)
- Article 12 - Right to marry
- (N.B.) Article 13 has been removed
- Article 14 - Prohibition of discrimination (e.g. people part of protected characteristic groups)
- Protocol 1 Article 1 – Protection of property
- Protocol 1 Article 2 – Right to education

Detail the positive impact here:

Through the staged implementation of the simplified funding model no college has lost out financially in 2015-16 or 2016-17 but some will have seen a small increase in funding.

The simplified funding and demographic places models are designed to work hand in hand with the OA process. There is clear alignment in prioritising places for younger students, prioritising places for those from deprived areas and with disabilities but through interactions with the OA process there are also clear targets set for other priority groups including gender balance.

Age: The demographic model actively prioritises the younger age groups and set targets accordingly. As stated above and in the annex, Putting Learners at the Centre recognised the issue that prioritising young people could adversely impact on older people. It was considered at the time *“absolutely necessary given the difficult financial and economic environment”*. *Additional funding was allocated to allow opportunities for older people.*

There is positive impact on the younger age group.

Gender: SFC now pays the same pro rata price for full and part time students whereas the WSUM system paid more for full time students. Older students and in particular older women / women returners are more likely to study part time and may therefore benefit from a higher price than before being paid for part time provision.

As we have now equalised the price we pay for full and part-time the new funding system is neutral – i.e. there is no incentive to provide full-time over part-time or vice-versa.

The conclusion is not that the new system promotes a positive impact in its own right but that

the change from the old system to the new system has removed an incentive for full time provision which may have had a negative impact on adult returners particularly those with childcare responsibilities which are often more likely to be female.

The change from the old system to the new system could have a positive impact on females.

Disability: The old funding system included a claims based system for meeting the additional needs of students of which approximately half had a disability. The funding associated with these claims is not part of the new credit based system but to ensure that the additional needs of students are met we maintained the resource associated with these claims and have allocated them as a separate fund. We also decided to increase this allocation in college regions who had previously claimed less than 10% of their funding allocation for this purpose. This increase amounted to at least 10% of their current teaching funding allocation. The total resource now allocated to support the additional needs of students has increased from £44m to £50m. Since the removal of these funds from the main teaching allocation, we have devised a new reporting method on how these funds are used and their impact. Please note that this process underwent a separate EHRIA which has been approved and is published.

The old funding system included a price group to recognise the additional costs of delivering to small group sizes (previously referred to as DPG18). Around half of this provision relates to students with a disclosed disability and it was often associated with learning difficulties. As part of the process to move to a new funding system we noticed that this provision was in decline and decided to protect the funding at 2012-13 levels. By protecting funding for this group we are better able to ensure the group does not lose out without due consideration at a policy level.

Year by year round 50% of DPG 18 students have a disclosed disability. DPG 18 activity was in decline at the time of developing the simplified funding system. SFC in consultation with stakeholders took the decision to protect funding for this group based on 2012-13 activity and associated funding levels. DPG 18 activity has fallen by 10% from this point and by 30% since 2010-11. By protecting funding for this group we are better able to ensure the group does not lose out without due consideration at a policy level. Had we not made this intervention the funding for this group would have fallen under the WSUM or simplified system.

There is positive impact on the younger age group.

Socio-economic: The simplified system re-introduced an explicit grant to help finance the higher cost of delivering education/support to students from the most deprived communities. The £8m premium was targeted towards the 20% most deprived population of Scotland. The demographic model also provides additional places for deprived areas based on the SIMD 10% most deprived areas and focusses on disadvantaged groups such as those in long-term unemployment and low level qualifications.

There is positive impact on those from a lower socio-economic background.

