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# Evaluation of the Assembly Learning Grant (Further Education) (ALG (FE))



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**Old Bell 3 Ltd**

Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

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## **Glossary of acronyms**

ALG (FE)	Assembly Learning Grant – Further Education
ALN	Additional Learning Needs
BTEC	Business and Technology Education Council (Qualification)
DLS	Discretionary Learner Support
ELWa	Education and Learning Wales
EMA	Education Maintenance Allowance
ESF	European Social Fund
ESRC	Economic and Social Research Council
FCF	Financial Contingency Fund
FE	Further Education
FEI	Further Education Institution
FSM	Free School Meals
GCSE	General Certificate of Secondary Education
GNVQ	General National Vocational Qualification
HE	Higher Education
HEFCW	Higher Education Funding Council for Wales
JSA	Job Seeker’s Allowance
LC	Learning Centre
LEA	Local Education Authority
LLWR	Lifelong Learning Wales Record
NEET	Not in Education, Employment or Training
NFER	National Foundation for Education Research
NPD	National Pupil Database
NVQ	National Vocational Qualification

# 1 BACKGROUND

## Introduction

- 1.1 Old Bell 3 Ltd, in conjunction with the Wales institute of Social and Economic Research, Data and Methods (WISERD) and Dateb, was commissioned by the Welsh Government to undertake an independent evaluation of Further Education (FE) student finance across Wales with a particular emphasis upon reviewing the Education Maintenance Allowance (EMA) and the Assembly Learning Grant (Further Education) (ALG (FE)<sup>1</sup>) funding Schemes.
- 1.2 This report is the second of three reports prepared as part of this evaluation and focuses upon the ALG (FE) Scheme. The first report focused upon the EMA funding Scheme<sup>2</sup> and the third will provide an overarching strategic report covering FE student finance across Wales.
- 1.3 The ALG (FE) is an administrative Scheme (i.e. a scheme not set out in regulations but which nevertheless has a statutory basis), first introduced for the 2002/03 academic year which supports adult learners aged 19 or over in further education. The ALG (FE) is a means-tested allowance and is awarded to those students whose household income is £18,370 or below. During 2012/13, 7,445 students were supported via the Scheme – the vast majority (87 per cent) were studying on a full-time basis, with the remainder studying part-time. In all, ALG (FE) recipients form a very small proportion of all learners aged 19 and over in further education in Wales, at 4 per cent during 2012/13<sup>3</sup>.

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<sup>1</sup> From Academic Year 2014/15 it will be known as the Welsh Government Learning Grant (WGLG) Further Education

<sup>2</sup> Available at: <http://gov.wales/statistics-and-research/evaluation-education-maintenance-allowance-assembly-learning-grant/?lang=en>

<sup>3</sup> According to StatsWales 183,335 learners were enrolled at further education, work-based learning and community learning providers in Wales during 2012/13. <https://statswales.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Learners/Time-Series/numberoflearners-by-age-gender-ethnicity> Accessed 24 March 2015.

## Evaluation Aims and Objectives

1.4 The overall aims of the evaluation were to review:

- The efficiency and effectiveness of the EMA and ALG (FE) Schemes;
- Whether the current schemes contribute towards Welsh Government policy commitments;
- The extent to which the package of FE student support (including the Financial Contingency Fund) contributes towards the widening participation agenda.

1.5 The specific objectives of relevance to this report, paraphrased from the research specification, were:

- Exploring the extent to which ALG (FE) fits with other Welsh Government student finance support;
- Reviewing student finance support in England, Scotland and Northern Ireland with a view to exploring alternative methods to the ALG (FE);
- Reviewing the implementation of the ALG (FE) funding Scheme including the appropriateness of allowance levels and eligibility criteria;
- Evaluating the contribution made by ALG (FE) towards widening participation and increasing retention rates;
- Assessing the impact of ALG (FE) on student attainment rates, progression routes and destinations;
- Exploring the achievements and dropout rates of ALG (FE) supported students;
- Exploring the promotion of the ALG (FE) and how it could be targeted more effectively;
- Exploring the impact of withdrawing ALG (FE), should such a decision be taken;
- Exploring what would have happened in the absence of the ALG (FE), particularly in terms of decisions to study;
- Reviewing the value for money offered by the ALG (FE);

- Making recommendations for the future delivery of FE student finance support in Wales.

## Evaluation Methodology

1.6 The research for this report was carried out between December 2013 and June 2014. The methodology and work programme are presented in detail in Annex A of the Technical Appendix<sup>4</sup>. They included:

- An inception and scoping stage, which involved accessing key documents, administrative data and Student Loans Company (SLC) student datasets and agreeing upon an Inception Report with the Evaluation Steering Group;
- Desk research which included reviewing UK and Welsh Government policies, reviewing other FE student financial support provision and reviewing other FE student finance evaluation reports;
- Developing research instruments to use with stakeholders, learning centres and students as well as policy interviewees in England, Scotland and Northern Ireland. These research instruments are presented in Annex D of the Technical Appendix;
- Undertaking a package of fieldwork at 12 Welsh Further Education Institutions (FEIs) which involved interviews with staff and various focus groups with ALG (FE) recipients and non- ALG (FE) recipients;
- Interviewing key stakeholders and a further two FEIs<sup>5</sup> which did not have any ALG (FE) recipients;
- Undertaking a qualitative telephone survey of 30 previous ALG (FE) recipients to explore progression.

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<sup>4</sup> See Technical Appendix available at: <http://gov.wales/statistics-and-research/evaluation-education-maintenance-allowance-assembly-learning-grant/?lang=en>

<sup>5</sup> Namely the Workers Educational Association (WEA) and the Young Men's Christian Association (YMCA).



1.7 We had hoped to be able to match SLC student records to the Widening Access Database<sup>6</sup> in order to compare students who received ALG (FE) with those who did not and to undertake a comprehensive descriptive analysis and modelling of the data. A similar comparative exercise was achieved as part of the EMA evaluation as the coverage and contents of the Widening Access Database enabled us to trace the experiences of EMA and non-EMA recipients across three cohorts of Year 11 pupils between 2004/05 and 2006/07. However, an analysis of the ALG (FE) Scheme was not possible due to a number of reasons - firstly, the small size of the ALG Scheme in terms of participants would have resulted in smaller matched samples; secondly, as the ALG (FE) Scheme supports a much wider age range of learners it would have been likely that only a small minority would have been included on the Widening Access database (given its focus on young learners) and thirdly, the last year of Lifelong Learning Wales Record (LLWR) data within the Widening Access Database is 2009/10 and (again, given the older age of ALG recipients) later years of LLWR data would be required in order to meaningfully incorporate ALG (FE) recipients into the analysis. Furthermore a relatively high proportion of ALG (FE) recipients contained within SLC records had not given permission to share their data – making any matching exercise unfeasible and unreliable. Full details of the methods employed and the findings from this exercise are presented in Annex C of the Technical Appendix.

### **Structure of this Report**

1.8 In this report we firstly (in Section 2) present the key findings of the research and our recommendations for the future of the ALG (FE) Scheme. We then (at Section 3) present an overview of the ALG (FE) Scheme in Wales and the policy context within which it has been operating. In Section 4, we present our review of evidence relating to

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<sup>6</sup> A linked database of school, further education and higher education data constructed by WISERD and used in an Economic and Social Research Council (ESRC)/Higher Education Funding Council for Wales (HEFCW)- funded project that aims to chart the progression of students from compulsory education to higher education.

student finance support outside of Wales for students aged 19 and over, before setting out in Section 5 the evidence and findings regarding the rationale and need for the ALG (FE) Scheme. We then present and discuss findings in relation to the overall design and objectives of the Scheme in Section 6. In Section 7 we set out and discuss the evidence about the administration of the ALG (FE) Scheme before we turn to present the evidence that was gathered as to the difference made by the ALG (FE) Scheme in Wales and whether it offers value for money (Section 8). We then discuss (in Section 9) the views we collected through the fieldwork on the future of the ALG (FE) Scheme in Wales and finally (in Section 10) we present our conclusions and recommendations.

## 2 KEY FINDINGS AND RECOMMENDATIONS

- 2.1 The ALG (FE) Scheme, first introduced for the 2002/03 academic year supports adult learners aged 19 or over in further education. It is a means-tested allowance awarded to those students whose household income is £18,370 or below. During 2012/13, 7,445 students were supported via the Scheme – the vast majority (87 per cent) were studying on a full-time basis, with the remainder studying part-time. In all, ALG (FE) recipients form a very small proportion of all learners aged 19 and over in further education in Wales, at 4 per cent during 2012/13<sup>7</sup>.
- 2.2 Stakeholders believed that there was a definite need for the ALG (FE) Scheme to financially support adult learners in post-compulsory education in Wales. This case was made on the basis that adult learners tended to have greater financial commitments than their younger counterparts and students in particular were more likely to argue that they were struggling financially whilst in education. Furthermore it was also argued that adult learners tended to benefit less from other financial support such as subsidised transport costs. Indeed other than the FCF (FE) Scheme adult learners in FE are able to access very little other financial support.
- 2.3 The fieldwork revealed that having two separate administrative schemes for older and young learners tended to create confusion amongst the student population – particularly for those progressing from EMA to ALG (FE). There was a strong call for the support on offer via the current administrative schemes to be better aligned in terms of eligibility criteria (including household income thresholds for awarding funding), the level of funding made available and regularity of payment. As was the case

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<sup>7</sup> According to StatsWales 183,335 learners were enrolled at further education, work-based learning and community learning providers in Wales during 2012/13. <https://statswales.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Learners/Time-Series/numberoflearners-by-age-gender-ethnicity> Accessed 24 March 2015.

with the EMA Scheme, feedback also suggested that recipients of the ALG (FE) Scheme also benefited from FCF (FE) support.

