

fforwm evidence to the Enterprise and Learning Committee's Inquiry into Educational Maintenance Allowances

Oral evidence being given on 30 April 2009

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1. fforwm welcomes the opportunity to provide written and oral evidence to the Enterprise and Learning Committee's Inquiry into Educational Maintenance Allowances (EMAs).
2. fforwm is the national organisation representing the 23 further education (FE) colleges and two FE institutions in Wales¹. It is an educational charity and a company limited by guarantee. fforwm's Board comprises college principals and chairs of corporations, appointed by member colleges. fforwm provides a range of services to its members including networks, conferences, research, consultancy and the sharing of good practice. It also works closely with a wide range of partners in post-16 education and training. Through fforwm, colleges are represented on various committees, working parties and other groups influencing and shaping policy in post-16 education and life-long learning.

Background

3. The EMA Wales scheme was launched for 16 year olds in 2004/05 and extended to 17 and 18 year olds in 2005/06 and 2006/07 respectively. Under the scheme, full-time learners aged 16-18 are able to receive £10, £20 or £30 per week during term time depending on household income.² They can also get additional bonuses of £100 if specific targets in respect of progress and behaviour are met.
4. In October 2008 serious delays in payments of EMAs were experienced by many learners in Wales. This meant that many students expecting to receive an EMA had to give serious consideration to whether or not they could continue to study without the financial assistance.

Number of students receiving EMAs: Data

5. **Table 1** and **Table 2** show the numbers of approved applications for EMAs and the estimated total amount of EMA funding in both FE and school sixth forms in Wales in 2008/09 (provisional) and 2007/08.

¹ In this response, the terms 'FE college' and 'further education institution' (FEI) are used interchangeably to describe all of fforwm's members.

² If the household income is up to £21,330 per year, the EMA grant is £30 per week; £21,331 - £26,160, £20 per week, and £26,161 - £31,580 £10 per week. (Source: National Statistics, First Release, Student Finance: EMAs Awarded in Wales, 2008/09 (provisional) SDR 10/2009, Welsh Assembly Government 29 January 2009)

6. By the end of October 2008, 31,980 applications had been received for the current year. The total at the end of December 2008 had risen to 33,920. Of these 28,260 (83.3%) were approved. Based on a comparison with 2007/08, it is expected that an additional 1,500 or so applications will be approved from January to March 2009.
7. In 2008/09, provisional figures show that £27.9m was allocated in total - £17.1m (61.3%) to students in FEIs and £10.9m (38.7%) to those in school sixth forms, special schools and independent schools – compared with £30.8m in 2007/08. It can be assumed that this figure will increase by the end of March 2009 to a figure close to that in 2007/08.
8. In 2008/09, the majority of students received the maximum allowance of £30 per week (84.5% of those in FEIs and 79% of those in school sixth forms). These figures indicate that the bulk of EMA spending is being directed at those from the poorest families.
9. These percentages have not changed much since 2007/08.

Table 1

| EMA 2008/09 (provisional) Number of Approved Applications by FEI and Sixth Form Schools and value of EMA award | | | | |
|--|-------------------|------------------|----------------|-------------------|
| | £30 | £20 | £10 | Total |
| FEIs | 14,420 | 1,500 | 1,150 | 17,070 |
| School Sixth Forms* | 8,850 | 1,290 | 1,050 | 11,190 |
| Total | 23,270 | 2,790 | 2,200 | 28,260 |
| | £30 | £20 | £10 | Total |
| FEIs | 15,573,600 | 1,080,000 | 414,000 | 17,067,600 |
| School Sixth Forms* | 9,558,000 | 928,800 | 378,000 | 10,864,800 |
| Total cost (assuming value of EMA award over 36 wks) | 25,131,600 | 2,008,800 | 792,000 | 27,932,400 |

Source: National Statistics, First Release, Student Finance: EMAs Awarded in Wales, 2008/09 (provisional) SDR 10/2009, Welsh Assembly Government 29 January 2009

* Sixth form schools include the 530 approved applications for students at special schools and independent schools

