

EQUALITY IMPACT ASSESSMENT

EMA Replacement Scheme: 16-19 Bursaries and associated transitional arrangements

Description of the policy

1. To ensure that learner support funds are better targeted toward those young people who face real financial barriers to participation post 16 and are able to access the support they need.
2. The main previous financial support to encourage students from lower income households to remain in post compulsory education has been the Education Maintenance Allowance (EMA) with an annual budget of £500 million and costing an average of £45 million per year to administer. Whilst reports show that EMA had an impact on participation when it was introduced, it is a very expensive way of supporting young people to participate. EMA is paid to 45% of 16-18 year olds in further education, not just those from the most deprived backgrounds, and the combined research evidence indicates that only around one in ten of those receiving EMA say that they could not have continued in learning without it which is less than 5% of all 16-19 year olds in education and training.
3. We know that prior attainment is the strongest factor in predicting participation in education and training post-16 independent of the specific financial support that is available. This drives a decision to reprioritise investment to address educational inequalities. The pupil premium is supporting schools with a share of £625 million in 2011/12 (£430 for every looked after child and children eligible for free school meals) rising to £2.5bn a year in 2014-15 which will help tackle the consequences of being born into disadvantage right through the school system. There is also maintained investment throughout early years and school. We are increasing funding for disadvantaged learners and those needing additional support post-16 by more than one third. In 2011/12 the total funding for the most disadvantaged students will be £770 million benefitting nearly 550,000 learners. Additionally, we have committed to raise the age of compulsory participation in education or training until at least 18 by 2015 and until the end of the year in which young people turn 17 in 2013. To support this there will be sufficient funding to ensure that all 16-19 year olds can participate by 2015 which is a major investment in the most disadvantaged, who are disproportionately represented amongst those that do not participate.
4. Most young people already continue in further education. However, we know that some need extra help with costs related to being in learning. For example, they may require special equipment or materials for their course, need to pay for books or field trips or just require support to pay for transport and food. With the raising of the participation age, it is no longer appropriate to operate an incentive-based scheme. Instead and to complement the

investment in enhancing the educational outcomes of the most disadvantaged we want to ensure that young people especially the most vulnerable are not prevented from participating in their route of choice because of financial hardship.

5. We are committed to providing support to those young people who most need it in order to participate in post 16 learning. We want to make sure that those young people who face real financial barriers to learning get the support they need particularly the most vulnerable. 16-19 Bursaries are more effectively targeted at precisely this group of young people and are flexible enough to be tailored to meet their particular needs.

How will 16-19 Bursaries operate?

6. From September 2011, we will introduce a new 16-19 Bursary Fund, worth £180m per academic year. This Fund will be distributed to schools, colleges and work-based training providers to provide financial support to young people aged 16-19 participating in full-time education or training.

7. We want the most vulnerable young people to be assured of a specific level of support. We will therefore expect schools, colleges and work-based training providers to award bursaries of at least £1,200 a year¹ to young people in the following vulnerable groups:

- a. young people aged 16 and 17 in care
- b. care leavers aged 16, 17 and 18
- c. young people aged 16, 17 and 18 who are in receipt of income support, for example: young people who are living independently of their parents; those whose parents have died; and teenage parents.

8. Where schools, college and work-based training providers think a young person's circumstances merit it, they will be able to decide to award a bursary of more than £1,200.

9. Beyond this, schools, colleges and training providers will be able to use the 16-19 Bursary Fund in ways that best fit the needs and circumstances of their students, for example, to provide help with meals, transport, books or other course-related costs. We will not set an expectation of the level of support that individual students should receive from this discretionary fund. As an illustration, the new fund would be sufficient to provide a bursary of £800 a year to over 15% of 16-19 year olds in full-time education – more than covering all students who would have qualified for free school meals and who would have attracted the pupil premium while in school to 16. This will allow for the continuation of support with the cost of food and transport that children from the poorest families receive when in school, as well as help meeting other costs that would be an obstacle to staying on in education or training.

¹ This is more than any young person could have received under EMA

10. We expect that schools, colleges and training providers will 'pro-rate' bursaries depending on how many weeks a young person is due to be in learning for (below an assumed 30 weeks a year), and that receipt of a bursary will be conditional on the young person meeting standards (e.g. of behaviour and attendance) set by their school, college or training provider.

