



Department
for Education

The 16 to 19 Bursary Fund: Year 2 Process Evaluation Report

Research report

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Executive Summary

Introduction

This report presents findings from the second year of the independent evaluation of the 16 to 19 Bursary Fund, commissioned by the Department for Education. The evaluation aims to:

1. Investigate the number and characteristics of young people who have applied for and/or received Defined Vulnerable Group and Discretionary Bursaries;
2. Evaluate the perceived impact of the policy and review decision-making processes that have been used by providers to allocate funds.

The report follows the Year 1 interim report (May 2013¹) which reported the number and characteristics of young people receiving a Bursary and provider practices in administering the Fund in the first year of implementation, along with early perceptions of impact.

Background

The 16 to 19 Bursary Fund

The 16 to 19 Bursary Fund was introduced in September 2011 and provides financial support to young people who face significant financial barriers to participation in education or training post 16. The Bursary Fund has two parts:

1. Vulnerable young people (those in care; care leavers; young people receiving Income Support and young people receiving both Disability Living Allowance and Employment Support Allowance) receive yearly bursaries of £1,200 (referred to in this report as **Defined Vulnerable Group Bursaries**).
2. The rest of the fund is allocated to schools, colleges and training providers so that they can identify and support the young people who need it with a **Discretionary Bursary**.

Providers are responsible for administering applications, deciding award criteria for Discretionary Bursaries and distributing funds. The first year of the Bursary Fund was a 'transitional' year; most second year students who had previously received Education Maintenance Allowance (EMA) continued to receive transitional payments and could apply for Discretionary Bursaries, but all students were eligible and able to apply for the

¹ <https://www.gov.uk/government/publications/evaluation-of-the-16-to-19-bursary-fund-year-1-report>

Bursary Fund from September 2012. EMA payments for all students ended in August 2012.

To be eligible to receive a 16 to 19 Bursary in the 2012/13 academic year (the second year of implementation), the young person must have been aged under 19 at the start of the academic year in which they started on an eligible programme of study.² Young people are only eligible if they are attending provision that is subject to inspection by a public body that assures quality (e.g. Ofsted) and must also be:

- funded by the Educational Funding Agency (either directly or via a local authority); or
- funded or co-financed by the European Social Fund; or
- otherwise publicly funded and lead to a qualification (up to level 3) that is accredited by Ofqual or is pursuant to Section 98 of the Learning and Skills Act 2000.

In future years the administration of Defined Vulnerable Group Bursaries will be managed centrally with providers claiming this funding from a central source as required.³ This change was planned for year 3 of implementation so was not in place at the time of the research.

Evaluation aims and methodology

The Department for Education (DfE) commissioned NatGen Social Research to conduct an evaluation of the 16 to 19 Bursary Fund. The aims of the evaluation are to:

1. Investigate the number and characteristics of young people who have applied for and/or received Defined Vulnerable Group and Discretionary Bursaries;
2. Evaluate the perceived impact of the policy and review decision-making processes that have been used by providers to allocate funds.

The evaluation will meet these aims using the following methods:

1. An **initial scoping study** was conducted to explore current practice and inform the main evaluation.
2. **Surveys of providers.** Surveys took place in the 2012 and 2013 summer terms to collect information about Defined Vulnerable Group and Discretionary Bursaries. A further survey to update information about the Discretionary Bursaries will also be carried out in 2014.

