



**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

**Y Pwyllgor Menter a Dysgu  
The Enterprise and Learning Committee**

**Dydd Mercher, 30 Ebrill 2009  
Wednesday, 30 April 2009**

**Cynnwys**  
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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

These proceedings are reported in the language in which they were spoken in the committee. In addition, an English translation of Welsh speeches is included. This is a draft version of the record. The final version will be published within five working days.

**Aelodau'r pwyllgor yn bresennol**  
**Committee members in attendance**

Christine Chapman	Llafur Labour
Jeff Cuthbert	Llafur Labour
Paul Davies	Ceidwadwyr Cymreig Welsh Conservatives
Nerys Evans	Plaid Cymru The Party of Wales
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur Labour
Jenny Randerson	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

**Eraill yn bresennol**  
**Others in attendance**

Nick Bennett	Prifathro, Coleg Gorseinon Principal, Gorseinon College
Simon Brindle	Pennaeth, Is-adran Ariannu a Chyllid Myfyrwyr, Llywodraeth Cynulliad Cymru Head of Funding and Student Finance Division, Welsh Assembly Government
Catrin Anne Davies	Deisebydd Petitioner
Rob Davies	Fforwm Fforwm
Jane Hutt	Aelod Cynulliad, Llafur (Y Gweinidog dros Blant, Addysg, Dsygu Gydol Oes a Sgiliau) Assembly Member, Labour (The Minister for Children, Education, Lifelong Learning and Skills)
Amelia Payne	Myfyrwraig Student
Paul Smith	Pennaeth, Datblygu Busnes, Student Loans Company Head of Business Development, Student Loans Company
Bernie Tyler	Fforwm Fforwm

**Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol**  
**Assembly Parliamentary Service officials in attendance**

Dan Collier	Dirprwy Glerc Deputy Clerk
Dr Kathryn Jenkins	Clerc Clerc
Anne Thomas	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

*Dechreuodd y cyfarfod am 1 p.m.  
The meeting began at 1 p.m.*

### **Cyflwyniad ac Ymddiheuriadau Introduction and Apologies**

[1] **Gareth Jones:** Prynhawn da a chroeso i'r cyfarfod hwn o'r Pwyllgor Menter a Dysgu. Atgoffaf bawb i ddiffodd eu ffonau symudol ac unrhyw ddyfeisiau electronig eraill. Nid oes angen cyffwrdd â'r meicroffôn wrth gyfrannu at y drafodaeth. Nid ydym yn disgwyl ymarfer tân, felly os bydd argyfwng, rhaid inni ddilyn cyfarwyddyd y tywysyddion a gadael yr ystafell—a'r adeilad, mae'n siŵr.

**Gareth Jones:** Good afternoon and welcome to this meeting of the Enterprise and Learning Committee. I remind everyone to switch off their mobile phones and any other electronic devices. There is no need to touch the microphones when contributing to the discussion. We are not expecting a fire drill, so, if there is an emergency, we will need to follow the direction of the ushers and leave the room and, probably, the building.

[2] Bydd y cyfarfod yn ddwyieithog. Mae clustffonau ar gael i dderbyn y gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg. Mae hwnnw ar sianel 1 ar y teclyn. Er mwyn chwyddleisio'r sain, mae angen gwranddo ar sianel 0. Bydd Cofnod o'r cyfan a ddywedir yn gyhoeddus.

The meeting will be bilingual. Headsets are available to receive the simultaneous translation from Welsh to English. That is on channel 1 of your headsets. To amplify the sound, you need to listen to channel 0. There will be a Record of all that is said in public.

[3] Yr ydym wedi cael ymddiheuriad gan Huw Lewis a, hyd y gwn i, ni fydd neb yn dirprwyo yn ei le.

We have received an apology from Huw Lewis and, as far as I know, there is no substitution for him.

1.01 p.m.

### **Y Lwfans Cynhaliaeth Addysg The Education Maintenance Allowance**

[4] **Gareth Jones:** Gofynnodd y Pwyllgor Deisebau i ni ystyried deiseb sy'n ymwneud â'r lwfans cynhaliaeth addysg. Mae'r prif ddeisebydd yma i roi cyflwyniad byr inni am y mater ac i ymateb i gwestiynau Aelodau. Gan ein bod yn ymwybodol o'r problemau difrifol y mae lliaws o fyfyrwyr wedi'u hwynebu yn ystod y flwyddyn academaidd bresennol, yr oeddem yn awyddus i ymgymryd ag ymchwiliad ein hunain i'r mater. Mae'r ddau beth yn cydfynd, i bob pwrpas.

**Gareth Jones:** The Petitions Committee has asked us to consider a petition relating to the education maintenance allowance. The lead petitioner is here to give us a brief presentation on the matter and to respond to Members' questions. Given that we are aware of the serious problems that a host of students have faced during the current academic year, we were also keen to undertake our own inquiry into the matter. The two things go together, to all intents and purposes.

[5] Yn rhan gyntaf y sesiwn graffu, byddwn yn gwranddo ar dystiolaeth cynrychiolwyr Fforwm. Estynnaf groeso cynnes i Bernie Tyler, pennaeth ansawdd, Rob Davies, cadeirydd y rhwydwaith cynnal myfyrwyr, ac i Nick Bennett, pennaeth Coleg Gorseinon. Yr ydym yn falch eich bod chi

In the first part of the scrutiny session, we will hear evidence from representatives of Fforwm. I extend a warm welcome to Bernie Tyler, head of quality, Rob Davies, chair of the student services network, and Nick Bennett, principal of Gorseinon College. We are pleased that you have been able to join us.

wedi medru ymuno â ni. Diolch i chi am eich tystiolaeth ysgrifenedig; yr ydym wedi cael cyfle i'w darllen. We thank you for your written evidence; we have all had an opportunity to read it.

[6] Gofynnaf i chi wneud cyflwyniad byr, o ryw bum munud i 10 munud, am y lwfans cynhaliath addysg, a chewch benderfynu sut yr hoffech drefnu hynny. Bydd cyfle wedyn i Aelodau ofyn cwestiynau. I ask you to make a brief presentation, of around five to 10 minutes, on the education maintenance allowance, and it is up to you how you want to do that. Members will then have an opportunity to ask questions.

[7] **Mr Bennett:** I do not propose to talk about anything that is in the paper, because I take it that you have read it. We are pleased to be able to come to talk to you about this matter, which is very important to us.

[8] I have been working in the Welsh further education sector for more than 30 years, in south-east Wales and now in south-west Wales. Student poverty and it getting in the way of students accessing further education has always been a prominent issue; it is not new. Based on my experience, I can tell you that, in our sector over that number of years, EMAs have made a huge difference to young people's ability to access what we would ordinarily regard to be a right. We are speaking on behalf of our two colleges in south-west Wales, and, between us, Robert and I represent probably around 4,500 learners of that age group in Llanelli and west Swansea. We have fairly sound anecdotal evidence that EMAs have made a big difference to our learners. They are of great benefit to them, and we wish to see them maintained, and even enhanced.

[9] We agree with the Minister's view that it is encouraging that there is such interest in this matter from a student body, albeit one in the north, that it has been brought before an Assembly committee in the form of a petition. We applaud that, although we do not necessarily agree with all the detail, as you will know from reading our submission. However, we applaud the spirit in which it was given to us. That is probably as much as I need to say about the submission, Chair.

[10] **Gareth Jones:** Thank you. Does any one want to add to that?

[11] **Mr Davies:** I would just reiterate Nick's comments about the impact of the EMA. We have data at Coleg Sir Gâr on student performance and evidence in relation to student retention and successful completion. There is a 6 per cent difference between EMA recipients and non-recipients, so we think that it does make a difference.

[12] **Gareth Jones:** Diolch. Trown at y cwestiwn cyntaf, sydd gan Sandy Mewies. **Gareth Jones:** Thank you. We now turn to the first question, from Sandy Mewies.