Please select which group(s) will be affected by the positive impact:	
Age (e.g. older people or younger people)	<input checked="" type="checkbox"/>
Race (e.g. people from black or any minority ethnic groups)	<input type="checkbox"/>
Gender (e.g. women or men)	<input checked="" type="checkbox"/>
Disability (e.g. people with visible or non-visible disabilities, physical impairments or mental health conditions)	<input checked="" type="checkbox"/>
Gender Identity (e.g. people who will change/have changed/ are changing their gender from that assigned at birth)	<input type="checkbox"/>
Religion or Belief (e.g. belonging to a particular religion, holding a particular belief, or have no affiliation to any particular religion or belief)	<input type="checkbox"/>
Sexual orientation (e.g. lesbian, gay, bisexual or heterosexual)	<input type="checkbox"/>
Maternity and Pregnancy (e.g. women who are pregnant/on maternity leave/breastfeeding)	<input type="checkbox"/>
Marriage and civil partnership	
Socio-economic groups	<input checked="" type="checkbox"/>
Human rights compliance (e.g. civil and political as well as economic, social, and cultural rights)	<input type="checkbox"/>
Detail the negative impact here:	
<p>Potential Impact: The simplified model pays less for full time activity than the WSUM model because the full time tariff has been removed. Because our younger students are more likely to study full time this move away from the old system could be seen to have a negative impact on the young student population including school leavers.</p>	<p>Mitigating responses: The simplified model works hand in hand with the demographic model and OA processes which both actively prioritise the younger age groups and set targets accordingly. The new model will also pay more than the previous funding model for those young students studying part time, perhaps on MAs or DSYW programmes and is cost neutral across all modes of study.</p> <p>Overall our assessment is that in relation to younger students the new model does not negatively impact. As outlined earlier in this assessment we conclude that due to the priority given to this group, the impact is positive.</p>

<p>Potential Impact: Our new model prioritises provision for those aged 16-24 and this could negatively impact on older students i.e. those aged 25 and over.</p>	<p>Mitigating responses: This assessment outlines the strong reasons behind the decision to focus on 16-24 years. In March 2013 the Scottish Government allocated additional funding to us to mitigate such an impact.</p> <p>This enabled us to allocate and embed an additional £6.6m which equated to an additional 37,600 WSUMs (at that time) across all regions focussed on part-time activity. This is likely to have a particular impact on older learners and women since they form a significant proportion of part-time activity.</p> <p>In addition to this, we have been carefully monitoring the intake of 16-24 through the Outcome Agreement process up until 2014-15 (at the time of writing). Our assessment of this provision suggests that although activity is increasing it is not full time provision as more school students opt to stay at school and access college as part of wider school curriculum. This means the possible impact on other older students including students who are carers and students with declared disabilities are reduced. We will however continue to monitor this and update this assessment accordingly.</p> <p>Our assessment at this time is that the new model has the potential to have a negative impact in relation to age but that at this stage this impact is neutral due the positive impacts of removing the full time incentive, a reduction in the school role and a reduction in demand for FT provision as school children opt to stay on at school.</p>
<p>Potential Impact: The Credit model requires colleges to deliver a set amount of college places to meet their target which can reduce flexibility. In the past model colleges could choose to claim some of their resource to help meet the additional needs of their students. The funds associated with this are now separately allocated.</p>	<p>Mitigating responses: Colleges are able to negotiate with their OA manager if their recruitment is skewed towards more students who require additional support. This may include requesting to transfer places to finance additional ELS (now Known as an Access and Inclusion Fund) or recognising the cost of delivering more expensive price group 5.</p> <p>We have also increased the overall value of the ELS fund by £6m to recognise areas where need was higher than the previous ELS claiming behaviour would suggest.</p> <p>As outlined above in the section on positive impacts our assessment is that the new model and the changes to ELS</p>