Transitional arrangements – young people currently receiving EMA

11. We recognise that young people who are currently receiving EMA may need some additional support as we transition to the new arrangements. As a result we are investing £194m in 2011/12, over and above the £180m available for the 16-19 Bursary Fund, to provide transitional support for young people currently in receipt of EMA.

12. All young people currently in receipt of EMA who are in one of the vulnerable groups described above will be eligible to receive, from their school, college or training provider, a bursary of at least £1,200 a year. Under these arrangements they will be better off than they would have been under EMA. Young people receiving this bursary will therefore not receive weekly payments under transitional support, although schools, colleges and training providers can decide to award bursaries above £1,200 if they feel a young person's circumstances merit it.

13. Young people who applied successfully for EMA for the first time in the 2009/10 academic year were given a 'guarantee' in their Notice of Entitlement (NoE) that they would receive EMA at the same level for up to three years. We will honour that guarantee so that all young people holding a letter of continuing entitlement (LoCE) will continue to receive the equivalent of their EMA payments through to the end of the 2011/12 academic year.

14. Young people who applied successfully for EMA for the first time in the 2010/11 academic year were not given an equivalent guarantee; their NoE makes clear that they can expect to receive the stated weekly payments to the end of the 2010/11 academic year only. We recognise, however, that many young people in this group will be expecting to continue to the second year of their course in September 2011, and may benefit from some transitional support as we move to the new arrangements. For that reason, any young person in the 2010/11 cohort who received the maximum EMA weekly payment of £30 a week will receive £20 a week up to the end of the 2011/12 academic year.

15. Young people receiving weekly payments as part of these transitional arrangements will be able to apply to their school, college or training provider for a bursary funded via the discretionary scheme. Their weekly payments would be taken into account in determining any bursary that they might be awarded.

The evidence base

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Spielhofer, T.; S. Golden; K. Evans; H. Marshall; E. Mundy; M. Pomati and B. Styles. (2010). Barriers to Participation in Education and Training. London : DCSF.

16. Statistics about the background to participation are from the following sources:

- a. DfE SFR: Participation in education, training, and employment by 16-18 year olds in England, June 2010.
- b. Internal analysis of DfE Matched Administrative Data, 2008/09
- c. DCSF: Youth Cohort Study and Longitudinal Study of Young People in England: The Activities and Experiences of 16 Year Olds: England 2007
- d. BIS analysis of matched NPD / HESA data, 2007/08
- e. Internal analysis of School Census January 2010: Number and percentage of pupils in state funded secondary schools in national curriculum year group 11 that are known to be eligible for and claiming free school meals by ethnicity, gender and disability.
- f. Data collected by Connexions Services December 2010.

What the evidence shows – key facts

Background participation picture

17. There are about 1,992,000 young people age 16-18. At the end of 2009 82.2% (1.64 million) were participating in education and training. Of the remaining 17.8% who were not in education or training (NET), only 47% were in work (representing 8.4% of the total cohort. The rest were not in education, training, or employment (NEET) - representing 9.5% of the whole 16-18 cohort.

18. Of those participating in post-16 education approximately 50% are females and 50% males (although females are actually more likely to participate than males – there are just more males among the population). Of those who had no special educational need identified in Year 11 at school, 88% were participating post-16 compared to 12% of those with special needs. Around 82% participating post-16 are White; 8% are Asian; 4% are Black; 3% with mixed race; whilst the remainder are classified as 'other ethnicity' or did not specify.

19. The strongest predicting factor of participation post-16 is prior attainment. The Longitudinal Study of Young People in England (LSYPE) data show that in 2007, 88% of those with 5+ A*-C GCSEs participated in full

time education at 16, compared to just 34% of those who had no GCSEs and that this difference is far greater than across other groups such as gender; ethnicity or socio-economic categories. Males were more likely to be NET and NEET than females (18.7% and 16.8 % respectively are NET and 10.7 % and 8.3 % respectively are NEET) – DfE SFR, 2010. Based on data collected by Connexions Services (not officially published) for December 2010 young people age 16-18 were most likely to be NEET if they were from the following ethnic groups: mixed white and black Caribbean (10.2%); black Caribbean (7.3%); and white (7.1%).