[13] **Sandy Mewies:** Nick, I am interested and pleased to hear that the EMA is having such a positive impact on studies. You have already commented on the petition coming from Deeside College. Catrin and Amelia are here, who are both constituents of mine, and Catrin has been very realistic in her expectations. I have read your paper, and I think that you would not, in principle, be against extending the EMA as a universal benefit, but you do see problems with that. Would you be kind enough to expand on that while Catrin is here?

[14] **Mr Bennett:** It is a matter of the practicalities of the issue. It is a finite pot of money, and it is one that needs to be directed as far as possible, in our view, towards those most in need. From my experience in the sector, I know that there are those who are very much in need of financial help—as much as we can afford to give them. As we indicate in our paper, if the EMA were to become a universal right, as it were, for all 16-year-olds entering the post-

16 sector, we would fear that those most in need may miss out, because the value of what we could give them would almost certainly diminish within the given budget currently.

[15] **Sandy Mewies:** I cannot remember the total sum, but I think that you are saying that it would reduce the EMA for everyone to about £13.38 a week.

[16] **Mr Bennett:** It would be around that.

[17] **Sandy Mewies:** What would be the total sum for all learners?

[18] **Ms Tyler:** Some £57 million. If every student aged between 16 and 19 were to receive the full £30 a week, it would total £57 million a year. The current budget is £27.9 million, so, if we were to spread the pot that we have now among everyone, they would just get £13 a week.

[19] **Sandy Mewies:** Is there any way of funding that at all?

[20] **Mr Davies:** It is worth bearing in mind that evidence from Estyn has shown that 89 per cent of EMA recipients are in receipt of the full award. Our view is that any dilution of that would impact on the benefit to students' performance that I spoke about earlier.

[21] **Jenny Randerson:** Thank you for your evidence. When the delays in the payment of the EMA occurred this year, there was anecdotal evidence of students having to abandon their studies. Can you quantify the impact of that at all?

[22] **Mr Davies:** It is difficult to quantify. Many colleges helped their students out with loans through the financial contingency fund, which was certainly beneficial. Having worked with a number of colleagues in the UK, I know that Wales, thankfully, did not have the problems that were encountered by the English sector, which certainly had an impact. We discussed that during the preparation of our submission, and we felt that, in the main, students had not suffered too badly in that regard.

[23] **Jenny Randerson:** I have another couple of short questions. The Minister has made a number of suggestions for improvements to the applications process next year. Do you have any suggestions as to how the process might be improved for those on the receiving end?

1.10 p.m.

[24] **Mr Davies:** Yes. One thing that needs to be improved is the process prior to the student leaving school in year 11. I can understand the focus on examinations in year 11, but there is less of a focus on what could be happening afterwards. If schools and careers companies could encourage students to complete the EMA administration sooner, it would certainly help the post-16 colleges and schools.

[25] **Jenny Randerson:** The Minister also cites a higher than usual number of incomplete applications. Applications could not be processed because they were not correct. What is the role of the colleges, if there is a role at all, in ensuring that those applications are complete? I know that there would be resource implications to this, but could you do more to help students to make sure that everything is ready before the application is made?

[26] **Mr Davies:** That is related to my previous comment about the speed and the timing of this. If more preparation were done prior to students' arrival at the college, it would certainly help the college to check the forms. My understanding is that many of the problems with the incomplete forms are often to do with the certification of income from self-employment as opposed to other forms of income.

[27] **Jenny Randerson:** I see. Thank you.

[28] **Nerys Evans:** Mae gennyf ambell bwynt i'w godi. Yn eich papur, ym mhwynt 18, yr ydych yn sôn am anomaleddau y broses. A oes unrhyw rai eraill? Yr ydych yn rhoi un enghraifft o riant nad yw'n byw yn y cartref yn rhoi arian i'r teulu ond nid yw'r arian hwnnw yn cael ei gyfrif ar hyn o bryd. A oes unrhyw anomaleddau eraill yn y system?

**Nerys Evans:** I have a couple of points to raise. In your paper, in point 18, you mention the anomalies in the process. Are there any other anomalies? You give one example of a parent who does not live at home giving money to the family but of that money not currently being counted. Are there any other such anomalies in the system?

[29] Yr ydych hefyd yn sôn am yr effaith bositif ar ddysgwyr, gyda chynnydd o 6 y cant yn y nifer sy'n bresennol ac sy'n cwblhau cyrsiau. Yn sgil yr effaith bositif honno ar ddysgwyr, y gyfundrefn addysg, y colegau a'r system gyfan, sut daethoch i'r casgliad bod y system bresennol yn well nag ymestyn y buddiannau hyn drwy newid y gyfundrefn o asesu pwy sy'n gymwys i dderbyn y lwfans? O ran y gyllideb, bydd pobl yn cael llai o arian, ond sut daethoch i'r casgliad bod y system hon yn well na'i ymestyn er y bydd pobl efallai yn cael llai o arian os na fydd y gyllideb yn cael ei chynyddu?

You also mention the positive effect on learners, with an increase of 6 per cent in attendance and course completion. In light of that positive effect on learners, the education system, colleges and the entire system, how did you come to the conclusion that the current system is better than extending these benefits by changing the system of assessing who is eligible to receive the allowance? In relation to the budget, people will receive less money, but how did you come to the conclusion that this system is better than extending it even though people might get less money if the budget does not increase?

[30] **Mr Davies:** I will answer that question. There is some anecdotal evidence to suggest that the £10 per week benefit is not having the same impact on student performance as the £30 per week. Our view is that the beneficial impact could potentially be diluted if students were to receive less money. For example, I know of a student who said that they did not mind losing £10 per week because they could earn more in Tesco in one afternoon. So, we felt that the current amount of £30 is the optimum level. If it went below that—and I reiterate that 89 per cent of students are getting £30—we feel that its impact on their performance would be reduced.

[31] **Nerys Evans:** Beth am y cwestiwn am yr anomaleddau eraill?

**Nerys Evans:** What about the question on the other anomalies?

[32] **Ms Tyler:** We did not look at that in great depth, so it may need to be reviewed. If a household is receiving additional income but that is not factored into the equation, there may be some inequality in how it is calculated. As I said, we have not looked into that in any great depth, so perhaps it needs to be looked at in future. It seems a little unfair.

[33] **Jeff Cuthbert:** The questions that Jenny asked about the administration of the EMA covered my main point and then Nerys captured the bulk of the rest of it. So, I have one point. On the 6 per cent higher attendance—I do not know whether you have those figures to hand or whether you can get them—I would be interested to know whether that relates across the board to all subjects, or whether it has shown support for particular subjects, such as science and engineering, for example, or the humanities. Do you have any evidence in that regard?

[34] **Mr Davies:** I would just clarify that the data relate to attainment, retention and successful completion. I must be careful in saying that it was an exercise that we did at Coleg

Sir Gâr, so I do not necessarily speak for the whole sector, but the evidence from our exercise was that it was across the board.

[35] **Mr Bennett:** In many ways, my college is different in nature to Rob's institution as it is very much more a sixth-form college. It is an A-level college where you would expect attendance and motivation to be high. The experience at my college has been that EMAs have had less of an impact on attainment and attendance in particular. Rob was talking about a 6 per cent improvement, whereas we are probably talking about half of that in our college. Nevertheless, it is significant—in a body of over 2,000 students, it is no less significant.

[36] **Paul Davies:** You have touched upon the fact—today and in the paper—that EMAs have had a positive impact. However, some will argue that they could actually also create tensions between peer groups. Can you explain, in more detail, the positive and negative impacts of EMAs?

[37] **Mr Bennett:** There is anecdotal evidence of that. It is particularly true of those families that fall just outside the eligibility for it. From my experience, it is repeated across any kind of benefit that is means-tested—you always get that little group that falls just outside, feeling particularly aggrieved. Every year I get letters from parents bemoaning that fact. It is an inescapable result of a means-tested benefit, and I do not think that you can get away from it. There are tensions between students within groups, but those are not insuperable or unmanageable, and we get through it. All the students involved benefit in the end.