- 2.4 The fieldwork suggested that the right students were being supported by the ALG (FE) Scheme and that as a result means testing based upon household income was deemed to be an acceptable approach for allocating funding. One key point of concern related to the perceived impact of receiving ALG (FE) support upon other UK Government financial benefits and the fear of losing such benefits – although it was found that the number of hours required for FE study had in fact a greater bearing upon this issue than the funds itself.
- 2.5 One key issue to emerge related to the cut off age (currently set at 25) for determining whether a student lived independently or not without the need to prove that they were doing so. Contributors to the study thought that adopting an arbitrary cut-off age to determine whether a student lived independently or not was inappropriate – some argued that any student over 19 ought to be regarded as living independently whereas others believed that all ALG (FE) applicants, regardless of their age, ought to evidence the fact that they lived independently.
- 2.6 It was found that the current maximum funding allowance of £1,500 was generally adequate for students living at home without any dependents but inadequate for those living independently or with other dependents. The fieldwork also revealed that the lower payment allowances available via the Scheme were inadequate and there was a desire amongst contributors to see these amounts increased, in some cases it was thought that a single rate of allowance ought to be provided via the Scheme.
- 2.7 The ALG (FE) funds were viewed in the main as an essential contribution to those in receipt of support and were used primarily for educational related purposes and general living costs.

- 2.8 Despite a wide range of promotional and information dissemination methods being adopted to market the ALG (FE) Scheme, there was generally lower awareness of its existence across the FE sector. Given that relatively few learners receive funding via the Scheme it was perhaps not surprising that the study did not reveal any element of stigmatisation associated with its receipt.
- 2.9 Mixed experiences were reported around the application process. The main difficulties expressed by applicants related to terminology, the sourcing of original documentation and submission of original documentation by post.
- 2.10 The fieldwork found that the value associated with using learning grant agreements was questionable and several methods of strengthening these were offered by contributors. In terms of attendance requirements, individual colleges adopted very different interpretations of the guidance set by the Welsh Government and were generally less demanding and more flexible than the requirements imposed upon EMA funded students.
- 2.11 It was found that ALG (FE) recipients would prefer to receive more regular payments than the current termly cycle and to be notified in advance of the value and date which they could expect to receive payment.
- 2.12 In terms of the difference made, the study found mixed evidence in terms of the impact of the ALG (FE) Scheme upon learners' decision to enrol in further education. A fair number of recipients had only come to hear about the Scheme after they had taken the decision to enrol on their course and therefore could not have been influenced by its availability but its existence was a crucial consideration in the decision of a minority of recipients to enrol in further education.
- 2.13 The study concludes that whilst the Scheme had made a modest difference to further education attendance levels (with this effect being

less pronounced than was the case for the EMA Scheme) its impact upon retention levels was greater. The research found that the Scheme was critical to a large number of students in enabling them to stay in further education and in many cases meet unanticipated costs associated with further education.

2.14 Furthermore the study did not reveal any concrete evidence either way to demonstrate whether the ALG (FE) Scheme was having an impact upon student attainment, achievement or progression into higher education.

2.15 The evaluation makes the following nine recommendations:

2.16 **Recommendation 1:** that the Welsh Government continues to financially support Welsh further education adult learners and that it continues to adopt the ALG (FE) Scheme as the basis for awarding such funding. It is further recommended that the ALG (FE) Scheme be maintained as a statutory scheme with funding being awarded on the basis of applicants meeting specific eligibility requirements.

2.17 **Recommendation 2:** that the ALG (FE) Scheme continues to provide financial support on the basis of recipients meeting the current household income threshold of £18,370. It is also recommended that the funding allowances made available via the ALG (FE) Scheme be re-examined and costed. Ideally we would suggest that a single rate of allowance (i.e. the highest rate of £1,500) be offered to full-time students based in households with an income threshold of £18,370 or under. Given that the vast majority of ALG (FE) recipients (currently 82 per cent) are eligible to receive the full award (i.e. £1,500 if they are studying on a full-time and £760 if they are studying on a part-time basis) such a change would be known to positively benefit between 1,000 and 1,500 students (both full and part-time) per annum. However we acknowledge that the financial implications of introducing such a policy change may

be much greater as increasing the allowance rate could very well encourage other adult learners, who would not have previously thought it worthwhile to apply for the lower value payments, to apply for support in the future. As such, and very much as a secondary option we would recommend that the ALG (FE) Scheme adopts a two-tiered payment value model – with the highest payment set at the current £1,500 rate and the lowest payment value set at around the EMA allowance rate of between £1,080 and £1,179.

**2.18 Recommendation 3:** that greater effort is deployed by learning centres, the SLC and the Welsh Government via SFW to raise awareness of the existence of financial support for adult learners so as to ensure those who could benefit from returning to education from low-income households are not deterred by the perception that no support is available. We further believe that greater awareness of the Scheme could be established across the further education sector more broadly, including tutors and lecturers. Finally, if greater alignment of the Scheme with the EMA Scheme is achieved it may be possible for the ALG (FE) fund to benefit and ‘piggy-back’ from the effective EMA marketing campaigns deployed by learning centres.

**2.19 Recommendation 4:** that practical steps are taken to improve the ALG (FE) application process. We think these improvements could be achieved via (a) the introduction of an on-line application process; (b) the fast-tracking of previous EMA recipient applications (in a similar manner to how returning ALG (FE) recipients are fast tracked through the process) and (c) working with learning centres to address some of the issues relating to the provision of original documentation by applicants. We would suggest that the Welsh Government and SLC explore how learning centres could check and verify original documents on behalf of SLC thus eliminating the need to post such documentation directly to the SLC although we are mindful that such a development would need to be done carefully so as to satisfy any existing audit requirements.

- 2.20 **Recommendation 5:** that learning centres explore ways of enhancing the value of learning agreements adopted. We further recommend that learning centres communicate much more clearly what is required of students in terms of attendance policies and also adopt appropriate monitoring procedures. We would further suggest that there is a need for greater consistency across learning centres in terms of what is required of recipients in terms of attendance policies but recognise that learning centres need to have a greater degree of flexibility to accommodate lower attendance amongst particular groups of adult learners e.g. those with childcare or other caring responsibilities.
- 2.21 **Recommendation 6:** that ALG (FE) payments are made to students on a more regular basis than the current termly basis. We would suggest that payments be awarded in equal instalments on a monthly basis. We would further recommend that SLC adopts a regular payment date for each calendar month and that recipients be notified in advance (by text message if possible) of when to expect their funding and the value of the payment due.
- 2.22 **Recommendation 7:** that the Welsh Government adopts at least one key performance indicator directly for the ALG (FE) Scheme and reports upon this annually via its Programme for Government. In our view this performance indicator should reflect the aims and objectives of the Scheme and we would suggest that it could be the proportion of ALG (FE) recipients gaining a qualification at any level.
- 2.23 **Recommendation 8:** While acknowledging that there may well be diseconomies of scale in respect of any further education loan fund, we recommend that the Welsh Government takes further steps to explore the practicalities of establishing such a fund to complement its package of financial support available for the sector (as opposed to replace its existing package of support for adult learners).



2.24 **Recommendation 9:** that issues which currently make it difficult to use ALG (FE) data for the purpose of monitoring and research - including the possibility of requiring receipt of ALG (FE) to be flagged up directly in FE records - should be examined as a matter of priority. It is essential that the Welsh Government and the SLC continue to monitor ALG (FE) student data sharing consent rates and take appropriate action should this rate not improve in the future.

### **3 AN OVERVIEW OF THE ALG (FE) SCHEME IN WALES**

#### **Introduction**

3.1 This section firstly presents the background to the ALG (FE) Scheme in Wales as well as its overall aims and objectives. It then goes on to discuss the Welsh policy context within which the Scheme has been operating and to outline the key developments since it was first introduced, before providing an overview of the Scheme's take up, financial spend and the delivery model adopted for its administration.

#### **Background**

3.2 The ALG (FE) was introduced by the Welsh Government as a financial allowance to support adult learners who might otherwise experience financial difficulties when undertaking further education courses. The aim of the Scheme is to provide:

‘an incentive to students from lower-income households to remain in, or return to, further education. It aims to encourage students to gain qualifications and help to increase their employment opportunities’<sup>8</sup>.

3.3 It was first introduced for the 2002/03 academic year for learners studying on further education courses at both further education institutions (FEIs) and higher education institutions (HEIs) but was later extended to include students learning at all learning centres which provided Education and Learning Wales- (ELWa-)<sup>9</sup> or Local Education Authority- (LEA-) facilitated courses from 2003/04 onwards. The Scheme was initially made available to students aged 18 and over at the start of

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<sup>8</sup> Student Finance Wales ‘Assembly Learning Grant (Further Education) Guidance Notes Academic Year 2013/2014’ p. 3

<sup>9</sup> ELWa was the former Welsh Government Sponsored Body responsible for further education. It was dissolved and its functions absorbed by the Welsh Government in 2006.

the academic year but from 2006/07 it became only available to students aged 19 years and over due to the extension of the EMA to include 18 year olds during the same academic year<sup>10</sup>.

- 3.4 The ALG (FE) Scheme was initially administered by Welsh Local Authorities but responsibility was transferred to the SLC from 2006/07 academic year onwards.
- 3.5 The ALG (FE) grant has always been available to both full and part-time students domiciled in Wales and studying at a publicly-funded learning provider in the UK. Full-time students are eligible for up to £1,500 support and part-time students are eligible for up to £750 per annum.
- 3.6 In order to be eligible for the ALG (FE), students must satisfy the following criteria:
- Be aged 19 years or over at the start of the academic year (there are no upper age limits);
  - Be ordinarily resident in Wales on the first day of the first academic year of the course and have been ordinarily resident for three years prior to that date either in the UK or the European Economic Area;
  - Be enrolled on a Welsh Government (or equivalent) approved course which requires regular attendance at an FEI or other learning centre and involves at least 275 contact hours in each academic year.
- 3.7 Household income is also a key criterion for awarding ALG (FE) support and students are currently able to receive funding if their household income is £18,370 or less. The amount of ALG (FE) awarded is related to both the level of household income and whether the learner studies on a full or part-time basis, as shown in Table 3.1 below. Eligible household income thresholds have increased modestly over time – for instance, in 2009/2010 and 2010/11 the threshold for any support was

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<sup>10</sup> The EMA Scheme was first introduced for 16 year-olds in 2004/05 and was extended to include 17 year-olds in the following year (2005/06) and 18 year-olds during 2006/07.

set at £17,700 before being increased to £18,370 from September 2011 - but thresholds have remained static since 2011/12.