20. Of those young people in year 11 at secondary school in 2009/10 13% were eligible for free school meals which is a proxy for deprivation. There is a lot of variation in eligibility for free schools meals across different ethnic groups. 46% of Bangladeshi children were eligible for free school meals; 39% of Gypsy Roma and Traveler children; 36% of African children; 31% of Pakistani and 24% of mixed white and black Caribbean. There is no difference between males and females but young people identified with a special education need were more than twice as likely to be eligible for free schools meals than those with no special provision (22% and 10% respectively).

EMA had a positive impact on participation and attainment for young people particularly those from the most disadvantaged groups.

21. EMA was paid to 650,000 young people – 45% of 16-18 year olds in full time education. Around 80% of those receive the highest rate of £30.

22. The combined research evidence does show that EMA had a positive impact on increasing participation, attainment and retention. The groups that EMA has shown to benefit include male learners; those from lower socio-economic groups and deprived backgrounds; teenage mothers; and young people from ethnic minority backgrounds particularly Pakistani and Bangladeshi. The previous government published an Equalities Impact Assessment for Education Maintenance Allowance which sets out the evidence.

Link to EMA Equalities Impact Assessment:

<http://www.education.gov.uk/schools/pupilsupport/inclusionandlearnersupport/inclusion/equalityanddiversity/b0063656/equality-impact-assessments-archive/>

23. The Longitudinal Study of Young People in England (LSYPE) and the Youth Cohort Study (YCS) provide representative evidence on the characteristics of EMA recipients. Based on this evidence we can estimate that the majority (53%) of recipients were young females while 47% were males. Just over 3 % were registered as having a disability (however given that we know from the 2009/10 EMA cohort data that 46% of recipients 'preferred not to say' or 'did not specify' if they had a disability and only 0.2% said that they did have a disability, we would expect the number of disabled EMA recipients to be higher in reality). Four-fifths (83%) were white (compared to around 80% of pupils in year 11) while the remainder came from a range of ethnic backgrounds.

24. The parental occupations of recipients were most frequently classified as 'lower professional' (45%) whilst the least frequent occupations were given as 'lower supervisory' (6%). Twenty-nine percent of parents/carers were educated to degree level, 22% had a least one A-level and just under half (49%) were either educated at below A-level or had responded as being 'not sure'. Over three-quarters (76%) of recipients lived with both parents (Bolton, 2011; DCSF, 2009; Fletcher, 2009).

25. Overall, according to Bolton (2011), these data show that there are higher levels of EMA recipients among the following groups of learners than when compared to the wider population of 16-18 year olds:

- a. Minority ethnic groups, particularly Bangladeshi and Pakistani;
- b. 'lower' socio-economic groups;
- c. Those who were formerly FSM-eligible at school;
- d. Those whose parents/carers are less well educated; and
- e. Learners who are living with only one parent/carer

26. The 16-19 Bursary Scheme will target financial support to a similar group of young people as Bolton (2011) identifies above. The discretionary 16-19 Bursary will deliver sufficient funding to allocate £800 a year to over 15% of 16-19 year olds in full-time education. Although the allocation of the 16-19 Bursaries will be left to the discretion of schools and colleges there is more than enough funding to cover all students who had qualified for free school meals while in school at age 16. Certain ethnic minority groups are disproportionately represented in the FSM-eligible group compared to the overall proportion in year 11 (13%): Bangladeshi (46%) and Pakistani (31%). FSM eligibility is also one indication of lower socio-economic groups. Additionally, the most vulnerable groups: care leavers; looked after children and those on income support will also be guaranteed a bursary of £1,200.

EMA was an expensive way to deliver these results because the majority of young people would have participated anyway.

27. When making the decision to end EMA the Department for Education considered all the evidence from the EMA Pilots (Ashworth et al., 2001; 2002; Middleton et al, 2003; 2005) and the Barriers to Participation Research undertaken by National Foundation for Educational Research (NFER), working in partnership with Triangle and QA Research (Spielhofer et al., 2010).

28. Using the Institute of Fiscal Studies' 2007 EMA pilot research (Chowdry et al. 2007), DfE completed a cost benefit analysis for EMA. That analysis estimates that, as a result of EMA, an additional 18,000 16 year olds participated in full-time education in 2004/05 and an additional 16,000 participated the following year, at the age of 17. This represents around 8-9% of all young people who received EMA, indicating that around 90% of young people receiving EMA would have participated without it.