² Full guidance is available at <http://webarchive.nationalarchives.gov.uk/20130401151715/https://www.education.gov.uk/publications/eOrderingDownload/16-19%20Bursary%20Fund%202012-13%20Guide.pdf> [Accessed 24-01-14]

³ 16-19 Bursary Fund Guidance 2013/14 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/239840/EFA-00044-2013.pdf [Accessed 28-01-14]

3. **Provider case studies.** Twenty-seven 'light-touch' case studies were carried out in summer term 2012 and autumn term 2012. Twelve of these providers were revisited as in-depth case studies during the second year of implementation (2012/13). A further visit to the case study providers will be carried out in the third year of the evaluation.
4. **Research with young people.** A survey of 16 to 19 year old learners in education or training was carried out in 2013 to collect information about their experience and perceptions of the Bursary Fund. Qualitative interviews will then be carried out in 2013/14 with a sample of young people who took part in the survey to explore the issues in greater depth.
5. **Analysis of Management Information.** The evaluation includes analysis of information collected from providers by the Department for Education (DfE) about the Bursary Fund and synthesises this analysis with the findings from the other strands of the evaluation.

The next stages of the evaluation, to be conducted in 2013/14, will include further waves of the provider case studies and survey and qualitative interviews with young people.

Findings

The Characteristics of Bursary applicants and recipients

The total number of young people in England receiving a Defined Vulnerable Group (DVG) Bursary in 2012/13 is estimated to be 34,600⁴, the majority of whom were receiving a full Bursary. Across all providers, the median number of students receiving a full Bursary was one.

The number of DVG Bursaries was much higher in FE and sixth form colleges than in other provider types.

The largest group of DVG Bursary recipients was young people in receipt of Income Support; an estimated 14,300 young people on Income Support received one of these Bursaries.

Profiles of applicants and recipients for DVG and Discretionary Bursaries across all characteristics were very similar, suggesting that no groups were more or less likely to be awarded Bursaries if they applied. For example, whilst there was a very slight gender difference in applications - 51 per cent of applicants were male and 49 were female, this was the same for recipients (male: 51%; female: 49%).

⁴ Please note that due to some extreme values reported in the provider Management Information this may over estimate the number of DVG awards.

Awarding Discretionary Bursaries

Providers have the freedom to establish their own criteria for awarding Discretionary Bursaries, the forms these awards take and the size of awards.

Based on the Management Information returns, the total number of students awarded Discretionary Bursaries in 2012/13 is estimated to be 357,300. This is an increase from 251,800 in the first year of implementation which reflects the fact that more students were eligible to receive Bursary funding in 2012/13. The MI suggests that approximately 23 per cent of the 16-18 cohort in education and work based learning received a Discretionary Bursary award.⁵

Providers can award more than one Discretionary Bursary to each young person and often do so for more than one purpose. The total number of Discretionary Bursary awards made by providers in England in 2012/2013 was estimated to be 738,300 which is more than double the number of Bursary recipients.

For most providers the proportion of applications for Discretionary Bursaries which resulted in an award was very high - 49 per cent reported that all applications resulted in an award.

The majority of providers continued to use income-related criteria to determine eligibility for Discretionary Bursaries in the second year of implementation; household income (67%), Free School Meal entitlement (62%), and household benefit receipt (62%) were the most commonly mentioned criteria. The criteria used by providers were similar to the first year of implementation.

Bursary awards were conditional on attendance at most providers (90%). Just over half (53%) of young people with conditions attached to their award said that their behaviour had changed as a result of this, for example by improving their attendance or the amount of time spent studying at home.

Providers were most likely to award Discretionary Bursaries as general cash awards to young people for use as needed (54%). Providers also commonly mentioned awarding Discretionary Bursaries for transport costs (50%) and educational equipment (39%).

The amount allocated as individual Discretionary Bursary awards varied considerably; from under £10 to around £6,000 per award, with a median spend of £445 per recipient in this academic year. Awards to cover general spending, transport costs or educational

⁵ Participation in education, training and employment by 16- 18 year olds in England until the end of 2012, DfE, 27th June 2013.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209934/Participation_SFR_end_2012_-_FINALv2.pdf [Accessed 31/01/14] Calculation based on 1,544,400 16 to 18 year olds in education or work based training.

equipment costs (such as books or uniforms) tended to be higher than those for other purposes.