**Table 3.1: Current ALG (FE) Awarding Criteria (2013/14)**

Cumulative contact hours in academic year	Household Income			
	£0-£6,120	£6,121-£12,235	£12,236-£18,370	£18,371 and above
275-499	£760	£450	£300	Nil
500 or more	£1,500	£750	£450	Nil

Source: Student Finance Wales

3.8 The household income which is considered in the awarding of the ALG (FE) grant depends upon whether the learner is a dependent or independent student. A student is considered to be an 'independent' student if they satisfy at least one of the following criteria:

- Are aged 25 or over;
- Are responsible for a child;
- Have financially supported themselves for three years or more;
- Are living apart from their parents and have no contact with them, and not living under Local Authority care;
- Live under Local Authority care, including with foster parents;
- Are, or have been, married or in a civil partnership.

3.9 Independent students are expected to provide estimated information on their expected income for the academic year in consideration as well as their partners' income (where relevant) for the previous tax year.

Dependent students - who are financially dependent upon their parent(s) income - are expected to provide details of their parent(s) (including a parent's partner, if applicable) income for the previous tax year and any income which the student earns is usually not taken into consideration.

3.10 Students who have previously received ALG (FE) whilst studying on a course are not eligible to receive further support via the Scheme if they study for a course at the same or a lower level of qualification.

3.11 Other than the transfer of the Scheme's administration from Local Authorities to the Students Loans Company the only other notable change has been the recent change of the Scheme's name. From 2013/14 academic year onwards the Scheme was renamed as the Welsh Government Learning Grant Further Education (WGLG (FE)) Scheme.

### **The Welsh Policy Context**

3.12 The Welsh Government has been committed since the creation of the National Assembly in 1999 to widening access to learning and to tackling barriers which prevent adult learners from disadvantaged backgrounds from continuing and re-entering post compulsory education. These commitments were re-iterated in the 'One Wales' agreement (which set the agenda for the Welsh Government from 2007 – 2011) as well as the Welsh Government's 'Skills That Work for Wales: A Skills and Employment Strategy and Action Plan' (2008). However, neither of these two documents specifically refer to the ALG (FE) Scheme or the provision of adult student finance.

3.13 Likewise in its Programme for Government (published in 2011), the current Welsh Government states a clear aim of improving further education but despite this has not set a specific performance indicator relating to the ALG (FE) Scheme or adult learners in further education more generally. It could, however, be argued that two other, broader performance indicators could reflect the contribution made by the ALG (FE) Scheme namely:

- The percentage of 19 to 24 year olds who are not in education, employment or training (NEET);

- The percentage of working age adults qualified to the equivalent of two A-Levels, or an apprenticeship, and above.

3.14 The consultation document published by the Welsh Government during 2009 'Investing in Skills: Sector Priorities Funding, Fees Policy and Financial Support for Learners'<sup>11</sup> does not specifically reference the ALG (FE) Scheme in any way. However it is worth noting that the Consultation Response document did note more generally that there was:

- 'broad support [from respondents to the consultation] for the alignment of thresholds and parity of esteem across financial support measures and for encouraging progression into Higher Education'<sup>12</sup>;
- '[a view from respondents] that the system can be complex with a wide range of separate funding streams available (e.g. financial contingency funds, transport, childcare, meals and equipment subsidies) and that complexity in the system can, in itself sometimes be a barrier to engaging learners'.<sup>13</sup>

3.15 Interestingly the Consultation Response document also notes the view of respondents that 'caution needs to be exercised in the apparent strategy to divert funding from post 19 learners to the 14-19 cohort given the fact that the size of the 16-19 cohort is reducing whilst the numbers of those aged 19 onwards wishing to access learning is increasing exponentially'.<sup>14</sup>

3.16 In Wales, full-time further education students aged 19 or over and studying at a further education college are not normally charged tuition fees or may be entitled to a reduced fee provided they satisfy particular

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<sup>11</sup> Welsh Assembly Government (October 2009) 'Investing in Skills: Sector Priorities Funding, Fees Policy and Financial Support for Learners' Consultation Document

<sup>12</sup> Welsh Assembly Government (2010) 'Response to a consultation on Investing in Skills Sector Priorities Funding, Fees Policy and Financial Support for Learners' Page 4

<sup>13</sup> Ibid, p. 29

<sup>14</sup> Ibid, p. 29

criteria e.g. are from low income families, or receive benefits. Part-time students aged 19 and over are typically charged tuition fees however they may be entitled to reduced fees provided they are from low income families or are receiving benefits<sup>15</sup>.

3.17 In July 2011, Estyn<sup>16</sup> published a thematic report on the achievement of learners in further education from deprived backgrounds<sup>17</sup>. The report recommended that the Welsh Government continue to support learners from deprived areas financially as this support was important in enabling such learners to complete their education or training. It also recommended that providers should ensure that learners from deprived areas became aware of the support and financial assistance available to them before they applied for programmes, that they should provide learners with easier on-line access to information on their attendance, punctuality and performance (which determines whether payments are withheld) as well as making sure that the performance of learners from deprived areas was reported within providers' self-assessment reports.

3.18 Estyn has also underlined the link between poverty and low educational attainment, stating, for instance in its annual report for 2010-11<sup>18</sup> that students from poorer families are more likely to attain at lower levels than other students. In its latest annual report<sup>19</sup> Estyn stated that the ALG (FE) was one financial measure available to support students financially within further education. However the report does not provide any feedback on the experiences of ALG (FE) recipients concerning how instrumental the funding has been to their decisions to attend college,

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<sup>15</sup> <http://gov.wales/topics/educationandskills/learningproviders/fesupport/?lang=en>

<sup>16</sup> The education and training inspectorate for Wales.

<sup>17</sup> Estyn (July 2011) 'The impact of deprivation on learners' attainment in further education and work-based learning' available at:

<http://www.estyn.gov.uk/english/docViewer/203630.7/the-impact-of-deprivation-on-learners-attainment-in-further-education-and-work-based-learning-july-2011/?navmap=30,163>,

<sup>18</sup> Estyn (2012) 'The Annual Report of Her Majesty's Chief Inspector of Education and Training in Wales 2010-2011' available at <http://www.estyn.gov.uk/english/news/annual-report-of-her-majestys-chief-inspector-of-education-and-training-in-wales-2010-2011/>

<sup>19</sup> Estyn (2013) 'The Annual Report of HM Chief Inspector of Education and Training in Wales 2012-13) available at <http://www.estyn.gov.uk/english/annual-report/annual-report-2012-2013/>

how the funds were being used and what difference the funding was making to their financial standing.

3.19 Finally in terms of setting the context for this study it is important to consider some of the key findings presented in a recent NUS Wales survey of students<sup>20</sup>. The survey found that adults aged 19 and over in further education were more likely than some groups, notably students aged 18 – 21 in higher education, to be under particular financial strain. The study also found that adult FE learners (aged 19+) were the most likely of all students (i.e. across FE and HE) to have seriously considered leaving their course, with financial difficulties being cited as the most important reason for having done so (albeit that this was also the most important reason cited by all students who seriously considered leaving their course). Over two-thirds of 19+ FE respondents to the survey agreed with a statement that they regularly worried about not having enough money to meet their basic living expenses such as rent and utility bills, while only three in ten 19+ FE respondents agreed with the statement that they were able to concentrate on their studies without worrying about finances. Finally the survey also found a strong correlation between high course costs and low student wellbeing.

3.20 It is also worth noting that two motions relating to adult learners' funding were tabled by two college Students' Unions and passed at the National Union of Students' Wales Conference held during March 2014<sup>21</sup>. One motion (proposed by Coleg Sir Gar Students' Union) resolved to 'lobby the Welsh Assembly to ensure they understand the difficult and untenable positions of many existing and potential mature and/or part-time students'. The second motion (proposed by Cambria College Students' Union) requested that the Conference resolve to work with the SLC and Welsh Government to develop a FE funding structure in Wales

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<sup>20</sup> National Union of Students (NUS) Wales (2014) 'Pound in your pocket'

<sup>21</sup> <http://nuswalesconference.nusconnect.org.uk/articles/motions-at-nus-wales-conference-2014> Accessed 14 October 2014



which mirrored the Advanced Learning Loan in England<sup>22</sup> and, to an extent, the HE funding structure in general. The motion made the case that the ALG (FE) Scheme was 'not fit for purpose' in that the funding provided was not sufficient to support an independent student which meant that many were being 'priced out of being able to return to or continue their education'<sup>23</sup>.

### **ALG (FE) Take Up in Wales**

3.21 As is shown in Table 3.2 below the number of learners benefiting from the ALG (FE) Scheme increased steadily from 2005/06<sup>24</sup> peaking at 7,825 during 2011/12. However, the number of learners supported during the last academic year (2012/13) dropped slightly to 7,525.

3.22 The number of ALG (FE) applicants has followed a similar pattern – peaking during 2011/12 at 8,885 and falling to 8,680 during 2012/13. This increase must be considered within the context of overall declining learner numbers participating in post-16 learning over the same duration<sup>25</sup>. Application approval rates have increased modestly over the last few years (from 77 per cent during 2006/07 to 87 per cent during 2012/13) with the effect of the recession possibly accounting for an increasing number of eligible learners over this duration as household income and employment levels generally fell.

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<sup>22</sup> A loan fund for English domiciled students aged 24 or older to help with meeting the fees charged for a college or training course at Level 3 or 4.

<sup>23</sup> <http://www.nusconnect.org.uk/news/article/wales/Motions-at-NUS-Wales-conference-2014/>  
Accessed 14 October 2014

<sup>24</sup> The eligibility change introduced from 2006/07 onwards (when 18 year old students became ineligible for support) makes it difficult to make any direct comparisons with take up data before 2006/07.