29. As we know, around 45% of 16-18 year old learners in full-time education currently receive EMA. So, if 45% of learners got EMA and 92% of those would have participated without it then around 72,000 (based on earlier population figures of 1,992,000) would have participated that would not have participated otherwise. This corresponds quite well to the 4% of young people (79,500) who say that finance was a barrier to participation (Spielhofer et al., 2010).

There are existing gaps in the educational achievement, participation and progression between young people of different socio-economic backgrounds and ethnicities, between males and females and those with and without disabilities and/or learning difficulties. Given prior attainment is the strongest factor predicting participation in post-16 education and training we will deliver much better value for money by redirecting funding to address these gaps.

30. There are gaps in educational achievement between young people of different socio-economic backgrounds and ethnicities, between males and females and those with and without disabilities and/or learning difficulties. These gaps persist through all stages of education, including entry into Higher Education. We know that the best predictor of post-16 participation is prior attainment. By considering school pupil characteristics at year 11 we can look more closely at the profile of vulnerable young people's achievement at Key Stage 4; continued participation at age 16 and ongoing achievement of Level 2 and Level 3 by age 19.

Income

31. The fact is that deprivation remains strongly associated with poor performance for example the 2009 national data show that a child eligible for FSM was half as likely to achieve five or more GCSEs at grade A*-C, including English and mathematics, than a child from a wealthier background. Also, of pupils eligible for free school meals at the end of compulsory education, 70% went on to participate post-16 in 2009/10, compared to 80% who were not eligible for free school meals. 78.9% of young people not eligible for free school meals and 56.8% who were eligible attained level 2 by 19. These figures were 51.1% and 26.4% respectively for level 3 indicating that those from wealthier backgrounds were around twice as likely to attain level 3 as those eligible for free school meals. In the last year for which we have figures available just 40 young people eligible for free school meals progressed to Oxford or Cambridge.

SEN status

32. Just as FSM children are, on average failing to achieve their full potential, the same can be said of those children who have been identified as having a Special Educational Need, the best school measure to identify pupils with a disability. Latest data show that in 2008/09, for example, just 16.5% of all SEN pupils achieved five or more GCSEs at grades A* to C, including English and mathematics. This compares to 61.3% of pupils without any SEN

who achieved this measure. Where a child has a Special Education Need and is also eligible for free school meals, the equivalent figure was just 8.9%, making these pupils almost seven-times less likely to achieve five good GCSEs than pupils who fall into neither category. This gap continues into post-16 education with 82.3% of pupils with no identified SEN in year 11 going on to participate in post-16 education, compared to only 64.4% of those who were identified in year 11 as having special educational needs going on to participate post-16. Those with no identified SEN in year 11 were nearly twice as likely to attain level 2 by 19 and 3 times as likely to attain level 3 by 19 than young people identified as having SEN (DfE, 2008/09).

Ethnicity

33. There is no straightforward link between membership of an ethnic minority group and underperformance. Indeed, the highest performing group at sixteen are Chinese girls, with those on free school meals outranking every other group except better-off Chinese girls. In contrast, after Gypsy Roma and Traveller children, the lowest GCSE performance of any group defined by gender, free school meals status and ethnicity is that of White British boys eligible for FSM. In 2009/10 the ethnic group with the lowest participation rate in the first year of post-compulsory education after Traveller of Irish Heritage (30%); Gypsy/Roma (41%) was White British (77%) – the highest being Chinese (94%) and Indian (93%). These patterns continue when considering attainment at both level 2 and 3 by age 19 although despite reasonable participation rates the attainment rates of young people of white and black Caribbean; Caribbean and other black ethnicities also fell several percentage points below the national average.

Gender

34. The gender attainment gap is a near-universal feature of all developed educational system with girls consistently achieving better results than boys. Where FSM eligibility is a factor, we see that both boys and girls achieve less success than their peers, though the problem is more marked for FSM boys. Boys are also more likely than girls to be identified as having SEN: 70% of children with identified SEN are boys; boys are more likely than girls to attend special schools and are four times more likely than girls to be identified as having behaviour, emotional and social difficulty. When it comes to post-16 participation the gap is clear as girls outperform boys in the rate they participate at age 16 (by 5 percentage points); attain level 2 by 19 (by 8 percentage points); and attain level 3 by 19 (by 11.5 percentage points).