Awareness and take up of Bursaries

Providers are responsible for making young people aware of the Bursary Fund. Providers had publicised the Bursary Fund to young people using written materials (77%) and at events such as open days (70%).

Around half of providers had put information about the Bursary Fund on their websites (49%), with 11 per cent of providers also using social media to advertise the Bursary Fund.

Young peoples' awareness of the Bursary Fund was relatively high, at 70 per cent. However, of those young people who had heard about the Bursary Fund, just over a third (37%) had done so before finishing year 11, while the majority (63%) had heard about it after finishing year 11.

Young people participating in the case studies generally understood that some form of financial support was available; although they often had little understanding of the criteria for receiving a Bursary, the level of support available and the conditions imposed.

Of the young people in the learner survey who were not eligible for a DVG Bursary, 38 per cent had applied for a Bursary. The most common reasons why non-vulnerable learners had not applied for Bursaries were that they did not need financial support (49%) and that they did not think they would be eligible (43%). Awareness was also a factor with 29 per cent saying that they were unaware that financial support was available.

Bursary Fund spending

We looked separately at money spent by providers on Defined Vulnerable Group Bursaries and Discretionary Bursaries.

Individual awards for Defined Vulnerable Group Bursaries were fixed at £1,200 for a full Bursary and pro-rated as appropriate for part-time learners.

Further education colleges and sixth form colleges had a higher median spend on DVG bursaries at £19,000 compared with schools and academies, where median spending was £1,200, the equivalent to one full Bursary. This reflects the larger numbers of eligible young people at further education and sixth form colleges.

The total estimated spend by all providers on Defined Vulnerable Group Bursaries was £27.2 million. Further education colleges and sixth form colleges had the highest spend at just under £19 million and school sixth forms and academies the lowest; £4.4 million.

Discretionary Bursary awards were £410 on (median) average, indicating that Discretionary Bursaries tended to be smaller than Defined Vulnerable Group Bursaries.

Total spending on Discretionary Bursaries reported by providers ranged from zero (three providers) to a maximum of just under £1.6 million. The overall median amount spent was just over £11,000.

Just over half (53%) of providers had spent less than 90 per cent of their funding allocation. Providers tended to be cautious in allocating funds to minimise the risk of unaffordable over spends, although under spends were less prevalent than in the first year of the Bursary Fund. Another factor in under spending was students failing to meet the conditions attached to receipt of Bursaries.

Administering the Bursary Fund

Providers are given considerable freedom to determine how Bursaries are paid, the timings of payments and the conditions attached to receipt. Two models of administration were identified in the case studies, both of which had their own strengths and weaknesses so are suited to different provider and learner views.

- Schemes administered by an individual provider: the most common model used and the case studies revealed that providers who administered their own Bursary Funds continued to feel that the strengths of this approach were the same as in year 1.

Advantages:

- Responsive to individual learner needs
- Can adapt the scheme to the provider context
- Can use knowledge about individual learners to target those most in need and provide support with applications (particularly in smaller providers)

Disadvantages:

- More likely to lead to differences of support for students across providers in close proximity
 - High administrative burden
 - Disclosure of sensitive information can be a barrier
 - Non-standardised approach could result in some providers not meeting their obligations to provide appropriate support to young people.
- Local authority administered models: involves a number of providers grouping together and working with the local authority to administer a single scheme across the area with consistent levels of support and eligibility criteria.

Advantages:

- A consistent message in the local authority/local area about support available to young people
- Equality of provision across a local area (same eligibility criteria, payment amounts etc)
- Lower administrative burden for providers
- Central/local authority staff familiar with examining evidence of eligibility

Disadvantages:

- Less flexibility to change payment frequency and the sanctions for not meeting conditions
- High demand at the beginning of the academic year can easily cause delays in administration
- Vulnerable to staff changes/reductions in local authority staffing so annual reviews required
- Correcting errors in application forms can be more time consuming

Providers took a range of approaches to determining the level of Discretionary Bursaries, taking into account young people's background and course-related factors. Young people's views on the levels of discretionary payments and whether they were sufficient to meet their needs varied and three factors influenced these:

- **Level of support from other sources** - when young people could draw on support, particularly from parents and the wider extended family, levels of bursary payments were generally considered to be adequate. However, where young people had limited access to these types of other support, levels of discretionary payments were less likely to be perceived as adequate.
- Young people were less happy when the Bursary Fund did not cover all their **course related costs** including equipment, fieldwork and transport costs.
- **Hours of study / training** - some held the view that payments should be more generous when more study hours were required.