<sup>25</sup> For example the total number of post-16 learners dropped by nearly 32,000 between 2007/08 (238,505) and 2009/10 (206,890). See <https://stats.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Further-Education-and-Work-Based-Learning/Standardised-Participation-Rates/Participation-by-LearnerCohort-LocalAuthority-Measure>

**Table 3.2: ALG (FE) applications by academic year (Numbers and proportions)**

Year	All ALG (FE) Applications (Nos)	Successful ALG (FE) Applications (Nos)	Successful ALG (FE) Applications as proportion of all (%)
2006/07	6,120	4,730	77%
2007/08	6,340	5,135	81%
2008/09	6,685	5,250	79%
2009/10	8,170	6,550	80%
2010/11	8,665	7,330	85%
2011/12	8,885	7,825	88%
2012/13	8,680	7,525	87%

Source: Welsh Government StatsWales<sup>26</sup> ALG (FE) Applications by LEA, academic year, mode of study and outcome of application

3.23 Table 3.3 shows the large majority of ALG (FE) recipients, at 87 per cent during 2012/13, are full-time students whilst 12 per cent are part-time students<sup>27</sup>, albeit that part-time students as a proportion of those in receipt of the funding has increased slightly over time.

<sup>26</sup> <https://statswales.wales.gov.uk/Catalogue/Education-and-Skills/Post-16-Education-and-Training/Student-Support/Assembly-Learning-Grants-Further-Education/ALGApplications-by-LEA-AcademicYear-Mode-Outcome> Accessed 19 September 2014

<sup>27</sup> The status of 1 per cent of those on the database is unknown.

**Table 3.3: Successful ALG (FE) Application by mode of study  
(Numbers and proportions)**

Year	Full-time (%)	Part-time (%)	Unknown (%)	Total (Nos)
2006/07	90%	9%	1%	4,730
2007/08	88%	10%	2%	5,135
2008/09	87%	9%	4%	5,250
2009/10	85%	9%	6%	6,550
2010/11	85%	8%	6%	7,330
2011/12	85%	10%	5%	7,825
2012/13	87%	12%	1%	7,525

Source: Welsh Government StatsWales Approved applications for ALG (FE) by gender, learning, centre type and type of award

3.24 Focusing upon age, Table 3.4 shows that over the last few years on average over half of all ALG (FE) recipients have been aged between 22 and 49 years old whilst 19 year olds have consistently accounted for just over a fifth. Further analysis (not shown in Table 3.4) suggests a significant difference between full-time and part-time ALG (FE) recipients: as a proportion of all part-time ALG (FE) recipients those aged between 22 and 49 years of age have regularly accounted for around 70 per cent of this cohort whilst part-time students aged 19 and 20 have only accounted for a very small proportion, for example at 8 per cent and 5 per cent respectively of the 910 part-time ALG (FE) recipients during 2012/13.

**Table 3.4: Successful ALG (FE) applications by age and academic year<sup>28</sup> (Numbers and proportions)**

Year	19 (%)	20 (%)	21 (%)	22 to 49 (%)	50 and over (%)	Total (Nos)
2009/10	21%	11%	8%	58%	2%	6,135
2010/11	21%	11%	8%	58%	2%	6,875
2011/12	21%	11%	8%	56%	2%	7,430
2012/13	21%	12%	8%	56%	3%	7,445

Source: Welsh Government First Release 'Assembly Learning Grants Awarded to Welsh Domiciled Students in Further Education, 2012/13' (October 2013)

3.25 Table 3.5 shows that the vast majority of ALG (FE) recipients during 2013/14 academic year were from households with a residual income of £6,120 or less, thus qualifying for the full grant of £1,500 for full-time and £750 for part-time learners. These proportions have remained fairly stable since 2008/09 – for instance during the previous academic year 81 per cent of successful full-time applications and 85 per cent of successful part-time applications received for 2012/13 were from students with a residual income of £6,120 or less<sup>29</sup>.

<sup>28</sup> The table does not show the very small number of students whose ages were not known.

<sup>29</sup> Welsh Government 'First Release – Assembly Learning Grants Awarded to Welsh Domiciled Students in Further Education, 2012/13) 24 October 2013.

**Table 3.5: Successful ALG (FE) Applications by residual income (2013/14) (Numbers and proportions)**

Mode of Study	Household Income			Total number of awards
	£0-£6,120	£6,121-£12,235	£12,236-£18,370	
Full-time	80%	12%	8%	6,540
Part-time <sup>30</sup>	83%	11%	7%	900
Unknown <sup>31</sup>	74%	13%	13%	80
All	80%	12%	8%	7,515 <sup>32</sup>

Source: StatsWales Successful applications for Further Education Assembly Learning Grants by mode of study, residual income, academic year and measure

3.26 It is worth considering this data and the take up rate of the ALG (FE) Scheme more generally within the context of household incomes across Wales. Whilst it is important to stress the limitations of using household incomes to make like for like comparisons,<sup>33</sup> the data available via the Family Resources Survey suggests that 28 per cent of all households in Wales have a weekly income of below £300 (equivalent to £15,600 per annum) and that 42 per cent have a weekly income below £400<sup>34</sup> (£20,800 per annum) - a much higher rate than the 4 per cent take up of ALG (FE). In order to qualify for ALG (FE) a household income would have to be below £353 a week<sup>35</sup>.

3.27 Furthermore nearly all ALG (FE) recipients study at an institution in Wales – for instance 99 per cent or 7,470 of 7,525 ALG (FE) recipients

<sup>30</sup> Due to rounding total proportion does not tally to 100%

<sup>31</sup> It is understood from the SLC that the status of a small number of successful applications was unknown as information relating to course and mode of study had not been submitted by learning centres in time.

<sup>32</sup> Figures are rounded to the nearest 5 therefore the sum of the column does not add to the total figure given.

<sup>33</sup> These limitations include (a) household income surveys typically considers income from all sources (such as interest on savings and investments); (b) it is not possible to source household income data for working age households only in Wales and (c) the sample sizes usually achieved in Wales are fairly small.

<sup>34</sup> Department for Work and Pensions (July 2014) Family Resources Survey 2012 to 2013

<sup>35</sup> Calculated using the highest annual ALG (FE) household income threshold of £18,370 over a 52 week period.

in 2012/13 were studying at an institution in Wales, with most of the remaining one per cent at in England .

3.28 Turning to explore the take-up of ALG (FE) by local authority, Table 3.6 shows that the highest rate of take-up was across Cardiff (at 7 per cent) followed by Rhondda Cynon Taf (at 6 per cent) – compared with the Welsh average take up of 4 per cent<sup>36</sup>. The highest numbers of ALG (FE) awards was also found across these two local authority areas. The lowest rate of take up, at 2 per cent, was found across the counties of Monmouthshire and Pembrokeshire. Monmouthshire also accounted for the lowest number of ALG (FE) awards made (at 95 during 2011/12) followed by the three counties of Isle of Anglesey, Ceredigion and Merthyr Tydfil (at 140 each). Broadly, these findings are what might be expected given the relative size by population and the relative incidence of low household incomes in different parts of Wales.

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<sup>36</sup> The most recent data on student numbers by local authority area available via StatsWales is for 2011/12. To enable a fair comparison the take up of ALG (FE) by local authority during the same year has been considered in this section.

**Table 3.6: ALG (FE) recipients by local authority (Numbers and Proportions)**

County	ALG (FE) Awards 2011/12	All 19+ students 2011/12	Awards as % of all 19+ students
Isle of Anglesey	140	4,490	3%
Gwynedd	255	7,640	3%
Conwy	345	8,875	4%
Denbighshire	335	7,330	5%
Flintshire	435	11,040	4%
Wrexham	325	8,910	4%
Powys	210	6,760	3%
Ceredigion	140	3,035	5%
Pembrokeshire	165	8,420	2%
Carmarthenshire	370	8,790	4%
Swansea	555	12,505	4%
Neath Port Talbot	350	7,745	5%
Bridgend	325	7,975	4%
The Vale of Glamorgan	300	7,635	4%
Cardiff	1,260	18,800	7%
Rhondda Cynon Taf	855	13,580	6%
Merthyr Tydfil	140	2,835	5%
Caerphilly	430	11,630	4%
Blaenau Gwent	255	4,795	5%
Torfaen	195	7,795	3%
Monmouthshire	95	4,600	3%
Newport	325	8,715	4%
Unknown	15	n/a	n/a
All	7,825	183,900	4%

Source: Welsh Government StatsWales Successful AGL (FE) applications by local authority and mode of study.

3.29 As is shown in Table 3.7 nearly women accounted for nearly two-thirds of all ALG (FE) successful applicants during 2013/14. Interestingly men were slightly more likely than women to be studying on a full time basis whilst in receipt of ALG (FE) support (at 91 per cent compared with 85 per cent of women).

**Table 3.7: Successful ALG (FE) applications by gender and mode of study (Numbers and Proportions 2013/14)**

Gender	Full time	Part time	Unknown	Total
Female	85%	14%	1%	4,745
Male	91%	8%	1%	2,770
Total	87%	12%	1%	7,515

Source: Welsh Government StatsWales Successful ALG FE Applications by gender and Mode of Study 2013/14 (Figures as at 31 July 2014)

### **ALG (FE) Spend in Wales**

3.30 £8.2 million was spent on ALG (FE) recipients during the last academic year (2012/13), which equated to £1,094 per learner. Spend per learner has dropped slightly over the last seven year period, as shown in Table 3.8:

**Table 3.8: Annual ALG (FE) Spend**

Financial Year	Funding Amount	Average Cost per Award
2006/07	£5.438m	£1,150
2007/08	£5.702m	£1,110
2008/09	£5.801m	£1,105
2009/10	£6.956m	£1,062
2010/11	£7.679m	£1,048
2011/12	£8.326m	£1,064
2012/13	£8.235m	£1,094

Source: Welsh Government based upon ALG (FE) awards paid by financial year.