Financial support for the education and training of 16-19 year olds needs to be better targeted. We know vulnerable young people still face genuine barriers to participating post-16 – particularly financial barriers.

35. We acknowledge the impact that EMA had, in its early days, on participation for a range of groups of young people, including those from black and ethnic minority backgrounds. We are replacing EMA with a 16-19 bursary

fund, which can be more closely targeted at those young people facing the greatest financial barriers to learning.

36. In 2009, the previous government commissioned the National Foundation for Educational Research (NFER), working in partnership with Triangle and QA Research, to undertake research into the barriers to post 16 participation faced by young people (Spielhofer et al. 2010).

37. The findings from the survey research concluded that there is a need for financial support for some young people to continue in education, but that support should be **better targeted** as only 12% of young people overall receiving an EMA said that they would not have participated in the courses they are doing if they had not received an EMA. The Institute of Fiscal Studies findings from the EMA Pilot (Chowdry et al. 2007) are consistent with the NFER's conclusion in the *Barriers to Participation in Education and Training*. The evidence also showed that vulnerable groups of young people were more likely to find finance a barrier.

38. Analysis of the characteristics of young people who had encountered a barrier showed they were more likely to have learning difficulties and / or disabilities (27% of young people with a LDD said they faced a barrier compared with 13% of those without). Furthermore 50% of young people with LDD had experienced more than one barrier compared with 36% of those with no LDD. Strengthening this point is the previously discussed data which states that young people identified with a special educational need in year 11 at school are more than twice as likely to be eligible for free school meals than those with no special needs provision (22% and 10% respectively).

39. Around a quarter of young people view finance as a constraint when deciding what to do after year 11, although it only stops a minority (4%). However, young people who are NEET (14%) and teenage parents have increased odds of experiencing finance as a barrier or constraint.

40. The main barriers and constraints experienced by young people relate to finance, transport, availability of provision and their knowledge and awareness of post-16 options available to them.

41. EMA recipients were asked if their EMA payments were mainly used to cover course costs such as transport, equipment and materials. Overall, 80% of recipients stated this was the case, with differences apparent by gender (84% of females; 75% of males) and Band (£30 Band, 82%; £20 Band, 80%; £10 Band, 72%).

42. Financial barriers to participating in post-16 education must be addressed for these young people where necessary and not add to the already challenging circumstances that they face in reaching their potential. It is worth stressing that the school system is currently being reformed specifically to address the educational attainment gaps created by gender, disability, race, social class and any other factor unrelated to ability.

As well as guaranteeing the 16-19 Bursaries for specific vulnerable groups there will be additional discretionary funds so that schools and colleges can flexibly address other genuine financial barriers

43. The evidence for discretionary learner support funding (dlsf) has not been as extensive as that for EMA in terms of evaluation. The primary source of evidence is the return of Individual Learner Records and the 2010 analysis of YPLA's management information of the dlsf from 2008/09.

44. Headline information suggests that discretionary learner support funds are currently targeted at vulnerable groups. Of the 16-18 cohort receiving dlsf including residential bursaries:

- a. 60% of learners aged 16-18 who received dlsf also received EMA
- b. 29% were from black or minority ethnic backgrounds compared to 19% of the full 16-18 cohort sampled;
- c. 19% declared a Learning Difficulty or Disability compared to 16% of the full 16-18 sample; and
- d. 46% were eligible for the Disadvantage Uplift in the LSC's funding model compared to 31% of non recipients.
- e. Most expenditure of dlsf in 2008/09 was on books and equipment, followed by transport.

Amongst those consulted there is a degree of consensus that some groups of young people can be clearly identified as facing greater barriers to participation, and should be given priority for support on that basis.

45. Schools, colleges and training organisation representatives have been consulted to develop the new arrangements for funding those people facing barriers post 16. Consulted bodies include AoC; ASCL; Sixth Form College Forum; ALP; NAMSS; NUS; The Sutton Trust; The 157 Group; LGA; Centrepont; Platform 51; Holey; Connexions Social Enterprise Coalition as well as representatives of schools and colleges. The arrangements have also been informed by the work of the Governments' Advocate for Access to Education, Simon Hughes, MP.

46. Views on the administration of the new fund and the level of central prescription vary but there is a degree of consensus that some groups of young people can be clearly identified as facing greater barriers to participation, and should be given priority for support on that basis.