[38] **Ms Tyler:** It is also a challenge for the lecturing staff and the tutors, because we are trying to manage attendance. On the one hand you have a carrot to encourage some students, but on the other hand you have students who say, 'If I do not go in, what difference does it make? I do not get any money anyway'. So, there are those tensions that a tutor has to manage, and that is also tricky. We also need to remember that that is in school sixth forms, and not just in colleges. It is across the board and it does create problems.

[39] **Gareth Jones:** Nid oes gennyf ragor o gwestiynau. A oes gennyf unrhyw beth i'w ychwanegu? A ydych yn teimlo'n fodlon eich byd? **Gareth Jones:** I do not have any further questions. Do you have anything else that you would like to add? Are you satisfied?

[40] **Mr Bennett:** I just have one point, which is an obvious one: in my area, in Swansea, we have had 900 extra people claiming jobseekers allowance and unemployment benefit since January. That is inevitably going to change the profile of those people eligible to apply for this benefit. I hope that those people who are looking at and controlling the budgets will build in sufficient extra funds to meet those almost inevitable extra demands on the system.

[41] **Mr Davies:** One thing that is very welcome is the administrative contribution; that was removed in England, but it does make a difference. A lot of administration goes into ensuring that the system runs smoothly, so we do welcome the administration contribution that we get with the fund.

[42] **Gareth Jones:** Er bod y rhan hon wedi bod yn gymharol fyr, mae wedi bod yn bwysig gan eich bod wedi dangos dimensiwn arbennig yn ymwneud ag addysg bellach, i bob pwrpas, sy'n gysylltiedig â'r lwfansau hyn. Deallaf fod y Llywodraeth wedi edrych ar y drefn weinyddol, a byddwn yn clywed gan y Gweinidog y prynhawn yma. Yr ydych **Gareth Jones:** Although this part has been relatively brief, it has been important to us, as you have shown a specific dimension relating to further education, to all extents and purposes, in relation to these allowances. I understand that the Government has looked at the administrative system, and we will hear from the Minister later this afternoon. You



wedi cyfeirio hefyd at yr effaith mae hyn wedi ei gael ar ansawdd addysg yr unigolion.

also referred to the impact that this has had on the quality of the individual's education.

1.20 p.m.

[43] Efallai y dylem, fel pwyllgor, ystyried sut y gallwn fynd ati i asesu gwerth y lwfansau hyn fel ein bod yn deall fod gwerth iddynt a'i fod wedi ei gydnabod. Felly, credaf fod galw am arolwg pellach yn ymwneud nid â'r drefn weinyddol, er mor bwysig yw hynny, ond ag effaith lwfansau ar addysg ac ar ddyfodol ein pobl ifanc. Ar ran y pwyllgor, diolchaf i chi am eich presenoldeb y prynhawn yma ac am eich tystiolaeth.

Perhaps we should, as a committee, consider how we can go about assessing the value of these allowances so that we understand that they have a value, which has been recognised. Therefore, I think that there is a need for a further inquiry, not into the administrative system, although that is important, but into the effect of the allowances on education and the future of our young people. On behalf the committee, I thank you for your attendance this afternoon and for your evidence.

[44] Nid yw'r Gweinidog ar gael tan 1.45 p.m., ond deallaf fod y deisebwyr yn awyddus i adael tua 3 p.m.. Felly, efallai y byddai'n hwyluso pethau i ni eu croesawu i'r pwyllgor yn awr.

The Minister is not available until 1.45 p.m., but I understand that the petitioners are keen to leave around 3 p.m.. Therefore, it might facilitate matters if we were to welcome them to the committee now.

[45] Mae'r papurau perthnasol yn cynnwys papur 3 ac atodiad 1—copi o'r ddeiseb a chopi o lythyr gan y Gweinidog at y Pwyllgor Deisebau. Ar ran y pwyllgor, croesawaf yn fawr iawn Catrin Anne Davies, y prif ddeisebydd, ac Amelia Payne. Yr wyf yn siŵr y bydd fy nghyd-Aelodau'n caniatáu i mi ddweud wrthyhch mai chi yw'r bobl bwysig y prynhawn yma. Chi a'ch syniadau, a fydd yn cael eu cyflwyno a'u trafod gennym, sy'n bwysig. Yr wyf am i chi fod yn hollol gartrefol. Mae'r mater hwn yn bwysig i chi ac i ni. Gofynnaf felly, i chi Catrin, ymhelaethu ychydig ar pam yr aethoch ati i lunio'r ddeiseb a'i chyflwyno i'r Cynulliad.

The relevant papers include paper 3 and annex 1—a copy of the petition and a copy of the letter from the Minister to the Petitions Committee. On behalf of the committee, I warmly welcome Catrin Anne Davies, the principal petitioner, and Amelia Payne. I am sure that my fellow Members will allow me to tell you that you are the important people this afternoon. The important things are you and your ideas, which will be presented and discussed by us. I want you to feel very much at home. This issue is important to you and to us. I will, therefore, ask Catrin to elaborate on why she started the petition and presented it to the Assembly.

[46] **Ms Davies:** I made the decision because, for the Welsh baccalaureate, we have to do things in college. Someone came to see us to explain about the petitions system that the Assembly had set up on the internet. The teacher then asked if anyone felt strongly about something and I said that I felt strongly about the fact that I did not get the EMA and had never been entitled to it. It is not just a case of me being the only one not to receive it—loads of young adults are in the same position. I am sorry, but I am a bit nervous. You can see from the results that many people agreed with what I had to say, namely that many young people work as well as attend college full time. For example, I have two jobs. Many people are in the same situation and it is a case of—I am sorry, but I am nervous.

[47] **Ms Payne:** What she is trying to say is that she works 40 hours a week, which is equivalent to working a full-time job, and goes to college at the same time. She has to pay rent at home, she has her own car, and she pays car insurance and her own phone bills. She should be treated as an adult in her own right.

[48] **Ms Davies:** They base it on my parents' income, but, at the end of the day, I do not ask my mum and dad for money. My mum and dad should not have to give me money for my education. I know that it is for my education and that, if I really needed money for my education, they would give it, but I should not be expected to ask them for the money in the first place because—sorry, but I am nervous.

[49] **Gareth Jones:** The point that you are making is quite valid. We totally understand and follow the logic of that point.

[50] **Ms Davies:** As I have my own income, it should be based on my income, not the household income.

[51] **Gareth Jones:** Fine. There will now be a few questions about what may be one or two aspects of concern. I am going to ask Jeff to start.

[52] **Jeff Cuthbert:** Thank you. I realise that this may be a daunting situation for you, but try not to worry—we are more scared than you are.

[53] I am pleased to hear that you are doing the Welsh baccalaureate. On another occasion, I would be delighted to hear about your experience of the Welsh baccalaureate. I take it that you are doing the advanced level—

[54] **Ms Davies:** Yes, because I am on the health and social care A-level course. They do different things for the baccalaureate: we have been doing Italian and stuff. You have different sections to it. They teach you a lot about what is going on in the world. I would never have known about the Petitions Committee if it was not for the Welsh baccalaureate. So, I have benefited from it. What else do you do with the Welsh baccalaureate? You get certificates. We did a section on Alzheimer's disease, which was good for our course.

[55] **Ms Payne:** You also do sign language and stuff.

[56] **Ms Davies:** Yes. You have done more of it because you are a bit older than me, are you not?

[57] **Ms Payne:** Yes, I am in the year above you.

[58] **Ms Davies:** She has done a lot more with the Welsh baccalaureate and I have that to come; I will be learning sign language.

[59] **Ms Payne:** Do they have copies of these papers? Would you like a copy of these papers?

[60] **Ms Davies:** They are my notes. That is what I really wanted to say.

[61] **Gareth Jones:** We will certainly take them.

[62] **Ms Payne:** It is just that she got a bit nervous and this will help her to get her point across. Do you want me to give them out?

[63] **Gareth Jones:** Okay.

[64] **Jeff Cuthbert:** It is really pleasing to hear that, as a result of doing the Welsh baccalaureate, you are aware of the work of the Assembly and particularly the Petitions Committee. That is exactly why we set up that committee, so that people could petition the Assembly on issues that are important to them and this issue is clearly important to you. So,

you were absolutely right to petition the Assembly and you are to be congratulated for using the facility that is there. It is all about enhancing democracy and having forms of Government that are as open and transparent as they can be. This is excellent.