## Delivery Model

3.31 The administration of the ALG (FE) Scheme is delegated to the Student Loans Company (SLC) via an annual Notice of Appointment with a service level agreement (SLA) agreed between the SLC and the Welsh Government and which covers both higher and further education products. The SLA outlines the responsibilities of both the Welsh Government and the SLC. Amongst the responsibilities relating to the ALG (FE) Scheme assigned to the SLC are:

- Producing application packs, including forms and guidance notes and distributing them to learning centres;
- Producing various marketing materials and maintaining a customer website and customer phone line service;
- Delivering annual seminars for learning centre administrators and general provision of information and training to these administrators;
- The accurate checking, assessing and awarding of applications;
- Issuing termly payments to eligible students;
- Maintaining appropriate IT and business related processes for the monitoring of payments and preparation of management information.

3.32 Students apply directly to the SLC for support from the ALG (FE) Scheme using a standard application form which can be accessed directly from Student Finance Wales<sup>37</sup> or made available via individual colleges. Together with the application form, applicants are required to submit original documentation (as opposed to photocopied documents) to evidence their identity and validate their income details.

3.33 Students who are awarded an ALG (FE) grant enter into a Learning Grant Agreement with their college and this sets out what learners need to achieve, including satisfactory attendance and learning progression in

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<sup>37</sup> <http://www.studentfinancewales.co.uk/fe>

order to receive payment of their termly awards. The ALG (FE) grant is paid directly to recipients on a termly basis by the SLC. Students studying a three term course receive 40 per cent of the grant during the first term and 30 per cent thereafter during the second and third terms. Students studying a two term course receive their grant payment in two equal instalments whilst those studying a one term course receive a single payment for the full grant amount. Learning centres are responsible for establishing and maintaining appropriate monitoring processes, confirming attendance and undertaking attendance monitoring activity.

## 4 FINANCIAL SUPPORT FOR ADULT LEARNERS IN THE UK

### Introduction

- 4.1 This section considers the current and recent provision of financial support to adult learners (aged 19 and over) undertaking further education across the UK. It is important to stress at the outset, that by comparison with the situation pertaining to those aged between 16 and 19, the systems in different parts of the UK are more diverse, with significantly less evaluation evidence available relating to the effectiveness of the different elements of support.
- 4.2 We consider in turn the situation in England (4.3 – 4.14), Scotland (4.15 – 4.24) and Northern Ireland (4.25 – 4.32).

### England

- 4.3 Prior to the change of UK Government in 2010, the main form of financial support for adult learners in England was the Adult Learning Grant (ALG). This was first introduced by the Learning and Skills Council<sup>38</sup> as a pilot in ten areas in September 2003 and rolled out nationally between 2004/5 and 2007/8. It was modelled very closely on the EMA, with learners from low income households being eligible for payments of £10, £20 or £30 per week depending on the level of household income. However, only those studying full-time for their first full Level 2 or Level 3 qualification were eligible<sup>39</sup>. By 2008/9, ALG was benefiting 30,400 learners<sup>40</sup>. However, it is important to note that receipt

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<sup>38</sup> A former Non-Departmental Public Body of the UK Government.

<sup>39</sup> Evaluation of the Adult Learning Grant Cohort 2 (Wave 1). Centre for Research in Social Policy (CRISP) and National Centre for Social Research (NatCen) for the Department for Education and Skills and the Learning and Skills Council (October 2006) p. 1

<sup>40</sup> Understanding the Impact of the Adult Learning Grant 2010. IFF Research for the Young People's Learning Agency (November 2010) p. 6

of ALG did not necessarily confer fee-remission, with this depending on local policy<sup>41</sup>.

4.4 ALG was subject to fairly extensive evaluation over its lifetime, though with less attempt at using control group approaches than with EMA. The evaluations suggested:

- ALG recipients were overwhelmingly younger (24 and under), with around a quarter having 'graduated' from EMA<sup>42 43</sup>;
- ALG succeeded in reaching relatively deprived parts of the community, with strong representation of ethnic minority learners, those with a long-standing illness or disability and individuals whose parents had left school at 16 or younger<sup>44</sup>;
- Learners were strongly motivated by the prospect of improving their future career prospects<sup>45</sup>;
- Most learners only found out about ALG after they had decided to go ahead with their course, which by definition meant that in many cases it did not motivate learners to undertake learning which they would not otherwise have done<sup>46</sup>;
- However, for a relatively small minority (estimated at between 7 – 11 per cent in the first pilots<sup>47</sup> and 13 per cent by the time of the last evaluation<sup>48</sup>) the availability of ALG was crucial to the decision to enrol, while as many of a third of the learners suggested that the availability of (and rules surrounding) ALG influenced their decision to study full-time<sup>49</sup>, with a similar proportion saying it had contributed to their decision to study for a full qualification, rather than a modules or units<sup>50</sup>;

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<sup>41</sup> CRISP and NatCen (2006) p. vii

<sup>42</sup> IFF (2010), p. 2

<sup>43</sup> CRISP and NatCen (2006) p. 11: it is important to note that until September 2006, only those aged between 19 and 30 were eligible for ALG for a Level 3 qualification.

<sup>44</sup> *Ibid.*, p. v

<sup>45</sup> *Ibid.*, p. vii

<sup>46</sup> IFF (2010), p. 3

<sup>47</sup> CRISP and NatCen (2006) p. iv

<sup>48</sup> IFF (2010) p. 3

<sup>49</sup> *Ibid.*, p. 4

<sup>50</sup> *Ibid.*

- Even so, a substantial proportion of ALG recipients undertook paid work at the same time as studying on a full-time basis<sup>51</sup>;
- If additionality was relatively limited in terms of participation, there was stronger evidence of ALG supporting retention, with just under a fifth of pilot area survey respondents reporting that they would have dropped out without ALG<sup>52</sup> and with administrative data showing significantly higher completion rates for ALG recipients than for all adults studying Level 2 or Level 3 courses (89per cent compared to 76 per cent in 2008/9<sup>53</sup>);
- ALG learners also were much more likely to achieve qualifications than Level 2 and 3 learners in general, with the impact being particularly pronounced at Level 2, where a study by IFF found that 81per cent of Level 2 learning aims were achieved by ALG learners compared to 56 per cent of all Level 2 learning aims<sup>54</sup>;
- Learning providers were strongly of the view that ALG had a positive impact on increasing participation and improving attendance, retention and attainment<sup>55</sup> ;
- With a majority of ALG recipients living at a parental home, around 70 per cent of recipients said that ALG was used for books and course-related costs and course-related travel, with around two-fifths reporting it being used for bills and for leisure activities and around a fifth for rent or a mortgage<sup>56</sup>.

4.5 ALG was deployed in parallel with the Further Education Discretionary Fund, which was similar in form to the Financial Contingency Fund in Wales<sup>57</sup>, with some learners accessing both forms of support<sup>58</sup>.

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<sup>51</sup> Ibid., p.3 and CRISP and NatCen (2006) p. v: it is interesting that the proportion working part-time while studying was 59 per cent in the 2006 study and 40 per cent in the 2010 study, probably reflecting the much more difficult labour market situation in 2010.

<sup>52</sup> Ibid.

<sup>53</sup> Ibid.

<sup>54</sup> Ibid., p.4

<sup>55</sup> Ibid., p.5

<sup>56</sup> CRISP and NatCen (2006) p. viii

<sup>57</sup> Skills Funding Agency (SFA): Adult Learner Support 2011/12 (May 2011) p. 1

<sup>58</sup> IFF (2010) p. 3

- 4.6 Following the election of the new coalition UK Government in 2010 – and the decision to withdraw EMA – the Secretary of State for Business, Innovation and Skills decided to merge the budget for the Discretionary Fund and ALG into a new 19+ Discretionary Learner Support Fund (DLS) and to devolve management of the entire fund to providers, with allocations initially determined by the number of ALG learners in 2009/10<sup>59</sup>. The aim was to create ‘a fund which is better targeted and focuses on those individuals who are financially disadvantaged and in need of support for childcare, transport, books, equipment and other ad-hoc essentials whilst in learning. The fund will align to the priorities for funding or groups to receive remission’<sup>60</sup>.
- 4.7 However, in contrast to the changes to learner support for 16 – 19 year olds, these changes were not explicitly framed within a strategy to reduce costs: the total budget for the DLS in its first year – at £96 million – was broadly equivalent to the two predecessor funds at the same level, while the overall budget for adult learner support increased from 2010/11 on<sup>61</sup>.
- 4.8 DLS funds are divided into three budget headings, though providers have freedom to vire between them:
- Hardship funding for those aged 19 and above ‘to support vulnerable and disadvantaged learners and to remove barriers to education and transport’. Payments may cover ‘course-related costs; support with domestic emergencies and emergency accommodation; learner transport costs; examination fees; accreditation fees; registration fees; and support provided by others’<sup>62</sup>;

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<sup>59</sup> SFA (2011) p. 1

<sup>60</sup> Ibid.

<sup>61</sup> SFA (2011) p. 2

<sup>62</sup> SFA: Funding Rules, 2014 – 2015 v.2 (May 2014) p.87

- Childcare for those aged 20+<sup>63</sup>, with funds focused on supporting 'learners who are at risk of not starting learning or not continuing learning as a result of difficulty getting childcare'. This element of the package can only provide payment of the costs of registered childcare<sup>64</sup>;
- Residential funding of up to £4,079 if studying in London and £3,458 if studying outside London (at a college in England) 'to support learners receiving specialist learning provision which involves a residential element or..., who cannot receive provision locally'<sup>65</sup>.

4.9 Providers can use up to 5 per cent of the total budget to cover administrative costs. In 2011/12, the childcare strand accounted for some £42 million of expenditure, the hardship strand for £59.6 million and the residential strand for £1.7 million<sup>66</sup>.