As in the first year of implementation, Bursary awards were more commonly paid directly to students rather than paid in-kind (for example in the form of books or equipment). The majority of providers paid all Bursary awards directly to students (58%), with around a

third (35%) using both direct payments and in-kind awards and less than one in ten (7%) only making in-kind awards.

Young people were generally positive about the type of Bursary Fund support they received and how they were paid. However, nearly half of recipients (45%) had experienced some problems with delayed payments which could make managing finances difficult.

Bursary awards were conditional on attendance in most providers (90%). Other conditions set by providers included compliance with behaviour standards (61%), punctuality (50%) and completion of course assignments (39%).

In the second year of the Bursary Fund implementation, more than half of providers were not intending to make changes for the 2013/14 academic year (61%).

Perceived impacts of the Bursary Fund

In the second year of implementation we looked further at the impacts the providers perceived the Bursary Fund to be having on young people and young people's views on the Bursary Fund support.

Provider perspectives

The majority of providers thought that the Bursary Fund was having a positive impact on young people's participation (77%) and engagement in learning (70%). Similarly, around three-quarters (78%) thought it was effective in targeting young people facing the greatest barriers to participation. Generally, in the second year of implementation providers were more positive about the impact of the Bursary Fund.

Providers saw the flexibility they had in awarding and administering Bursaries as key to targeting their students' needs effectively. Some welcomed the ability to use in-kind payments to ensure that the Bursary Fund was targeted on needs related to education and training.

Some concerns were expressed by providers about the impact of the Bursary Fund on young people, with regards to:

- whether the level of support available was sufficient to meet individual students' needs
- whether providers with high numbers of students in financial need had sufficient funding to meet high demand (i.e. to be able to give a Bursary to everyone who needed one).

Young people's views

Generally, young people we spoke to at case study providers perceived the Bursary Fund as an important means of support.

This was consistent with the survey findings with the majority of Bursary Fund recipients saying that this allowed them to cope better (75%), and nearly a third (28%) feeling that this was integral to being able to continue in education.

A small proportion (9%) of young people in the learner survey who were not in receipt of a Bursary reported being at risk of dropping out from education due to the costs of studying and a quarter were struggling to cope financially. This suggests that there are still a number of young people who would benefit from this financial support to aid their continued participation in education.

Conclusions and recommendations

The flexibility of the Bursary Fund continues to be seen as its major asset.

Providers value being able to make decisions about how to use the fund in the ways they consider best to meet their students' needs to participate and engage in continued learning. As reported in the first year of implementation, this is reflected by the use of both in-kind and cash bursaries, varied purposes of Discretionary Bursary awards made and payment frequencies.

Many young people were not aware of the Bursary Fund support when making post-16 choices. Although general awareness of the Bursary Fund amongst young people was high when we spoke to them, many had not been aware of this support when making decisions about their post-16 participation. It is important that young people know about the types of financial support which will be available at the right time (i.e. before end of Year 11) to inform their decisions. Therefore, it is important that particular effort goes into ensuring that information is easily available to young people during Years 10 and 11 at open days, in prospectuses and schools rather than waiting until young people are enrolled in sixth forms, colleges, or have stopped participating.

There are still some challenges to overcome in the administration of the Fund.

Whilst young people generally view the financial support available positively, and feel it is reaching those who are in need, there are still some challenges for young people receiving the financial support due to administrative problems and the level of funding received.