[65] In terms of the specific issue—that of the EMA—you will have heard the discussion that we had earlier with Fforwm, which represents the FE colleges. We may as well get to the point, which is that targeting or means testing really comes down to the fact that the budget is limited. We spend about £28 million on it now and although, in the big scheme of things, it is not a huge sum of money, it is an important sum of money and if it were to be made universally available, the cost of it would double, or thereabouts. That is the issue for us in that it comes down to a decision. As an aspiration, I think that we would all agree that we would like to see the EMA made available to all, but then we would have to ask, ‘If we are going to spend more on this, what are we going to cut?’ Those are the decisions that we have to make.

[66] Your petition concentrates on the issue of you being regarded as a private individual in terms of your income. I understand exactly where you are coming from with that, because I have lots of young learners in my constituency who contact me and say things along the same lines. I represent the Caerphilly constituency, which is just to the north of Cardiff, and I am meeting the young people’s partnership about this very issue in about two weeks’ time. I am expecting a pretty robust discussion on some of the issues. How reasonable, looking at it as someone from the outside, knowing that there is a limited sum of money available and we want to allocate it in a way that encourages young people to stay in education or training—you are dying to come in; go on, make a point before you forget it.

[67] **Ms Davies:** I heard the gentleman say that it would be £13-something a week. So, over a month that would be something like—I cannot do maths, but it would be about £50, would it not? Would it not be better for every student to get roughly £50 a month, rather than some students missing out on having a maintenance allowance, just because it is felt that they are not a priority, when they might be a priority because they are the ones who have to go out to work 40 hours a week on top of attending college? They are expected to work full time and attend college full time, and yet nobody is there to help, guide and support them. It is not just me; there are a few in my class who are in a similar situation. They leave on a Friday, when we have tutorials, so they miss them as they would rather go to work and get a couple of hours in than be in college discussing Red Cross Day or something.

1.30 p.m.

[68] **Jeff Cuthbert:** Could I just make a suggestion? You may want to involve the rest of your colleagues on the Welsh baccalaureate group. I do not know how much you knew about the total funding available until you came here. You know now that it is about £28 million. If we had a universal scheme, the figure would be roughly double that. Often, we have to cost things. You might want to think back, ‘Right, okay: if we move towards a universal scheme, £58 million could provide roughly £13 per week for everybody’. How would that work in practice, especially for those students who are from very disadvantaged backgrounds? Would it make a meaningful difference? Some further evidence and consideration of the evidence would be useful for us.

[69] **Ms Davies:** I think that Nerys touched on this. Just because in some families both parents do not share a house, it does not necessarily mean that the children are not being helped. If a child’s parents live in separate houses, they might be married to other people, and that means that there are two wages going into two households, so the child may have help from both sides. There are those, however, who have both parents in one household and only one form of income coming in. How do they cope? Then again, I know of people who do not get any support and only have the one parent, so they should not miss out. It is not fair that

they miss out, because they should be given that extra help the same as everybody else. I know what you are trying to say; I do see that, but sometimes, families can help each other out in other ways, if that makes sense.

[70] **Jeff Cuthbert:** Last point, and then I promise to shut up, Chair.

[71] I do not know whether you have friends who are twins, but I dealt with a case in my Caerphilly constituency brought to me by a single parent family. The mother received maintenance for her twin daughters, but as they were exactly the same age on the same day, her total income was applied to both. It was not divided—do you see the point I am trying to make? So, there was an inherent unfairness in that system, which is a matter that I have raised with the Minister. You might have friends who are twins.

[72] **Ms Davies:** No. I do not know any twins. I know why you said that, though.

[73] **Gareth Jones:** I told you that you were important people—everybody wants to ask you a question now. Sandy Mewies is next.

[74] **Sandy Mewies:** I was not involved at all in drawing up the petition. Catrin arranged it and got several hundred signatures. I met her at the college. She came across issues with people assuming that, because a child lives at home—I think that this was one of the points that you were making—it does not mean that he or she, particularly an older child, gets money from the parents for education. There is no flexibility in the system, and we were concerned about that. In fact, you do not have to be a twin to be affected—I spoke to someone at the college who complained of exactly the same thing, in that siblings who are very close together in age, and members of a family with a household income slightly over the benefit threshold, had that income applied to them as a single unit rather than as something that had to be shared between two, despite the costs being double. That is what happens, is it not?

[75] **Ms Davies:** That is similar to what we were talking about it. We were saying that some parents may have four children in education all at the same time, whereas, in another family, the age gaps might be bigger so they will not need as much in maintenance grant as the other ones might need, because they have four all together.

[76] **Sandy Mewies:** Catrin—and I am not trying to lead Catrin at all, here, Chair—a wide diversity of views was represented by the several hundred pupils who signed your petition. The one thing that they had in common—and I met quite a lot of them—was that they felt very strongly about some people getting the grant. They felt that it was an unfair advantage, and that there was encouragement for some people to get it and some not to get it.

[77] **Ms Davies:** I did it in only one day. I should have done it over a long period of time, and then perhaps I could have got more, but I only had a day to do it before sending it off. I went to see people on many different courses, even the building ones. The people on those courses get money to go to college, from Airbus and so on, and even they could understand my point, and they agreed with it. I got quite a few signatures from them, even though they are secure and are looked after by business. Even they could see the point that I was trying to make.

[78] **David Melding:** Do you know many people at your college who get the full £30 a week?

[79] **Ms Davies:** There are a few in my class who do.

[80] **David Melding:** Do you think that some of those people would not have attended college and would have gone straight into work if their entitlement was, say £13? If we gave

£13 to all students, do you think that that might put some of those people from poorer homes off attending college?

[81] **Ms Davies:** Without penalising the people in my class, a couple of them will come in every day to make sure that they get that £30, but there are maybe one or two who come and go as they please, and yet they expect to receive the £30. If they say, ‘I did ring up, and I did say this’, they are told, ‘Oh, okay. That’s fine’, and then they still get their £30. You feel for the ones who receive that £30 and come in every day, because they keep their attendance up and are always punctual, but no-one pats them on the back for it and, yet, there is someone who is coming in and out as she pleases and all she has to do is say, ‘I did ring up’, and she gets the £30. I have heard some stories like that, but not every case is like that.

[82] **Christine Chapman:** Well done, Catrin, for coming here. You must be congratulated on giving evidence. We appreciate your views. We want to listen to young people’s views; that is an important part of the process.

[83] Following on from David Melding’s point, I am still a little concerned about the poorer students. If this benefit was spread out to everybody, you would really disadvantage those poorer students. You said that, in your college—and this might be the same for other colleges too—the way in which the college has dealt with it is not helping. We are talking about this as an incentive. Do you agree with the principle that if we have limited budgets, more effort needs to be made for poorer students who may not have the advantages of other students?

[84] **Ms Davies:** I agree that they should not go without. They should be given the opportunity, but, as I explained, with some of those who get that £30, it could be saved and put back into the budget. I do not get the maintenance allowance, but I think that it could go further.

1.40 p.m.

[85] **Ms Payne:** For the people who are just above the margin so that they cannot have the money, just because their parents’ income is a certain amount it does not mean that the parents do not have to put that money towards debts and so forth. That just applies to me. I know of a few people who are in the same position and do not have anything either.

[86] **Ms Davies:** As well as the EMA, which is for students who are between 16 and 18 years old, there is the higher allowance. Technically you are slightly younger, therefore you can go to your parents much more; but once you get to between 19 and 25 years of age, for which there is the other allowance, your situation is still based on your parents’ income. You are a lot older then. Once you are 18 years old, the Government classes you as an adult. It says that, by law, you are an adult at 18 years of age, but the Government is willing to base your educational allowance on your parents’ income where you are classed as an adult.

[87] **Christine Chapman:** In reality, unless parents are completely uninvolved with their children, many parents help out. Many young people do not have that support. I suppose that it is a matter of trying to help those who do not get that support. The principle of trying to help the poorer students who may not be involved with their parents at all has been around for many years. That is what most of us are thinking about.