4.10 In addition to the DLS, providers also receive funding for a '24+ Advanced Learning Loans Bursary Fund'<sup>67</sup>. In practice, this Fund operates in a broadly similar way to the DLS, and providers can vire money between the funds: indeed, at the level of the individual provider the two funds may well be integrated seamlessly. However, the funds are allocated in proportion to the overall number of self-financing students accessing Advanced Learning Loans to cover their tuition fees, in order to ensure that providers who are successful in recruiting such learners do not find their DLS under increased pressure as a result.

4.11 The existence of this Bursary Fund reflects important changes which have been introduced to the structure of fee support for further education in England since 2010. A system of Advanced Learning Loans was introduced from August 2013 for learners aged 24 and above to meet the up-front fees charged by providers for Level 3 and Level 4 courses,

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<sup>63</sup> The Care to Learn Scheme funds childcare for students in financial need in further education up to the age of 20

<sup>64</sup> *Ibid.*, p.87-88

<sup>65</sup> *Ibid.*, p. 88

<sup>66</sup> Review of the Adult Discretionary Learner Support Fund for the Further Education Sector. Ecorys for the Department of Business, Innovation and Skills (September 2013) p.6

<sup>67</sup> *Ibid.*, p.100

which are no longer supported by government funding<sup>68</sup>. This reflects the relatively limited funding available to FEIs and other learning providers in respect of those aged 19 and above, with the UK Government:

- Fully funding only a limited range of courses, notably English and Maths 'for those with an identified need up to and including GCSE';
- Traineeships to help progression to Apprenticeships (for 16 – 23 year olds only); qualifications and units up to and including Level 2 to help unemployed adults into work; qualifications and units up to and including Level 3 to help unemployed 19-23 year olds only into work; entry level and level 1 qualifications and first full Level 2 and Level 3 qualifications for 19 – 23 year olds only;
- 'Sharing responsibility' (with individuals and employers) for learners aged 19 and over doing entry level, Level 1 and Level 2 courses which do not qualify for full funding and Level 3 and 4 qualifications which do not qualify for full funding in the case of 19 – 23 year olds only;
- Providing no funding to providers in respect of other learners who do not qualify for full funding or shared responsibility.

4.12 Although providers have been given considerable flexibility in terms of viring money between different budgets within the overall package of support for 19+ Learners, they are not allowed to transfer any resources between these budgets and the 16 – 19 Bursary Fund<sup>69</sup>, because the two Funds are provided by different government departments<sup>70</sup>.

4.13 An initial review of the new DLS was undertaken by Ecorys in 2013. It concluded:

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<sup>68</sup> Skills Funding Statement, 2013 – 2016. Department for Business Innovation and Skills (February 2014) p. 16-17

<sup>69</sup> A Fund administered by learning providers on a discretionary basis and introduced at the time that EMA was abolished in England.

<sup>70</sup> SFA (2014) p.85



- The DLS was widely valued by providers and stakeholders, who saw it as in many cases ‘a vital source of financial support for disadvantaged adult learners’<sup>71</sup>;
- The vast majority of providers strongly appreciated the flexible and discretionary nature of the fund and identified no fundamental weaknesses in the approach<sup>72</sup>;
- Most providers used household income as the key criterion for eligibility, but levels varied significantly, from around £12,400 for those living independently to around £30k. In most cases, the level was set at around £15 - £16k<sup>73</sup>;
- ‘There was no evidence to suggest that the merger of the Adult Learning Grant with the DLS budget had impacted on learners or changed the profile of the learners accessing DLS’<sup>74</sup>;
- Almost two-thirds of learners knew they would be able to receive support before they applied for the course (suggesting higher levels of awareness than for ALG), with half being informed of the support they would receive before registration<sup>75</sup>;
- 72 per cent of survey respondents reported that they had received help with fees, while around a quarter had received help with childcare or with travel. Other forms of assistance were accessed by far lower proportions<sup>76</sup> but the vast majority of those interviewed thought that the support had been sufficient to meet their needs<sup>77</sup>;
- Levels of deadweight seemed lower than for ALG, with only 21 per cent of recipients surveyed saying they would have started the course, and 62 per cent saying they would not have, without financial support<sup>78</sup>;
- DLS was also perceived as having a significant and positive effect on retention, with 64 per cent of survey respondents saying they would not have been able to complete the course without the support<sup>79</sup>;

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<sup>71</sup> Ecorys (2013) p. 29

<sup>72</sup> *Ibid.*, pp. 31-2

<sup>73</sup> *Ibid.*, p.34

<sup>74</sup> *Ibid.*

<sup>75</sup> *Ibid.*, p.66

<sup>76</sup> *Ibid.*, p.68

<sup>77</sup> *Ibid.*, p.71

<sup>78</sup> *Ibid.*, p.72

- However, there were very significant underspends, particularly in respect of childcare<sup>80</sup>;
- There was a strong case for continuing with the scheme<sup>81</sup>.

4.14 On this basis, the reform is regarded as having been successful in increasing the effectiveness of funding for adult learner support by reducing deadweight and increasing flexibility<sup>82</sup>. It is understood that the Government is not proposing to make any further major changes to the scheme before the UK General Election.

### **Support for Adult Learners in Scotland**

4.15 Scotland appears to have the most generous system of support for adult learners within the UK. Total spend on student support in FE within the 2012/13 financial year was £97 million, a sharp increase on the previous year when spend was £86 million<sup>83</sup>, though this includes some support for students aged below 18.

4.16 In terms of fee remission, full-time students in further education do not have to pay fees for courses, provided they meet Scottish residency requirements<sup>84</sup>.

4.17 Further Education Bursaries are also available for students aged 18 to support 'the maintenance of the bursary-holder and of any person dependent on the holder during periods of full-time attendance and during vacations; travelling expenses, necessarily incurred in... undertaking the course of education in respect of which the bursary is

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<sup>79</sup> Ibid., p. 74

<sup>80</sup> Ibid. p. 20

<sup>81</sup> Ibid., p.11

<sup>82</sup> BIS (2014) p. 24

<sup>83</sup> SFC Corporate Publication: Annual Report and Accounts 2012/13 p.86

<sup>84</sup> Helping you meet the costs of learning and training: Your guide to funding 2012/13. Scottish Government (2012). p.11

awarded; other expenses incurred, or to be incurred by the bursary-holder in taking advantage of education facilities'<sup>85</sup>.

4.18 Maintenance payments are means-tested on a sliding scale but are relatively generous, being paid at a rate of up to £93.03 per week for those living independently and up to £73.61 per week for those living in the parental home<sup>86</sup>. For those aged 18-24, living with parents, the maximum bursary is payable where the household income is less than £24,275, but students living in households with income of less than £49,664 may receive some maintenance support<sup>87</sup>. For those living independently, full maintenance may be paid where a partner's income is less than £20,643: above this level, the partner is expected to make a financial contribution<sup>88</sup>. In all, 22,417 students received a Bursary maintenance payment in 2012/13, at a total cost of just over £54 million (equivalent to an average payment of £2,408)<sup>89</sup>.

4.19 In addition, bursary-holders may receive financial support for study costs and travel costs (and, with the agreement of the Scottish Funding Council, providers can use these funds to provide communal transport services instead<sup>90</sup>). Students who are financially responsible for other adults may also be paid a dependent allowance of £53.03 per week, though this is reduced in respect of any income which the dependent earns themselves<sup>91</sup>: no more than 30 students have benefited from this each year over recent years<sup>92</sup>.

4.20 The Bursaries are administered by individual colleges and the fund is allocated to them on a cash-limited basis which means 'students who are eligible to support from this fund are not automatically entitled to this

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<sup>85</sup> SFC Guidance: Award Assessment Guidance for FE Bursaries, Scottish Funding Council (April 2014), pp. 9-10

<sup>86</sup> *Ibid.*, p.7

<sup>87</sup> *Ibid.*, p.20

<sup>88</sup> *Ibid.*, p.21

<sup>89</sup> Information provided by the Scottish Funding Council

<sup>90</sup> *Ibid.*, p. 13

<sup>91</sup> *Ibid.*, p.10

<sup>92</sup> Information provided by the Scottish Funding Council

support<sup>93</sup>. However, colleges are strongly discouraged from varying the rates of maintenance support paid to individual students from those contained in the Guidance: in an attempt to manage cost pressures, the rates were frozen for a number of years after 2010 but have been increased by a small amount in the last year.

4.21 Bursaries are subject to conditions related to compliance with the requirements of the course, conduct and progress, and, in particular, are dependent on attendance of at least 90 per cent of planned classroom hours<sup>94</sup>. Individuals are only eligible if they have not previously received bursaries for maintenance, study or travel costs (unless this was in respect of a course which enabled them to progress to the current course) and if they do not already have an advanced level qualification<sup>95</sup>.

4.22 FE Bursaries have not been subject to any evaluation or review since 2004, when a Review recommended a simplifying of thresholds and the use of a more consistent terminology across different schemes<sup>96</sup>.

4.23 In addition to the Bursary Scheme, colleges have access to:

- The Further Education Discretionary Fund, which colleges may use for any student over compulsory school leaving age to address hardship: this 'is primarily for emergency use' and to support students whose access or continuation in further education 'may be inhibited by financial considerations'<sup>97</sup> In all, in 2012/13 11,525 FE students benefited from the Discretionary Funds at a cost of £6.5 million (an average payment of around £560)<sup>98</sup>.
- Further and Higher Education Childcare Funds which provide a grant of up to £1,215 to all FE students who are lone parents and who have

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<sup>93</sup> Ibid., p.2

<sup>94</sup> Ibid., p.7

<sup>95</sup> SFC: Award Assessment Guidance. Scottish Funding Council (April 2014) p.2-3

<sup>96</sup> Review of Funding of Learners. Scottish Executive. (September 2004).

<sup>97</sup> SFC Guidance: National policy: further education discretionary fund Scottish Funding Council (April 2014)

<sup>98</sup> Information provided by the Scottish Funding Council.

formal registered childcare expenses while studying (through the Lone Parents Childcare Grant which is **not** discretionary) and a discretionary fund to help other students who incur costs with registered childcare and where the criteria and assessment of need are the responsibility of the college<sup>99</sup>.