Challenges and opportunities

Challenges

Communication

47. Spielhofer et al. (2010) identified a lack of awareness of financial support as an issue in encouraging participation, particularly for vulnerable groups. There is a risk that this would increase with a discretionary offer. An additional risk with a discretionary scheme is that it creates uncertainty for young people about whether an application they make for financial support will actually be approved.

48. It will therefore be crucially important to ensure effective communications are developed for young people to increase their awareness and understanding of the changes to 16-19 financial support whilst reducing the uncertainty of the discretionary nature of the funds. A key issue will be to ensure that communications work for those with disabilities and or/learning difficulties; different ethnic groups and those from lower socio-economic groups.

49. Communication about 16-19 Bursaries will need to reach the right young people at the right time when they are making decisions about continuing in or returning to education or training post-16. Schools and colleges which recruit post-16 will need to make sure that potential recruits are aware of the availability of Bursaries; they may wish to work together to develop a local 'offer' of educational financial support for 16-19 year olds (some areas already plan to do this). YPLA have written to all relevant learning providers to notify them about the new financial support scheme. Other key points of contact for young people who have already left school perhaps including career advisors, Job Centre Plus, Children's Centres will also need to communicate the financial offer available and in particular be able to reach vulnerable groups at risk of social exclusion.

50. Linked to this, young people need to understand the financial support they would be able to access beyond further education and into higher education in order to plan their career path. The nuances and details of both FE and HE financial support mechanisms need to be made as clear and transparent as possible. It will be crucially important that a coherent account can be given about the complete financial support available to young people through to university. We are working with Department for Business Innovation and Skills to ensure our communications clearly explain the new financial arrangements through the post-16 system. More importantly we commit to developing information that is clear and understood by young people so the messages have the best possible impact on young people's ability to continue to participate in education.

Local Administration

51. It will be at the discretion of colleges to determine the relative merits of applications for financial support. This process is therefore open to unintended discrimination on the basis of disability; gender; ethnicity or other characteristics protected under equality law. We will consider whether there should be some central arbitration of the discretionary administration of funding or at least ensure transparency of administration to evaluate the impact achieved by providers, including value for public money.

52. Schools and colleges will need to take account of students' financial management skills and ability to cope with monthly or annual payments when allocating funds. For example, it could be argued that some students with a learning difficulty/disability may be better suited to more regular payments.

53. Particular care will also be needed to ensure that there is no reason for students on short courses to lose out under the bursary scheme; we are intending that bursaries should be 'pro-rata' in such circumstances, reflecting shorter periods of time in learning. Such short courses will include a high proportion of vulnerable young people with difficulties participating and engaging and with a higher propensity for learning difficulties/disabilities.

54. The best method for paying students will be widely consulted upon in time for implementation in September 2011 – this should also include possible cash payments for young people without a bank account. We will also consider whether schools and colleges should have flexibility to provide bursaries in instalments (weekly, monthly, half-termly or termly) and to provide cash or 'in kind' support. Guidance can then focus on this issue accordingly.

Monitoring the Impact

55. We will monitor the impact of new arrangements generally and with particular reference to young people who are disproportionately likely, currently, not to participate post-16. In order to do this we will want to consider how to monitor the applications and approvals for financial support and evaluate the equality of opportunity between certain groups with characteristics protected by equality law.

Transitional Arrangements

56. For those young people in the 2009/10 cohort, transitional support will be equivalent to the payments they would have received had EMA continued.

57. For those young people in the 2010/11 cohort, the most vulnerable (young people in care, care leavers, or on income support) will continue to receive £30 a week (or a maximum of £1,140 per year). Young people not in the above group, who under the EMA scheme received the maximum weekly payment, will receive £20 a week (a maximum of £760 per year).

58. For young people in receipt of EMA in 2010/11 and eligible to receive £20 and £10 per week in the previous EMA scheme will not receive any transitional funding at all. However, they will be eligible to apply for funding via the 16-19 bursaries.