	<p>mean that overall we have had a positive not negative impact in relation to disability.</p>
<p>Potential Impact: ELS provision was previously more flexible and responsive to changing demand.</p>	<p>Mitigating responses: Colleges are able to work with the OAM to ensure the ELS needs are addressed across the region. Additionally, with the move to the Access and Inclusion Strategy approach from AY 2017 onwards, colleges will have more flexibility in how they support students. Provision will be less prescriptive, thereby, empowering the college workforce to use the funds to best meet the needs of students. Colleges will also no longer need to flag individual students who are in receipt of this fund. Instead, colleges can focus their efforts to detail the outcomes and impacts of what they have achieved. This provides colleges with more flexibility in how they support students and could provide a better way to articulate the impact of ELS.</p> <p>We believe that this new strategy supports an outcome orientated approach, moves away from a deficit model to an inclusive model, advances equality of opportunity, and embeds and mainstreams inclusive practices across all colleges.</p> <p>As outlined above and in the section on positive impacts our assessment is that the new model and the changes to ELS mean that overall we have had a positive not negative impact in relation to disability.</p>
<p>Potential Impact: One plus activity could affect a college or region's ability to meet demand from other priority groups and prospective students</p>	<p>Mitigating response: Tolerance thresholds are not a new initiative, indeed colleges have been given varying levels of tolerance for activity above their activity target for several years. More recently, in AY 2014-15 (under the WSUMs system) the tolerance was set at 2.5%, there was no tolerance for AY 2015-16, in AY 2016-17 the tolerance was 1%, and for AY 2017-18 it has been set at 2.5% following consultation with sector representatives.</p> <p>Colleges have more flexibility in how they support their students, the educational benefits being a student's employment prospects are often improved if they complete additional units that better prepare them for the workplace.</p>

	<p>The additional flexibility also extends to some industry courses in AY 2017-18 where industry requires a higher level of engagement and the credits required will exceed our guidance. This applies only to a few specific courses at this time, however.</p> <p>The need for one plus activity and its educational benefits must be clearly demonstrable and agreed with the college/region's Outcome Agreement Manager. It is not acceptable for colleges to deliver extended programmes to particular groups of students if the result is that the college/region is then unable to meet demand from other priority groups and prospective students. SFC will continue to monitor the total number of credits delivered to individual students across all programmes on which they are enrolled. Colleges must be able to justify claims for these credits, whether they are delivered over single or multiple programmes of study, as part of the audit process. If a college/region's one plus activity exceeds 2.5%, there will be no additional flexibility beyond the exceptions list and activity may not be considered fundable and clawback may be considered. Therefore, there is no incentive for colleges to carry out activity that they won't receive funding for.</p> <p>Overall our assessment is that one plus does not negatively impact students, it should be seen as a positive enhancement to their learning experience.</p>
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Please select which group(s) will be affected by the negative impact:	
Age (e.g. older people or younger people)	<input type="checkbox"/>
Race (e.g. people from black or any minority ethnic groups)	<input type="checkbox"/>
Gender (e.g. women or men)	<input type="checkbox"/>
Disability (e.g. people with visible or non-visible disabilities, physical impairments or mental health conditions)	<input type="checkbox"/>
Gender Identity (e.g. people who will change/have changed/ are changing their gender from that assigned at birth)	<input type="checkbox"/>
Religion or Belief (e.g. belonging to a particular religion, holding a particular belief, or have no affiliation to any particular religion or belief)	<input type="checkbox"/>
Sexual orientation (e.g. lesbian, gay, bisexual or heterosexual)	<input type="checkbox"/>
Maternity and Pregnancy (e.g. women who are pregnant/on maternity leave/breastfeeding)	<input type="checkbox"/>

Marriage and civil partnership	<input type="checkbox"/>
Socio-economic groups	<input type="checkbox"/>
Human rights compliance (e.g. civil and political as well as economic, social, and cultural rights)	<input type="checkbox"/>

Select a recommended course of action:	
Outcome 1: Proceed – no potential for unlawful discrimination or adverse impact or breach of human rights articles has been identified.*	<input checked="" type="checkbox"/>
Outcome 2: Proceed with adjustments to remove barriers identified for discrimination, advancement of equality of opportunity and fostering good relations or breach of human rights articles.	<input type="checkbox"/>
Outcome 3: Continue despite having identified some potential for adverse impact or missed opportunity to advance equality and human rights (justification to be clearly set out).	<input type="checkbox"/>
Outcome 4: Stop and rethink as actual or potential unlawful discrimination or breach of human rights articles has been identified.	<input type="checkbox"/>

* Please note that although we are now publishing this EHRIA, planning, consideration of equalities, and consultation for SFC's simplified approach to college funding has been conducted over a number of years. This consultation is continuing through 2016/17 with the development of a working group (known as the Credit System Review Working Group), which has been set up to review the credit system. This working group includes representatives from the college sector. SFC is still transitioning to the new credit based system (currently we are operating under the old model) and we remain committed to continuing our assessment of equalities to ensure we conduct a full and informed EHRIA on this model. More detail on how this will be done is provided in next steps.