4.24 Again, there have not been any recent evaluations of these schemes. A consultation exercise on the whole area of student support was however undertaken by the Scottish Funding Council in 2012/13, which suggested there was no strong drive for change from within the FE sector. It is thought unlikely there will be any significant change before the next Scottish Parliament elections.

### **Support for Adult Learners in Northern Ireland**

4.25 In Northern Ireland, students aged over 19 from low income households may be eligible for a Further Education Award. Full-time students studying for a vocational qualification do not pay tuition, registration or examination fees and are also entitled to maintenance grants towards living costs, on a means-tested basis. These are split into two bands, with a higher rate payable where the student is living away from the parents' home. Students living in households with household income of less than £21,330 are entitled to a payment of £1,674 if living at the parents' home and £2,092 if living away from the parents' home. Allowances are payable on a tapered basis for students from households where household income is less than £38,806<sup>100</sup>.

4.26 Students have to be studying an approved course at Level 3 or below, and where a course is part of their educational progression<sup>101</sup>.

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<sup>99</sup> Further & Higher Education Childcare Funds Guidance Academic Year 2014/15, Student Awards Agency for Scotland and Scottish Funding Council, May 2014

<sup>100</sup> Circular Number FE (J)5/13) Further Education Awards 2013/14. Department for Employment and Learning. (May 2013). p. 4

<sup>101</sup> Ibid., p.3

- 4.27 Students following substantial part-time courses (ones which take no longer than twice the time which would be taken to complete the equivalent full-time course, or where no equivalent exists, which involve at least eight hours of teaching and/or compulsory placements per week) may be entitled to the payment of fees (up to a maximum of £465) and a course grant for books and stationery (up to a maximum of £265). Awards are available to those from households where the household income is below £25,000, with the maximum awards only applying to those with a household income of less than £15,000<sup>102</sup>.
- 4.28 In addition, full and part-time students from low-income households with dependent children in registered or approved childcare may receive childcare support. This can cover up to 100 per cent of actual childcare costs, up to a maximum of £130 per week for one child and £220 per week for two or more children for full-time students and £65 per week and £110 per week respectively for part-time students<sup>103</sup>. This support is means-tested, using the same bands as for maintenance grant (in other words, with the maxima being provided where household income is less than £21,330 and no awards being provided where household income is above £38,806<sup>104</sup>.
- 4.29 The FE Awards are administered by the Western Education and Library Board (WELB) on behalf of the Department for Education and Learning<sup>105</sup>.
- 4.30 In addition, further support for adult learners is available through the Further Education Hardship Funds, which (in line with the Financial Contingency Fund in Wales) are available to 'help students who are inhibited by financial considerations from accessing and participating in further education. They may also give financial help to those who, for whatever reason including physical or other disabilities face financial

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<sup>102</sup> Ibid., pp. 4-5

<sup>103</sup> Ibid. p.5

<sup>104</sup> Ibid., p.6

<sup>105</sup> Ibid., p. 1

difficulties<sup>106</sup>. The aim is to increase access, retention and achievement for those learners experiencing exception financial difficulty with meeting costs associated with learning<sup>107</sup>.

4.31 Each institution sets its own rules and criteria and funds are discretionary and cash-limited<sup>108</sup>.

4.32 No evaluations appear to be extant in respect of either the FE Awards or the FE Hardship Awards.

## **Conclusion**

4.33 Both Scotland and Northern Ireland operate systems of support for learners aged 19 and above which are broadly analogous to those in Wales, involving a combination of means-tested support based on household income and Discretionary Funds to deal with cases of hardship. In both cases, however, the thresholds for household income below which students can benefit from some support are significantly higher than in Wales and the scale of the grants larger (significantly so in the case of Scotland) than in Wales. As a result, the costs of the student support system in Scotland at least would appear to be very significantly higher than in Wales, with more than £54 million spent on maintenance bursaries in 2012/3<sup>109</sup> compared to the £8.2 million budget for ALG (FE).

4.34 In England, by contrast, the coalition UK Government has abolished the Adult Learning Grant and has instead consolidated funding for student support for older learners in a Discretionary Learner Support Fund, which is devolved to providers, while maintaining the level of overall funding at around the same level of between £90 and £100 million per annum. On the basis of early evaluation evidence, the UK Government believes this has increased the effectiveness of the funding. At the same time, a system of Adult Learner Loans and an associated Bursary Fund

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<sup>106</sup> See: <http://www.nidirect.gov.uk/discretionary-support-funds>

<sup>107</sup> Circular Number FE(06)/13: Hardship Fund (Discretionary) 2013/14, Department for Education and Learning (DEL) (May 2013) p.6

<sup>108</sup> <http://www.nidirect.gov.uk/discretionary-support-funds>

<sup>109</sup> Figures provided by the Scottish Funding Council

has been introduced to support learners undertaking provision at level 3 and 4, which is no longer supported by Government funding.



## **5 RATIONALE AND NEED**

### **Introduction**

5.1 In this section we discuss the findings of our fieldwork in terms of contributors' views about the need for the ALG (FE) and the fit of the Scheme with Welsh Government policy as well as other statutory and discretionary schemes, before considering the impact of changes to the Scheme in Wales.

### **Need for the ALG (FE) Scheme**

5.2 Our fieldwork with practitioners, stakeholders and students revealed a strong consensus that there was a definite need for the ALG (FE) Scheme to financially support adult learners in post-compulsory education.

5.3 It was strongly suggested by both ALG (FE) recipients and non-recipients alike that adult learners tend to have greater financial commitments than those in receipt of EMA, such as household, family and childcare related costs, and as such providing financial support was justifiable. Indeed adult students who contributed to this evaluation tended to be more vociferous about the need for ALG (FE) funds than their peers who were in receipt of EMA and were also more likely to make the case that they were struggling financially. Unlike younger students it was generally thought by all contributors that adult learners (even when living at home) were much less likely to be able to draw upon parental financial support. Similarly, it was argued that adult learners could not access subsidised or free college transport in the same way as their younger counterparts did, which meant that they were often required to make larger contributions towards transport costs than those aged 18 and under. It was also thought that adult learners tended

to incur significant childcare costs when continuing or returning to education and that the ALG (FE) funds helped in this respect.

- 5.4 Many of the students who contributed to this review noted that they had to forego other sources of income (be that benefit related income or earnings from jobs) when returning to education and that the financial support available via the ALG (FE) Scheme had been fundamental in replacing part of this income source. A small number of such students had also made significant personal sacrifices in order to undertake their courses, including selling some of their belongings. Whilst it was occasionally the case that individual students had been able to save up for returning to study, many other ALG (FE) recipients were wholly dependent upon the Scheme as a source of income, as suggested by the following contributor:

'I'd saved £5,000 from my seasonal job before I came to college ... it's only March, and even with ALG, I've got no money to my name ... it's all gone on travelling to and from college, getting lunch, college books, college uniforms'.

### **Fit with Welsh Government Policy**

- 5.5 Generally it was thought that the ALG (FE) Scheme fitted well and contributed significantly towards many Welsh Government policies such as those focused on supporting life-long learning and widening participation within education. Indeed practitioners suggested that the existence of the ALG (FE) Scheme was evidence that the Welsh Government was still committed to its learning agenda, particularly in terms of enabling adult learners to continue and return to education. One such contributor stressed the importance of the Scheme in enabling adult learners to either continue or re-enter education with the aim of developing their skills, acquiring qualifications and improving their life chances generally.

5.6 However some practitioners and stakeholders did think that Welsh Government further education policy had become more focused upon supporting younger students of late and voiced their concerns that the over 19s were being increasingly neglected as a group. It was noted by one such contributor that as a proportion of all students a much higher percentage of younger learners were being supported via the EMA Scheme compared with the ALG (FE) Scheme across Wales for example. Indeed this view was confirmed by the data available which shows that around half of all full-time students who fall within the EMA age criteria are supported by the Scheme compared with only 4 per cent of all adult learners aged 19 and over who are in receipt of ALG (FE) support.

#### **Fit with other statutory and discretionary support**

5.7 An overview of FE funding initiatives or Schemes available to all students across the FE sector is presented in Annex E of our Technical Appendix. It shows that FE students aged 19 and over in Wales have very limited funding options available to them other than the pan-Wales Financial Contingency Fund (FCF) which is available to all students regardless of age.

5.8 In terms of the coherence of the student funding system, it was suggested by several contributors that having two distinctive schemes (one – EMA – for those aged 16 – 18 and ALG (FE) for those aged 19 and above), with very different thresholds and eligibility criteria as well as different payment models, did create confusion across the student population. Practitioners in particular argued that having two schemes was particularly confusing for those students who progressed from being eligible for the EMA to the ALG (FE) Scheme. Indeed data made available by the SLC shows that over 1,300 EMA recipients per year then move on to start receiving ALG (FE) support within the next two

academic years<sup>110</sup>. Participants in our focus groups had often progressed from receiving EMA and in this context, the fact that the ALG (FE) Scheme adopts a lower household income threshold for awarding financial support meant that we encountered many examples of students who had previously received EMA support but who were deemed ineligible for ALG (FE) support. One such non-ALG recipient noted that they had previously received the EMA as well as having access to a free college bus pass, but as soon as she had turned 19 she became ineligible for both.

5.9 By far the main issue raised by all contributors related to the different household income thresholds set for the EMA and ALG (FE) Scheme. The current EMA household threshold is currently higher than the ALG (FE) threshold and stands at £20,817 or less (if the student is the only young person in the household) or £23,077 or less if there are any additional young people eligible for child benefit in the household compared with one rate of £18,370 for ALG (FE). Feedback suggested that students often failed to understand why they were ineligible for ALG (FE) having already received EMA previously and in some cases this was having a detrimental effect upon those students:

‘I often can’t afford the bus fare to college so my attendance is falling and I may fail the course because of that’.