[88] **Jenny Randerson:** Thank you, Catrin and Amelia. I have a simple question that follows on very well from Christine’s question. Do you know many people on your course or within college who are not entitled to the allowance but are not being supported by their parents; that is, that their parents’ income is such that they are not entitled to the money but they are not being supported by their parents? In other words, they are in the same position as

you, but some of them may be in an even more difficult position in that they might be living totally independently. I just wonder whether it is something that you have come across commonly.

[89] **Ms Payne:** I know of a few people who work every night after college and at weekends because they are in that kind of position. I do not know fully because I do not know about their lives, but I know that they work excessive hours which involves them missing days from college in order to meet living costs and take care of their daily needs.

[90] **Jenny Randerson:** It is something that I feel strongly about because I was in that position very many years ago. I was not entitled to a grant when I went to university but my parents did not support me.

[91] **Ms Payne:** There are many people who are like that.

[92] **Gareth Jones:** Yn olaf, galwaf ar **Gareth Jones:** Finally, I call on Nerys Nerys Evans. Evans.

[93] **Nerys Evans:** It is brilliant that you are here. It is fantastic that you have used the Petitions' Committee to come here and it is brilliant to see young people using the democratic processes that we have in the Assembly. Therefore, congratulations on that and on your evidence today. For clarification, you have mentioned a few times in answers to other people the need for everyone to have the benefit of the education maintenance allowance, but the petition refers to using your allowance or income as the indicator to see whether they are eligible or not. However, you have said that everyone should be entitled to the allowance; therefore those are two completely different points. Which one do you support? Do you think that the budget should go to everyone, so that everyone would have £13, £14 or whatever; or would your ideal system be that your income is assessed to see whether you are eligible, rather than everyone getting it?

[94] **Ms Davies:** Yes.

[95] **Gareth Jones:** Dyna'r cwestiwn olaf. Diolch yn fawr i'r ddwy ohonoch, ac i Catrin, y prif ddeisebydd, am ddod gerbron y pwyllgor. Gobeithiaf eich bod wedi cael croeso yma. Yr ydym yn hynod falch o'ch gweld ac, fel y dywedodd rhywun, yr oeddem yn falch o'r ffordd y daethoch atom â'r wybodaeth ynglŷn â bagloriaeth Cymru. Mae'n bwysig i ni, fel Aelodau, sylweddoli ein bod mewn cysylltiad â phobl ifanc. Mae ein penderfyniadau ni'n ymwneud â dyfodol Cymru, a chi yw ein dyfodol.

**Gareth Jones:** That is the final question. I thank you both, and especially Catrin, the principal petitioner, for coming before the committee. I hope that you have had a warm welcome here. We are extremely pleased to have seen you and, as someone has said, we were pleased with the way that you came to us with the information regarding the Welsh baccalaureate. It is important for us, as Members, to realise that we are in contact with young people. Our decisions involve the future of Wales, and you are our future.

[96] Bydd y pwyllgor yn llunio adroddiad a fydd yn rhoi ystyriaeth i'r hyn a gyflwynasoch ynghyd â thystiolaeth Fforwm, a glywsoch ynghynt, a beth bynnag a fydd gan y Gweinidog i'w ddweud yn rhan nesaf y sesiwn hon. Yr wyf yn eich llongyfarch am y modd y bu ichi gyflwyno'r hyn oedd gennych i'w ddweud, achos mae'n rhan bwysig o'r broses ddemocrataidd gyfoes a chyffrous sydd gennym yng Nghymru heddiw, ac

The committee will be drawing up a report, which will consider what you have presented to us, as well as Fforwm's evidence, which you heard earlier, and whatever the Minister will have to say in the next part of this session. I congratulate you on the way that you presented what you had to say, because it is an important part of the modern and exciting democratic process that we have in Wales today, and I am pleased to be able to

mae'n dda gennyf ddweud hynny. Ar ran y pwyllgor, yr wyf unwaith eto'n dymuno'r gorau i'r ddwy ohonoch yn eich astudiaethau. Gobeithiwn y cewch ganlyniadau gwych. Cyn belled ag y mae'r ddeiseb yn y cwestiwn, cawn weld beth a ddaw yn sgîl ein hadroddiad. Yr wyf yn dymuno'r gorau i chi a diolch yn fawr i chi.

say that. On behalf of the committee, I once again wish you both well in your studies. We hope that you will have excellent results. As far as the petition is concerned, we will see what happens as a result of our report. I wish you well and thank you very much.

[97] Prynawn da, Weinidog.

Good afternoon, Minister.

[98] **Y Gweinidog dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau (Jane Hutt):** Prynawn da.

**The Minister for Children, Education, Lifelong Learning and Skills (Jane Hutt):** Good afternoon.

[99] **Gareth Jones:** Yr ydym yn disgwyl eich swyddogion.

**Gareth Jones:** We are waiting for your officials.

[100] **Jane Hutt:** Nid ydynt wedi cyrraedd eto, felly? Yr wyf yn hapus i ddechrau hebddynt.

**Jane Hutt:** Have they not arrived yet? I am happy to start without them.

[101] **Gareth Jones:** Iawn. Yn y lle cyntaf, diolch i chi am ymuno gyda ni o'r Drenewydd drwy gyswllt fideo, gan eich bod yn brysur yno. Yr wyf yn eich croesawu fel y Gweinidog dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau. Yr ydym am droi at ein cwestiynau—

**Gareth Jones:** Fine. First, thank you for joining us via videolink from Newtown, because I know that you are busy. I welcome you in your role as Minister for Children, Education, Lifelong Learning and Skills. We will turn to our questions—

[102] Can you hear me?

[103] **Jane Hutt:** Yes, I can hear you very well.

[104] **Gareth Jones:** Okay, we will turn to the first question, which is from Paul Davies.

[105] **Paul Davies:** Good afternoon, Minister. In your written evidence to the committee, you identified two reasons for the delay in processing the education maintenance allowance last year. One was the introduction of the administrative changes and the second was the knock-on effect of the wider problems encountered in England. Can you tell us when you became aware of this problem? I understand that serious delays in the payment of EMAs were experienced by many learners in Wales in October last year, but, in your written evidence, you say that you became aware of it in November last year. I would be grateful if you could clarify that. In addition, how long was your department aware that administrative changes were due to take place before they were implemented? In other words, why were these substantial changes not identified as a potential problem beforehand, so that contingency plans could be put in place?

[106] I understand that one of the reasons for introducing the administrative change was to reduce the possibility of fraud. What impact have those changes had on combating fraud? In your paper, you also identified a number of actions to ensure that the situation is avoided in future. How confident are you that those actions will be successful? Finally, Fforwm has told us that many students expecting to receive the EMA had to give serious consideration to whether or not they could continue with their studies without that financial assistance. Is that your understanding, and can you tell us whether students have discontinued their studies

because of this?

[107] **Jane Hutt:** May I first introduce Paul Smith, the head of business development at the Student Loans Company, who I believe is now sitting at the table—I can see the back of his head—and Simon Brindle, who is the head of the funding and student finance division in my department? I will be bringing them in to also respond to some of these questions.

1.50 p.m.

[108] I very much welcome the committee's inquiry into the very important education maintenance allowance scheme. Over 133,000 young people have had allowances approved since 2004. However, the crucial point in Paul's question relates to the difficulties that emerged at the end of October. In terms of the recognition of that problem that began to come through to me in terms of letters, I think that, during the period of those difficulties, which really was from November to December, I had letters from 12 Assembly Members and four MPs. The issues that were emerging in October were related to the fact that there were applications that had not been assessed, sometimes because of missing information or for other reasons related to processing. If you look at the figures, you will see that there was a huge increase in delays compared with October 2007. When the 2008 figures emerged on these delays, action had to be taken. As soon as I became aware of the problem, I instructed my officials to find out what the issues were, as well as SLC, of course. Once those were identified, additional staff were brought in from the higher education area of SLC's business to assist the further education team.