Opportunities

59. The revised 16-19 educational funding arrangements will deliver better value for public money by not unnecessarily paying students who would have

participated anyway. At the same time the most vulnerable young people (care leavers, looked after children and those on income support) will be guaranteed financial support greater than any young person could currently receive under EMA (at least £1,200 for those on a one year course). In addition, there will be a discretionary fund sufficient to allow schools and colleges to award bursaries of up to £600 a year to any young people eligible for free school meals (NB: the FSM eligibility criteria is tighter than the £30 EMA income threshold and although not directly comparable may represent around one third of those eligible to receive £30 per week EMA). There will then still be funding remaining to allow schools and colleges discretion to address the financial needs of the rest of their students.

60. By giving schools and colleges the responsibility for distributing the remaining funds at their discretion they will be able to better identify students with genuine need. In addition, funds can be targeted flexibly to cover a greater annual amount where lack of overall funds is a barrier to participation or lesser amounts to support specific needs such as equipment or transport costs.

61. To consider some characteristics specifically protected by equality law:

Pregnancy and maternity

62. Independent evaluation based on a sample of young people who received care to learn in 2008/09 found that 71% of teenage parents claiming help with childcare costs while in education were also in receipt of Income Support – so would qualify for the ‘guaranteed’ support (Riley et al., 2010). Care to learn is available to provide help with childcare and related transport costs up to £160 a week (£175) in London.

Disability

63. Young people with learning difficulties and/or disabilities are disproportionately represented in the ‘guarantee’ groups mentioned above. Other education related financial support is available to this group through Additional Learner Support Funds, alongside the Local Authority responsibilities for transport arrangements.

Ethnicity

64. Young people from black and other ethnic minority ethnic backgrounds are disproportionately represented in the ‘guarantee’ groups mentioned above.

Transitional Arrangements

65. All young people currently in receipt of EMA who are in one of the ‘guarantee’ groups will be eligible to receive, from their school, college or training provider, a bursary of at least £1,200 a year. Under these arrangements they will be better off than they would have been under EMA.

Young people receiving this bursary will therefore not receive weekly payments as described below, although schools, colleges and training providers can decide to award bursaries above £1,200 if they feel a young person's circumstances merit it.

66. Young people who applied successfully for EMA for the first time in the 2009/10 academic year were given a 'guarantee' in their Notice of Entitlement (NoE) that they would receive EMA at the same level for up to three years. That guarantee will be honoured so that all young people holding a letter of continuing entitlement (LoCE) will continue to receive the equivalent of their EMA payments through to the end of the 2011/12 academic year.

67. Young people who applied successfully for EMA for the first time in the 2010/11 academic year were not given an equivalent guarantee; their NoE makes clear that they can expect to receive the stated weekly payments to the end of the 2010/11 academic year only. However, as many young people in this group will be expecting to continue to the second year of their course in September 2011 and may benefit from some transitional support, any young person in the 2010/11 cohort who received the maximum EMA weekly payment of £30 a week will receive £20 a week up to the end of the 2011/12 academic year.

68. Young people receiving weekly payments as part of these transitional arrangements will be able to apply to their school, college or training provider for a bursary funded via the discretionary scheme. Their weekly payments should be taken into account in determining any bursary that they might be awarded.

69. Young people with a disability are more likely to be in the £30 Band. For example, we know young people with any type of SEN provision in school (School Action; School Action Plus or Statement of SEN) are more than twice as likely to be eligible for free school meals in year 11 than those who have no special provision.

70. Those in the £20 and £10 Bands can still apply via the discretionary support fund and they will receive funding if their level of need is assessed to require it (and providing the college has sufficient money left).

71. Payments will continue to be weekly as they are now which makes the arrangements simpler for all young people to understand and manage.

Equality impact assessment

72. The evidence suggests that EMA was poorly targeted and that a significant number of young people would have participated without financial support. Not all of those who received EMA will receive support under the 16-19 Bursary scheme although all will be eligible to apply (as well as those who did not receive EMA). The changes in financial support will therefore result in some young people receiving less money than they did under previous

arrangements however there is no data to suggest that this particular change will have a disproportionate impact on young people with disabilities and/or learning difficulties; on either gender or on those of different ethnicities. Importantly, discretionary funds can be targeted more sensitively to those who most need the support.

73. Given the current economic climate it becomes even more difficult to justify continuing to pay young people to participate when they would have done so anyway. Given that prior attainment is the factor that most strongly predicts post-16 participation redirecting funding to close the existing gaps in educational achievement between specific groups of young people will deliver better value for public money.