- The **application process** involves a lot of paperwork which together with providing evidence can be off-putting for some young people.

- We found some providers were already pro-active in **targeting young people**, particularly those they believed were in most need but some young people may require more encouragement or help to seek the support they are entitled to.
- Providers tend to use a **combination of financial and needs-based criteria to assess eligibility** for Bursary Fund support. Typically, this needs-based criteria covers equipment required for the course and transport costs. In Year 2, concerns were expressed by both providers and young people about the fairness of awarding criteria and taking into account special circumstances when making funding decisions and sanctions. When only financial information was taken into account this was felt by young people to be too crude and could be ignoring these important other factors.

While cash awards were more common than in-kind awards, both types of award offer advantages for providers and young people.

- The **flexibility of cash payments** was seen by many providers as better because they are more able to meet the diverse needs of young people, encourage independence and young people can manage their money. In addition, young people receiving a cash bursary were more likely to say it changed their behaviour so this type of award may be more influential as an incentive to improve attendance and punctuality than in-kind awards.
- In-kind awards can however present good value for money as providers can purchase items in bulk or with discounts to maximise the use of the Bursary funding pot (e.g. bus passes, equipment costs). This type of award also has the advantage that providers can be sure the awards are meeting specific needs and provide assurance that they are being used for purpose intended to help young people.

Whilst attendance was the mostly frequently mentioned **condition linked to Bursary receipt** by providers (90%), many young people seemed unaware that there were conditions attached to receipt of the financial support.

- Higher levels of Bursary award were associated with increased likelihood of changing behaviour as a result of conditions attached to the award.
- Consideration should also be made to the sanctions of not meeting conditions and special circumstances, for example absence due to family caring responsibilities or illness. In some cases the **level of sanction** was felt to be too strict, particularly when payments were made only a few times a year.

Weekly payments were not very common amongst providers, possibly due to the higher administrative costs but the flexibility and independence were highly valued by young people.

During the second year of implementation, there were lower levels of **under spending** observed compared to the previous year. Providers felt more confident predicting

demand but there was still a tendency to be cautious to ensure that they have sufficient funds to meet the needs of learners throughout the academic year. It will be interesting to see how this may change in 2013/14 when providers will no longer be able to carry over funding to the next academic year.

Perceived impacts of the Bursary Fund were generally positive amongst young people and providers. However, some young people were still struggling with administration problems and during case study visits some spoke of severe sanctions causing significant challenges for young people whilst they are studying. It is important that providers continue to develop their funding programmes to best meet young people's needs, target vulnerable groups and reduce any stigma associated with applying for this important financial support.

In Year 3 of the implementation we will be able to look more at the views of young people from learner focus groups and the final year of the provider survey to see how the funding continues to help young people in need. We will also be able to report on the perceived impacts of centralising the DVG bursaries, allowing providers to focus on the administration of Discretionary Bursaries.

From the second year of implementation we are able to make several recommendations for providers and the Department for Education;

Recommendations for schools and 16 to 19 providers:

- Providers should publicise information about the Bursary Fund to prospective students during Years 10 and 11, when they are making choices about further study. Providers and schools should work together to achieve this.
- Publicity about availability of the 16 to 19 Bursary Fund support should be clearer, setting out the eligibility criteria, conditions and application process for young people and their parents.
- Consider, where possible how greater flexibility can be given when assessing student eligibility for a Bursary, to help meet the complex individual needs of students.
- Consideration should be made by providers to reassure young people and their families about the confidentiality of any data on application forms.

Recommendations for the Department for Education:

- Bursary Fund guidance documents should clearly state how providers can communicate with young people about the available support.
- Consider whether it is acceptable for providers to carry over funds to future academic years if there is an under spend and the implications of doing so (for the Department, providers and young people).

- Monitor how the change to centrally administering the Defined Vulnerable Group Bursaries affects administration for providers.



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