[109] I was pleased with the quick action that SLC took in assessing the problems and then clearing the backlog during November. We may want to come back to Paul Smith to identify some of the issues during that busy time. However, by the end of November 2008, the number of incomplete applications or applications with other queries had been reduced and, by the end of March, just a few weeks ago, the provisional figures showed a reduction to a figure lower than that for March 2008. Paul rightly asked why these unacceptable delays emerged and referred to the two administrative changes to reduce the possibility of fraud and to comply with copyright legislation.

[110] The second issue is the knock-on effect of wider problems in England. I will ask Paul to answer the question on what impact the new administrative change, which requested original documentation, rather than photocopies, to show identity and income—requiring a birth or adoption certificate and extra identity confirmation—has made to tackle fraud.

[111] I wish to go on to the point about wider problems in England, which were clearly due to the fact that England changed to a new delivery agent, Liberata. Its website and helpline crashed at the same time as the changes in the administrative arrangements were introduced. Paul Smith worked through that time. There was a knock-on effect in terms not only of press coverage concerning the EMA in England, but of calls from Welsh and Northern Irish learners, which created a great deal of extra pressure. It all happened at the same time.

[112] I feel confident about the situation now. When I became aware of this as Minister—and, as I said, Assembly Members and constituents throughout Wales contacted my department directly—we got straight on to it. Changes have been made and staff were brought in. We have brought forward the 'apply now' scheme to get people on board as quickly as possible, because the autumn period is always going to be pressured.

[113] It would be helpful if Paul Smith could add any other points that he wants to make about action to overcome this. I have to be confident, Paul, that this is now being dealt with appropriately and that we can ensure that our learners take advantage of this important new scheme, which was introduced as a financial and educational incentive to increase



participation rates among 16 to 18-year-olds, particularly those from low-income-earning households. It was an incentive to that target group to stay in school or go to college. I am sure that we will talk about the evaluation and impact of the education maintenance allowance scheme with regard to participation shortly; it has been so successful. I have not seen any evidence—although I would certainly want to hear from Fforwm about it—that this glitch, the unacceptable delay over those few weeks in the autumn, has had an adverse impact on encouraging young people on those income levels to stay in school or college. However, it will not happen again.

[114] **Mr Smith:** The changes to the documentary evidence requirements that we made for academic years 2008-09 very much reflected the standards in higher education and the incidence of some reported fraud UK-wide. We felt that, if we were responding to cases of fraud in higher education, it would be prudent to apply the same documentary evidence requirements to further education. Irrespective of the fact that there was not a significant incidence of fraud in the EMA scheme in previous years, it seemed prudent to apply the same standard. Notwithstanding that, when students go to their learning centre, they get that face-to-face experience, which is perhaps different from the experience of starting university and higher education. That was the background to it. Year on year, over the years that we have administered the scheme, the rate of incompleteness or, if you like, missing evidence that should accompany the application has been something in the order of 25 per cent. For this academic year, 2008-09, the rate increased to about 45 per cent. So, there was a detrimental effect on the level of complete returns, which is quite important for the process to work efficiently and for a response to be made to the student. That is the background to the changes.

[115] **Paul Davies:** I wish to press you on when you became aware that the changes were due to take place. Was there anything that you could have done prior to that? Could you have put contingency plans in place in order to avoid this situation?

[116] **Mr Smith:** We did not have the same level of difficulty in completing forms within higher education, so we did not have that experience in higher education to help us as an indicator. One of the reasons why we have acknowledged that we should have been quicker to look at the first applications that came through and realise that there would be a cumulative problem as we moved into peak periods is that, as the figures in the submission show, this is a scheme that runs very much around the start of the academic year, with peaks in September and October. Therefore, the difficulties started in October, but we acknowledge that we should have been more diligent in July and August in forecasting the effect during those peak times.

2.00 p.m.

[117] **Jeff Cuthbert:** Good afternoon, Minister. Fforwm reported to the committee that EMAs were probably responsible for an improvement in attendance across the board and an attainment level of about 6 per cent, which is a very pleasing figure. It sounds small in the big scheme of things, but I know that it is quite a significant improvement in educational terms. I asked whether the figure was universal across all courses or whether it reflected support for a particular type of course, such as engineering, and the response was that it was general across all courses. So, is there any merit in examining closely whether the EMA can be used to promote the take-up of particular types of what may be deemed to be 'shortage' courses, such as science-based courses, in sixth forms and the FE sector? Is there scope for flexibility in the use of EMAs to support young people to obtain qualifications and training in particular occupational areas? Is there any value in that?

[118] Before the video link began, we heard some very compelling evidence from the sixth-form students who have petitioned us—and I know that you are aware of that, as you have responded to the petition. The key point that they made was that it seemed unfair that it was

entirely their parents' income that was focused on in the assessment and no regard was paid to whether their parents actually supported them, or to their income as private individuals. They are technically not adults in that sense, because they are not 18 years old, but, for other purposes, they can be regarded as adults: they can join the army, and they can pay tax if they have jobs, and so on. Is there some scope for looking at their request in more detail, and responding to it?

[119] My last point—and perhaps Paul or Simon can clarify this—is on families that are close to qualifying for the allowance but whose children are twins. As I understand it, no attempt is made to divide the family's income into two, given that they would clearly have double the expense all the time for their two children. However, the total income is still applied equally to the two children, which, on the face of it, seems to be rather unjust.

[120] **Jane Hutt:** On the first issue that you raised, I was very impressed by the Fforwm evidence that learners receiving EMAs record an average of 6 per cent higher attendance, retention and completion rates. It is important to look at the first-stage evaluation that has taken place over the past year or so, and not just in Wales, but also in Scotland and England. Last year, we conducted the first stage of the evaluation to measure the scheme's impact in Wales, and we are looking at the results of the pilot scheme that led to its introduction to see whether we can make useful comparisons. There is also feedback from the Scottish consultation process. Most of the evaluation has been about the positive impacts on students' attendance and looking at the payment bands. The Scottish evaluation is currently looking at issues around the £10 and £20 awards, and they are now consulting on possibly making changes to the scheme in Scotland. It is worthwhile our looking at that to consider what further evaluation we can do. There is a strong case for considering ways to target particular occupational areas by using the educational maintenance allowance scheme. However, we would have to be careful about how we do that, because the scheme is bedding down and we have experienced these difficulties, which we now hope we have overcome. It is making a welcome impact and we do not want to get into too much bureaucracy. We would have to be clear about the justification and criteria for any targeting. However, I would like to discuss it with officials at the next stage of the evaluation.

[121] On the issues raised in the petition, it is valuable to see young people engaging in this way, and I am sure that it would have been interesting to be there to meet the petitioner, Catrin Anne Davies. It is encouraging that young people from Deeside are engaging in this way, because we want young people to give us their views and, through the petition process, to show us what they feel about the delivery and the principles of the EMA.

[122] It is difficult to look at the request beyond recognising and welcoming the fact that these views have been put forward by young people. I am sure that you had some discussion with the petitioner about what it would mean if we made it available to all young people. We would have to cut dramatically the level of the EMA across the board. In addition, our concern is how we target our resources most effectively. I like to see this as targeting those in low-income families. We have focused resources on where we know, through the pilot schemes and the evaluation, they will have the most impact. Many young people recognise that the EMA will make a big difference to those low-income families, and it raises the aspirations of young people to enter further education and to stay committed to their courses. However, we have to recognise these views and take them on board. We will have an opportunity through the evaluation to engage with young people. That is my response. In the next stage of the evaluation, I want to look at the engagement and participation of young people in any developments that we want to make with the EMA.

[123] Finally, I was not aware of the issue regarding families with twins. That does seem to disadvantage those families and young people, and so I would certainly like to see whether Paul could comment on that.

[124] **Mr Smith:** One of the entitlement rules that we have for determining each student's household income is that the income of the adults in the house is taken into account independently for each learner. That is just a part of the policy requirement that we administer, and it is true for all siblings and not just twins.

[125] **Mr Brindle:** I want to add to the comments made by the Minister and by Paul. On whether the scheme could be more targeted at particular courses or any other criteria, those are questions of scheme design and require a balance between the complexity of the rules that you create to make that happen and the cost of administering that versus the intended consequence. So, it is always possible that the cost and the complexities might increase as you do that.