74. The financial support of EMA did have a positive impact on young people from certain groups: low income; disability and/or learning difficulties; certain ethnicities and gender. However, 16-19 Bursaries will have a similarly positive impact on those groups, probably more so than EMA. There is no evidence that removing EMA in itself will have a negative or disproportionate impact on the ongoing participation and attainment of particular groups of young people, providing there remains a source of financial support to address financial barriers to learning for the most vulnerable. The majority of young people who were eligible for £30 per week payments will be covered by the replacement scheme. It is those who would have been eligible for £10 and £20 per week payments that are less likely to receive financial support although arguably it is these groups that are much more likely to have participated anyway. Aitken et al. (2007) found that EMA recipients in the highest EMA Band 1 (£30) were more likely (63%) than those in the £20 Band 2 (46%) and the £10 Band 3 (34%) to state that EMA was their main source of income.

75. To mitigate any possible adverse impact of removing EMA – the replacement scheme will:

- a. **16-19 Bursaries:** guarantee funding to the most vulnerable groups (those in care, care leavers and those on income support) so they are better off than they would have been under EMA; provide colleges sufficient funding to afford a £600 bursary to any student eligible for free school meals plus an additional discretionary fund for learning providers to target at genuine need (guided by agreed 'characteristics' to help prioritise need).
- b. **Transitional arrangements:** for young people who received EMA in the 2009/10 cohort, payments will continue as per the EMA scheme. For the 2010/11 cohort, only young people who received the maximum EMA payment will continue to receive funding. This will be equivalent to £30 per week for the most vulnerable groups (care leavers, looked after children, and those on income support) and equivalent to £20 per week for everyone else.

76. A known adverse impact will be an incurred personal cost to some young people who would have received financial support via EMA but nonetheless participated anyway. However, we believe we are fully justified in removing this funding given the existing economic climate.

77. It is not anticipated that the policy will have a disproportionate or negative impact on groups of young people who share protected characteristics, e.g. disabled people, and who have genuine financial barriers to participation. The most vulnerable (care leavers, looked after children and those on income support) will be guaranteed support whilst schools, colleges and training organisations will continue to target support to other young people who need it most.

Next steps

Consultation

78. We will carry out a full public consultation for 8 weeks due to close on 20 May 2011. The consultation (www.education.gov.uk/consultations) covers both the transitional arrangements and the ongoing 16-19 Bursaries. Issues open for consultation with particular relevance to the equalities agenda include: the method for paying students; the most appropriate set of characteristics for schools and colleges to prioritise the discretionary fund; how to monitor the discretionary administration of the fund; how the fund should be distributed to schools and colleges.

79. We will review the equality analysis and the financial support arrangements if necessary in light of the formal public consultation.

Communication

80. Over Summer 2011 BIS will be running a communications campaign to raise the awareness and understanding of young people and their parents of the new student finance support available for higher education (HE) students from September 2012. This campaign has been developed in liaison with DfE. It will complement annual communications by the Student Loans Company, UCAS and the HE sector, including communications about the financial support available for 2011. The latter includes HE student finance information for disabled and other targeted groups.

81. By Summer 2011 DfE will work with BIS to agree a coordinated approach to communications about other new financial support arrangements, such as 16-19 Bursaries.

82. As Advocate for Access to Education, Simon Hughes is engaging with young people and their parents, including those from disadvantaged backgrounds and organisations representing disadvantaged and disabled young people, to gain a better understanding issues relating to access to

post-16 and HE. His findings will be available to inform long-term communication strategy development.

Administration

83. By September 2011 ensure that any guidance on the arrangements for the discretionary 16-19 Bursaries includes explicit reference to equality issues.

84. By September 2011 encourage schools and colleges to work together to develop a local 'offer' of educational financial support for 16-18 year olds to help reduce uncertainty of discretionary financial support and aid awareness and understanding.

85. By September 2011 establish a process to make transparent the discretionary administration of funding so we can monitor and evaluate the impact on groups with characteristics protected by equality law.

Monitoring Impact

86. To keep the impact of the new discretionary funding arrangements under review including identifying evidence gaps and commissioning and sourcing research to reveal the impact of the policy.

87. To have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations; and to publish the required information.

88. To achieve these next steps we will work with and through the partners and representative groups who are best placed to know about and be able to contact the most vulnerable groups.