Table 2

| EMA 2007/08 Number of Approved Applications by FEI and Sixth Form Schools and value of EMA award | | | | |
|--|-------------------|------------------|----------------|-------------------|
| | £30 | £20 | £10 | Total |
| FEIs | 15,630 | 1,620 | 1,220 | 18,470 |
| School Sixth forms* | 9,980 | 1,420 | 1,320 | 12,720 |
| Total | 25,610 | 3,040 | 2,540 | 31,190 |
| | £30 | £20 | £10 | Total |
| FEIs | 16,880,400 | 1,166,400 | 439,200 | 18,486,000 |
| School Sixth Forms* | 10,778,400 | 1,022,400 | 475,200 | 12,276,000 |
| Total cost (assuming value of EMA award over 36 wks) | 27,658,800 | 2,188,800 | 914,400 | 30,762,000 |

Source: National Statistics, First Release, , Student Finance: EMAs Awarded in Wales, 20078/08, SDR 154/2008, Welsh Assembly Government 30 September 2008

*School sixth forms include the 410 approved applications from students in special schools and independent schools

Impact of EMAs

10. Detailed research into the overall impact of the EMA on learners has not yet been carried out. However, a number of individual colleges that have been actively tracking progress of learners receiving EMAs report differences between those learners receiving EMA and those who do not. Learners receiving EMAs record an average of 6% higher attendance, retention and completion than those not in receipt of EMA. The fact that receipt of an EMA is linked to the learner's attendance and achievement demonstrates that it is a significant factor in improving the learner's motivation for attending college and completing qualifications.
11. There can however be some negative impact on those who are not eligible to receive an EMA. There may be tension within peer groups and between learners and their tutors. A tutor can use the targets associated with EMA payments to encourage and motivate learners but are unable to do this with learners who do not. Some learners are in a no-win situation. They are not eligible for EMA but their parents may choose not to provide any financial support or be unable to do so.

Means testing learners rather than parents

12. FEIs put their learners at the centre of their activities and strive to ensure that they treat learners choosing to study with them as adults.

13. If learners were to be assumed 'adult' at 16³ and the EMA means tested on their personal income, virtually all young people would be eligible receive EMA at the full rate of £30 per week.
14. In 2005/06, there were approximately 62,303 16-18 year old full-time learners in post 16 education in FE and in school sixth forms⁴. This would require a budget of over £57m to fund £30 per week grants to these learners - almost double the current estimated budget of £27.9m (see **Table 1**, above). If the total amount of EMA funding was fixed at £27.9m, then the average amount per student would be reduced from £30 per week to £13.38 per week. Thus many deserving learners would be deprived of the full EMA. Students from more wealthy families would benefit in the same way as those from poorer families: not what the policy in setting up EMAs was intended to achieve.

Conclusion

15. fforwm acknowledges the important contribution of the EMA in enabling learners to complete their education. fforwm also recognises the improvement in attendance and achievement by those learners receiving EMAs. fforwm would urge the Deputy Minister to take whatever steps are necessary to ensure that the late payment of EMAs that occurred in October 2008 is not repeated. The delays impacted on learners most in need and have caused some learners to give up their studies to gain paid employment.
16. Most students in receipt of EMAs receive the maximum of £30 per week. This indicates that EMAs are being taken up by those most in need.
17. In the current recession and with the unemployment rate in Wales set to rise over the next year, applications for EMA are likely to increase as household incomes decrease. Pressure to increase the budget to meet this need is inevitable.
18. At present, not all household income is factored into the means testing applied to EMA applications. For example, when a learner's parents do not live together, any maintenance paid by the non-resident parent does not get taken into account; neither does the learners' own income unless they live independently. It may be useful for a review into the calculation of household income to remove anomalies.

³ The definition of a child as stated by the United Nations General Assembly is as follows: - 'a child means every human being below the age of 18 years unless under the law applicable to the child the majority is attained earlier. Convention on the Rights of the Child Adopted and opened for signature, ratification and accession by the United Nations General Assembly resolution 44/25 of 20 November 1989

⁴ Experimental Statistics, First Release FE, WBL and Community Learning in Wales (205/06) SDR 170/2006 12 December 2006

19. fforwm does not support the suggestion that in respect of calculating EMAs the learner rather than the parent should be means tested. Such an approach would be difficult to manage, and bureaucratic. It would significantly increase the numbers receiving an EMA. Assuming the overall EMA budget is unchanged, the average EMA payment would be considerably reduced as the overall EMA budget is unlikely to increase at a time of economic downturn. It would also mean that many deserving learners from poor homes would be deprived of the opportunity to receive full financial support. Finally, such an approach would be at odds with the means testing approach used by the Welsh Assembly Government in calculating the level of Assembly Learning Grants for students aged over 18.