[126] On the fairness of using parents' income, it is important to remember the link to child benefit. For all learners who are eligible to child benefit who stay on in post-compulsory education, their household continues to get child benefit of around £15 per week. However, the EMA is means-tested support on top of that. In the jargon, we call it an 'income disregard' for students in higher education who have siblings who are also at university or college, and so we reduce the amount of income that we assess. That is not currently in the scheme designed for the EMA, but, as the Minister indicated, it could be considered as a future enhancement.

2.10 p.m.

[127] **Jeff Cuthbert:** I welcome those comments about evaluating the scheme in the not too distant future. I wish to press you for a moment on the issue of the twins, because I think that there is a difference. In fact, I wrote to the Minister and received a response from officials on this. The answer that came back to me is that the situation is as you have described, and I passed that information on to the family. I appreciate that this applies to siblings in general, but, on average, siblings are at least a year or two apart, so the family has an opportunity to recover, in a sense. However, with twins, born on exactly the same day, families have to pay out for the continuing education of both—and never mind triplets, twins are enough, and they are not that rare. So, it should be looked at. In the case of twins, and indeed triplets, perhaps there ought to be a relaxation. The costs of that, particularly for a single-parent family, will hit very hard all at once.

[128] **Gareth Jones:** That point is noted. Thank you, Jeff.

[129] **Jane Hutt:** It certainly is.

[130] **Jenny Randerson:** Minister, you referred earlier to the higher levels of incomplete applications and we heard the reason for those. I gather that, in the latest figures, 4.9 per cent of applications are still incomplete. How does that compare with previous years?

[131] **Jane Hutt:** I gave comparisons of the unacceptable rise from October 2007 to October 2008. We can demonstrate a reduction by the end of March to a figure that is lower than that for March 2008. So, in 2009, we are now in a better position than we were in 2008. By 31 March 2009, provisional figures showed a reduction to 1,726 incomplete applications, which is lower than the figure for March 2008, which was 1,870. That is the figure for incomplete applications or other queries. So, we have progressed and we are now in a better position.

[132] **Jenny Randerson:** Thank you. Earlier, parallels were drawn by Paul Smith with the higher education scheme. I accept fully that there need to be safeguards against fraud. However, I would suggest that there are two major differences with higher education

applications. The first is that forms are daunting to us all and, almost by definition, the levels of academic attainment of those applying to higher education will be significantly higher than those applying for sixth-form places or further education, and their life experience will also be greater. Therefore, forms are more daunting for those at the further education or sixth-form stage of their educational achievement. Furthermore, the amounts of money involved here are relatively lower than the higher education awards. We all know that the more significant the amount of money is at the end of it, the more likely people are to fill in the form. Those two significant differences with higher education will not change. So, while retaining safeguards against fraud, how precisely are you hoping to improve the record next year of the number of applications that arrive properly completed? It seems to me that there has to be considerable additional support for people filling in the form in order to explain to them exactly how significant it is that they submit all of the documents and that it is not worth submitting the documentation unless it is complete.

[133] **Jane Hutt:** Thank you, Jenny. You make valid points and I am sure that Paul will want to comment on those in terms of the comparators with the HE students and the scheme. You will know, and I made this clear in my written evidence, that we will now remove the requirement for an identity confirmation form, which caused difficulties, in addition to the original documentation, which had to be completed by an upstanding member of the community. That clearly caused problems in terms of who was appropriate to fulfil that role. That will be removed from the system and there will be sample checking instead.

[134] Clearly, we must ensure that we support our young people and parents who think that their children may be eligible for EMA. We would want them to consider their children's future in terms of education and training. Our learning centres are very important and I am sure that that came through in evidence from Fforwm, which stated that those learning centres play an active role in supporting young people and their parents.

[135] In my written evidence, it is clear that we are doing much more work to encourage applications much earlier. The campaign on getting people to apply is pulling in more staff to deal with inquiries and to support application processing. Furthermore, we now have more call operating support in the background, including the voice recording system, interactive voice recognition and new website help tools. It is important that our learning centres play an active part to support our students. However, as you say, it is down to this balance. We must ensure that we are counteracting any possibilities of fraud, but at this stage of their education, as you say, it is a whole new scheme for them and we must ensure that we make it as simple as possible.

[136] Jenny, you are one of many Members to welcome the change in the curriculum to bring financial education into it. Hopefully, we will skill up our young people on this to prepare them for not only the EMA, but all the other challenges in their lives in terms of financial management. Paul or Simon may want to add to that.

[137] **Mr Smith:** I would like to add a couple of points. We have undertaken some additional activity to try to address the problem. As you saw from the evidence, there are changes to the documentary evidence required. We have been able to hold student focus groups to engage with them and to get their views on their experience of this and to try to learn from that while developing schemes for the future.

[138] The response from the learning centres on attending a series of awareness sessions that we have been holding this week has been positive. In those sessions, as well as focusing on administrative changes and the systems that they have used, we have tried to explain the changes to the application form and perhaps the key things on which the students might approach them for advice. Hopefully that will support the learning centres to provide the advice to students that we generally provide, either through guidance notes to accompany the

forms or in our contact centres.

[139] **Jenny Randerson:** Thank you. Minister, in the context of the financial education that you referred to, you were not here at the time, but I am sure that you will be delighted to hear that the petitioner who came in said that she only knew about the petitions system because of the Welsh baccalaureate. So, we were pleased to hear that.

2.20 p.m.

[140] **Jane Hutt:** Excellent.

[141] **Jenny Randerson:** I have picked up from the agenda of the Subordinate Legislation Committee that you are withdrawing or deleting the current regulations on EMA. Is that a precursor to any active consideration of a change of system?

[142] **Jane Hutt:** No. I think that that is a technical adjustment, but I will ask Simon to confirm that.

[143] **Mr Brindle:** I can confirm that it is a technical amendment. The regulations are technically redundant, because there are powers in the primary legislation that enable guidance to be set out. That is how it is applied in England and Northern Ireland, and I think that Scotland does the same. They do not rely on secondary legislation. It is a deregulatory measure to remove a set of regulations that are not required to administer the scheme.

[144] **Nerys Evans:** Prynawn da, Weinidog. I have three questions this afternoon. First, in answer to Jeff, you mentioned the possibility of enhancing the EMA to target certain courses or skills. I know that you mentioned that it is early days in your thinking on that, but would that be a matter of increasing the budget for the EMA or would you redirect the budget that is there already, thereby diluting the provision that is available to young people at the moment?

[145] In its paper, Fforwm mentioned some anomalies, to which the petitioner also referred. For example, any maintenance paid by a non-resident parent is not taken into account when determining whether someone is eligible for EMA. Were you aware of that? Are you prepared to look into that anomaly?

[146] For information's sake, how does the system in Wales compare with that used in the other countries of the UK, in terms of the amount awarded to young people and also the household-income threshold? Is that similar across the countries of the UK?

[147] **Jane Hutt:** In answer to the first question, during these difficult times in terms of public spending, the budget issue would be a very difficult one to tackle if we were to propose an increase in the budget. It has increased year on year and it is projected that we will spend £28.8 million in 2008-09. That represents a considerable increase in student support since it was introduced over four years ago. It is already an important part of our budget, as support for our young people. I think that the other point concerns complexity and Simon Brindle also made that point in response to Jeff Cuthbert's suggestion. We need to bear it in mind as we look at the next stage of evaluation.

[148] On the anomalies that Fforwm brought to your attention in its paper, we certainly have looked at those. In fact, I am advised that the means-testing approach is not unique to EMA and it is considered to be a fair measure of the financial resource that each household has to meet its needs. Child maintenance payments are not considered by Her Majesty's Revenue and Customs, for example, when determining the tax credit award for each household. As far as I understand it, this is part of the approach that is operated across the UK in terms of the administration of the scheme.