Summary of results, including the likely impact of the proposed policy advancing equality and human rights
SFC has been working in partnership with the college sector to develop a simplified funding system over the past four years. The need for simplification was highlighted in the letters of guidance from the cabinet secretary. One of the main principles of the project has been to minimise the financial impact on colleges as a result of simplification. For 2015-16 and 2016-17 no college received a reduction in their teaching grant as a result of simplification. The simplification project has consulted widely and considered a wide range of qualitative and quantitative evidence.
The new simplified model works in tandem with our demographic places model. Both of these

models operate in partnership with the OA process.

The consultation process included a close working relationship with the college funding group over the four year period with help from a Curriculum Expert Group and parallel running group. There were also sector wide events, newsletters and opportunities to shape guidance for the new credit based system. These processes provided extensive feedback and advice (including equalities and human rights) that shaped the current models and associated guidance. In this assessment we acknowledge that we did not consult equality groups and this decision was based on the technical nature of the changes. However, we will consider doing this as we continue to review the move towards the new model and our further work on this EHRIA – this is covered in next steps.

The assessment outlines that our starting point for this change was that it would have a neutral impact in terms of its impacts on equalities and human rights. However, our assessment concludes that it has and will continue to have a positive impact for younger students (age) and those from deprived communities (socio-economic) due to the greater focus on these areas in the new model. We also conclude that as the old model incentivised full time provision, it may have negatively impacted on adult returners who would prefer part-time provision. As this will include those with childcare responsibilities who are more likely to be female, our assessment concludes that the change (not necessarily the new model on its own right) will positively impact on this group.

Our assessment also concludes that our changes to support students with additional needs who are significantly more likely to declare a disability will also positively impact on disability. These changes include the introduction of a standalone ELS premium (since been renamed the Access and Inclusion fund) which was also increased from £44m to £50m and an agreement to protect the price of provision targeted towards those who receive bespoke provision (more commonly referred to as DPG18 provision in the sector) despite a drop in the delivery of this provision. This was intended to provide some breathing space to fund a higher level of activity in future years rather than automatically reduced funding for this key group.

Our assessment has not, at this stage, identified any negative impacts but it does acknowledge that there is the potential for the new model to have a negative impact on older students i.e. those aged 25 plus. However, we feel that the positive impacts created by removing the full time incentive from the previous funding model which we conclude will benefit adult returners (including the female adult returners discussed on the section on gender) will counter balance that impact. We also feel that external factors have and will continue to counter this impact such as a reduction in the school role. We have also, through our outcome agreement monitoring, not identified any significant shifts in provision rather we are achieving what we set out to do by making this group a priority in OAs which was to protect provision for younger students given the impacts that a recession and difficult financial climate could have on their long term outcomes. The data is not available yet for 2015-16 but we do not envisage any significant changes to the trend line.

Next Steps

Since SFC continues to operate under the old system, moving forward, we plan to fully transition to the new funding model, through the input and consultation of the Credit System Review Working Group, in addition to the College Funding Group. The review is forward-looking and covers teaching prices, rural, social inclusion and ELS premiums, and the credit guidance. Meetings were held on 21 June 2016, 16 September 2016 and 2 March 2017. SFC remains committed to continuing to consider equality issues (including potential positive and negative impacts and mitigating responses for any potential negative impacts) and will continue to conduct an EHRIA on this model, as we fully transition to the new funding model. How we will do this is outlined below.

How quickly we fully transition to the new funding model is not set in stone and is subject to other external factors such as funding and demand for provision. However, we envisage for our own planning purposes that a full transition will be possible by 2020. As we move towards this we will continue to review this EHRIA and update this publication, if required, on an annual basis. This will be done as part of the remit of the Credit System Review Working Group. Once we have fully transitioned to the new model we will also in the final update of this document outline how we intend to monitor and report on the impact of this model, this will include our assessment of its impact and equalities and human rights.