[149] When it comes to the differences between the EMA Wales scheme and the schemes operated in England, Scotland and Northern Ireland, the key elements are broadly the same. I think that if we were to look at some of the differences, we would see that we have made improvements, not just in terms of the financial arrangements, but in Wales, for example, we have introduced an in-year re-assessment facility using current-year household incomes. So, young people whose circumstances change for the worst can be supported through EMA immediately. This is an important point, given the current economic climate, because we know that households' circumstances will change rapidly in-year. That is something that we need to give more publicity to. We annually increase the level of qualifying income, which not all the other UK administrations have done.

[150] Another important point that I want to draw committee's attention to is the fact that we have a rolling deadline for backdated payments to the beginning of the start of an individual's course to a maximum of eight weeks. That allows young people to start courses at different times of the year, having delayed because of sickness, difficult family circumstances and so on. We want to make sure that young people do not lose out. We have also extended the scheme's closing date to 31 August to mirror the academic year.

[151] The key point about thresholds is that the upper threshold for the EMA scheme has risen from £30,000 in 2004 to £31,581 for the 2008-09 scheme. That is the same as Northern Ireland's level, but higher than the level in England. Scotland's is a bit higher than that. The starting point in Wales is £21,330. I can, therefore, certainly give the committee a complete picture of the thresholds for the award across the UK.

[152] **Gareth Jones:** Thank you, Minister. Lastly, we have David Melding.

[153] **David Melding:** Minister, you said that the scheme is being evaluated. Can you clarify what the scheme's central purpose is? Is it to change behaviour, or is it merely to reward good behaviour? If the aim is to change behaviour, we really need to see evidence that many people from poorer households who would not otherwise enter FE or stay on at sixth form are now doing so. If we can demonstrate that that is happening, we may want to shape the scheme so that there is greater concentration on that group of people, because of the advantages of getting people to stay on to improve their basic skills or to move on to intermediate skills and then even higher education and higher skills. For deprived communities, this would be an enormous advance if we could really show that we are getting x per cent more young people to stay on in education for significantly longer than has been the case in the past. I would like to see some evidence. I am sure that, if the level is set high enough to act as an incentive, and not just to look at your income, in terms of what you are going to lose if you continue in education rather than look for a job, that would be a powerful indicator that you are getting the structure of the scheme right. I am not going to be miserable and dismiss the fact that the scheme can reward good behaviour, but it seems to me that, principally, we want an evaluation of the power of this intervention to change behaviour.

[154] **Jane Hutt:** Thank you, David. As I said in my response to Paul's questions, the scheme does act as a financial and educational incentive, does it not? It targets 16 to 18-year-olds from low income households in particular. The piloting showed that one of the key reasons for low participation rates is the financial implications of staying on in school or college. That came through clearly. Approximately 82 per cent of those approved for an EMA award qualify for the £30. On the £30 issue and whether we should go for the £20 or the £10, Scotland is consulting on whether it should continue with the £20 and the £10, as they seemed to have less of an impact on the households with the relevant income levels. They are looking at whether they should use that element of EMA scheme funding in other ways to encourage participation in education and training. In terms of reward for good behaviour or for educational commitment, it is the commitment that we are looking for. The way that the

scheme has developed is interesting, because if young people are to get their bonus payments it must be linked to progress and it must clearly be on a 'something for something' basis. They must sign learning agreements that require monitoring for attendance and engagement with the learning experience. These are very important elements of the scheme.

[155] What is emerging from the experience of the scheme and the increasing uptake is whether or not we could do more with this scheme so that it is targeted in the ways in which Jeff and Jenny mentioned, but also at that particular income level. It appears from the initial findings of our evaluation that EMAs had a positive effect on student attendance, but that the lower payment bands appear to have less impact on participation. So, we have more to do, David, in assessing the impact of the scheme. With regard to what we have already done on evaluation and the statistics that appear, a 5.5 per cent uplift in the uptake of the scheme and the high levels that are being approved for the £30 level demonstrates the beneficial impact, as well as the 'something for something' engagement that young people and their learning providers deliver.

[156] **Gareth Jones:** Thank you, Minister. In conclusion, we are very grateful to you for enabling this video conference to take place, and for placing yourself almost in isolation. We also thank your officials down here. We are grateful to you, because otherwise we would not have had the opportunity.

[157] The reason why we are scrutinising this issue is because of the difficulties last year. We have looked at that, it has been evaluated and we are fairly confident that we can go forward and make progress. I listened intently to your reference to evaluation, and how important it is on a continuous monitoring basis. Inevitably, that evaluation is about financial arrangements, household income, who we reach out to, and so on. Retention and attendance are aspects in which we need to take pride, but the real challenge for an evaluation would be to bring home to us the educational advantages of the performance and attainment of young people in this particular age group, which emerge and stem from the allowances. On any evaluation that you might undertake in the future, I ask that we do not only look at whether the financial arrangements are being administered smoothly, but that we also understand that this is an investment in education. Therefore, we also need to evaluate the level of performance and attainment of our young people as a result of the investment. That would be my appeal as Chair.

[158] On that note, I thank you again for your contribution and for enabling this very important aspect of the scrutiny session to take place.

[159] Diolch yn fawr iawn i chi, a Thank you very much, and good afternoon.  
phrynhawn da.

[160] **Jane Hutt:** Diolch yn fawr.

**Jane Hutt:** Thank you.

[161] **Gareth Jones:** Bydd y swyddogion yn awr yn llunio adroddiad drafft a ddaw gerbron y pwyllgor maes o law. Mae papurau i'w nodi hefyd.

**Gareth Jones:** Officials will now prepare a draft report which will come before the committee in due course. There are also papers to note.

2.35 p.m.

### **Cynnig Trefniadol Procedural Motion**

[162] **Gareth Jones:** Gofynnaf i rywun gynnig cynnig.

**Gareth Jones:** I ask someone to move the motion.

[163] **Paul Davies:** Cynigiaf fod

**Paul Davies:** I move that

[164] *y pwyllgor yn penderfynu gwahardd y cyhoedd o weddill y cyfarfod yn unol â Rheol Sefydlog Rhif 10.37(vi).*

*the committee resolves to exclude the public from the remainder of the meeting in accordance with Standing Order No. 10.37(vi).*

[165] **Gareth Jones:** Gwelaf fod y pwyllgor yn gytûn.

**Gareth Jones:** I see that the committee is in agreement.

*Derbyniwyd y cynnig.  
Motion agreed.*

*Daeth rhan gyhoeddus y cyfarfod i ben am 2.35 p.m.  
The public part of the meeting ended at 2.35 p.m.*

*Ailymgynullodd y cyfarfod yn gyhoeddus am 3.11 p.m.  
The meeting reconvened in public at 3.11 p.m.*

[166] **Gareth Jones:** We turn now to the draft report on the Welsh Assembly Government's response to the current international economic downturn. The question is whether we approve the report.

[167] **David Melding:** I move that

*the committee accepts the report as currently drafted.*

*Cynhaliwyd pleidlais drwy ddangos dwylo.  
A vote was held by show of hands.*

*Gwrthodwyd y cynnig.  
Motion not agreed.*

[168] **Gareth Jones:** The report is therefore not agreed. I ask Jeff to move his proposal.

[169] **Jeff Cuthbert:** I move that

*the committee accepts the report with the following amendment to paragraph 20.*

*Delete the sentence beginning, 'We recommend', and replace with, 'We ask the Welsh Assembly Government to note, consider and respond to these observations. We understand that the Auditor General for Wales is planning a related review and we look forward to receiving the Welsh Assembly Government's response to this also in due course.'*

*Cynhaliwyd pleidlais drwy ddangos dwylo.  
A vote was held by show of hands.*

*Derbyniwyd y cynnig.  
Motion agreed.*

[170] **Gareth Jones:** Therefore, I move that

*the committee accepts the report as amended.*



*Cynhaliwyd pleidlais drwy ddangos dwylo.*  
*A vote was held by show of hands.*

*Derbyniwyd y cynnig.*  
*Motion agreed.*

[171] **Gareth Jones:** We are unanimous. I declare the meeting closed.

*Daeth y cyfarfod i ben am 3.14 p.m.*  
*The meeting ended at 3.14 p.m.*