5.10 Indeed many contributors were in agreement that the thresholds for the two schemes ought to be aligned (although there was no consensus as to the level this threshold ought to be set at) so as to offer a more equitable support package for both adult and younger students alike.

5.11 It was also the case that several contributors believed that EMA recipients were receiving a higher level of annual funding than ALG (FE) recipients. This was thought to be particularly true when considering

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<sup>110</sup> For instance 1,386 students who received EMA support during the 2012/13 academic year then received ALG (FE) support during 2013/14 or 2014/15.

those ALG (FE) recipients receiving lower payment amounts. This finding is interesting as our review of the EMA Scheme showed that on average each EMA recipient received on average £826 during 2012/13 compared with £1,090 per ALG (FE) recipient during the same academic year. Even on the basis of a full 100 per cent attendance the maximum financial allowance that EMA recipients could receive in any one academic year would be between £1,080 and £1,179<sup>111</sup>, which is lower than the maximum ALG (FE) allowance of £1,500. However it was often the case that contributors held the perception that many ALG (FE) recipients received the lower payments, frequently cited as 'being around the £500' mark. However this is in contrast to the data available, which in fact shows that some four-fifths of all ALG (FE) recipients were awarded the full £1,500 allowance during the last academic year. By way of example one practitioner noted that:

'someone on the top threshold for ALG would be getting about £450 ... and compare that with someone on EMA earning say £1,360 for the year ... and remember they could well be both in the same class'.

5.12 The other key issue raised by all contributors related to the different payment models adopted by EMA and ALG (FE) in that whilst EMA payments were made on a fortnightly basis the ALG (FE) payments were made in three termly instalments. Again this was thought to have created confusion for those students transferring from one funding scheme to another and had led to difficulties for some students in terms of adapting to the less frequent and larger sums of funds.

5.13 In terms of the fit of the ALG (FE) Scheme with that of the FCF, practitioners across several colleges argued that students frequently accessed both if students had additional costs relating to childcare or travel for example. In some institutions students had to demonstrate that they were already in receipt of ALG (FE) in order to qualify for FCF

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<sup>111</sup> SLC data suggests that an academic year is normally between 36 and 39 weeks when taking into consideration college holidays when EMA recipients do not receive payments.

support . However, in at least two colleges it was thought by practitioners and students alike that younger students were prioritised for FCF funding not least because FCF funds was used primarily to subsidise the costs of student transport in these cases given that local authorities were not providing funding for this. In another college, practitioners noted that they had stricter guidelines in place as to how the FCF funding available could be used to support ALG (FE) recipients.

5.14 Across all learning providers, our fieldwork with students suggested that while there was some link between ALG (FE) and the FCF, this was far from universal. 25 of 153 ALG (FE) recipients who participated in our focus groups had also received FCF. A similar number of ALG (FE) recipients also received other types of additional support – for instance 22 were receiving free college meals (funded via FCF) and 30 were receiving free college transport. However, over half of the ALG (FE) recipients who contributed to the study were not receiving any other additional financial support.

5.15 As was the case with our findings on the EMA Scheme, whilst it was generally accepted that the household income threshold criteria for FCF and the type of provisions which could be funded were set by each individual institution there was a general desire amongst students and practitioners for the application process for ALG (FE) and FCF to be better streamlined – with for example an application for one being automatically passported to the other (if eligible) in order to reduce the application work involved.

5.16 A few practitioners noted that ALG (FE) recipients had accessed financial support (including loan support) via the FCF Scheme to tide them over until they started to receive their ALG (FE) payments. Indeed it would appear that the two schemes complement each other in this way with the FCF being used to plug short-term voids for those students struggling until they receive their ALG (FE) payments.

## **6 ALG (FE) DESIGN AND OBJECTIVES**

### **Introduction**

6.1 In this section we explore the findings from our fieldwork in relation to the overall purpose of the ALG (FE) Scheme, before turning to discuss whether the Scheme is being used to support the right students or not. We then turn to discuss issues of eligibility and availability, the appropriateness of the grant levels and the use of the funding amongst recipients. Finally we briefly explore how the ALG (FE) Scheme is perceived by other non-recipient students.

### **Purpose of the ALG (FE)**

6.2 Some consistent messages were heard over the course of our fieldwork as to the purpose of the ALG (FE) Scheme. In the main practitioners and stakeholders agreed that the ALG (FE) Scheme was available in order to incentivise and enable people with low incomes either to stay on in education or return to education. Both sets of contributors also stressed that the ALG (FE) Scheme was there to help students cover the costs associated with attending college.

6.3 ALG (FE) recipients echoed these views adding that the purpose of the Scheme was to help pay for education related costs incurred - be that for equipment, lunch or travel costs. Many recipients also stressed that the purpose of the funding was to cover or contribute towards the general living costs of adult learners and was in this respect an enabler for students to return to education. Indeed a few students stressed that the ALG (FE) Scheme was enabling students to 'better their lives'.

## **Is the ALG (FE) being used to support the right students?**

6.4 Overall stakeholders and practitioners generally thought that the right sort of students were being supported via the ALG (FE) Scheme in that it was targeted at those on lower income who would be generally less like to participate in learning without some form of financial support. Many suggested that the Scheme was being targeted appropriately at those in greatest need although accepting of the fact that there would never be a perfect match between need and household income assessment. The majority of practitioners and stakeholders came to the conclusion that income means testing was probably as good as any approach to take across the ALG (FE) Scheme.

6.5 The difficulties associated with setting an income threshold cut-off was referred to regularly by practitioners and students alike – with several examples cited of students being just over the household income threshold and thus not qualifying for support. Those with children were thought to be most at risk of suffering adversely as a result of this ‘cliff edge’ – with several cases being reported whereby such students were reliant upon their families to care for children (whereas those in receipt of ALG (FE) could afford to pay nursery costs). It was generally accepted that by setting a household threshold as the basis for proving eligibility would always mean that:

‘there will be someone who just misses out and will be struggling’.

6.6 Several contributors suggested that the ALG (FE) Scheme was being used to support two ‘distinct’ type of student – young students (typically aged 19 and 20) who had immediately progressed from receiving EMA support and ‘older’ learners who had returned to education. It was suggested across several colleges that many of these returning adult learners were often choosing to study Access to Higher Education



courses and that offer of ALG (FE) funding was critical to their ability to return to education.

- 6.7 One issue to emerge from our fieldwork related to the perceived impact of receiving ALG (FE) support and student entitlement to other UK Government benefits (such as Housing Benefit, Tax Credits and Jobseeker's Allowance (JSA)) which they would have been receiving prior to enrolling for their education course. However practitioners suggested that the actual loss of benefits usually stemmed from students' decisions to undertake full-time study (as opposed to the receipt of ALG (FE) funds) but were nonetheless mindful that learners were concerned about the impact of receiving ALG (FE) on their benefits.
- 6.8 Many practitioners and students alike were aware of the conflict and difficulties that these issues created for many students. One of the main challenges was thought to be the different maximum weekly study hours set by various agencies responsible for awarding different benefits. Whilst practitioners noted that they have been able to reduce the weekly study requirements for such students in the past (so as to not exceed any study limits set for their particular benefit income) this was not thought to be practical in the future given the need to deliver increased study hours following the introduction of the Programme Based Curriculum<sup>112</sup>.
- 6.9 Another concern related to the potential loss of housing benefit. At least two ALG (FE) recipients had opted to study on a part-time basis in order to continue receiving their housing benefit. Another student, a non-ALG (FE) recipient, had given up on the ALG (FE) application on the basis that she thought the income would affect her housing benefit. Another practitioner cited an example of a student who had completed two years in college (funded via EMA) but having taken an ALG (FE) grant for their third year had found themselves losing their housing benefit, and

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<sup>112</sup> [http://www.colegaucymru.ac.uk/cy-GB/ariannu\\_fesul\\_rhaglen\\_llyfrynnau-523.aspx](http://www.colegaucymru.ac.uk/cy-GB/ariannu_fesul_rhaglen_llyfrynnau-523.aspx)

subsequently their home. This particular student was known to have dropped out of college as a result.

6.10 A few contributors also stressed that there was currently a lack of clarity about how the receipt of ALG (FE) funding impacted various allowances and that the guidelines set were not always clear or consistently applied across Wales. This issue was thought to put off some potential adult learners who might be concerned about losing their JSA benefits (albeit they would be technically entitled to study for 15 hours or fewer a week without losing their JSA). In particular circumstances practitioners admitted to adapting their learning programmes so that students were not required to exceed the study limits set by Jobcentre Plus and could therefore continue to receive their benefits. On a related point a few practitioners noted that as fees were frequently charged for part-time provision w, in contrast to full time provision, it very often became an unaffordable option for many of these students, potentially therefore creating a 'benefits trap'.

6.11 Some students who potentially were in need were thought to be missing out on ALG (FE) support because they:

- came from households whose income was over the eligible thresholds set;
- studied for courses with fewer than 275 study hours per year including those who were undertaking multiple courses but were only studying for 'an hour a week here, an hour a week there'.

### **Eligibility and availability**

6.12 Whilst practitioners and stakeholders acknowledged that making ALG (FE) funding available on the basis of household income assessment had its shortcomings it was felt that overall the Scheme was working and generally supported those most at need (even though it was argued that some students did miss out on support). As was the case with EMA,

many practitioners believed that there was no real alternative to the current model given that the administrative resources required to adopt an individualistic approach would be too overwhelming.

6.13 Students on the other hand were more inclined to declare their support for a more discretionary approach adding that household income alone was a very crude measure for awarding financial support and that other factors, including disposable income and actual household costs, ought to be factored in to the equation.

6.14 The key issue raised primarily by students related to the cut off age (currently set at 25) for determining whether a student lived independently or not. A number of students who contributed to the evaluation argued that this age ought to be lowered – particularly when (as is the case for almost all those in receipt of ALG (FE)) parents no longer receive any child benefit support once they turn 20. For instance one such student noted that:

‘once you’re over 20, they [parents] don’t get any benefits for you ... so it shouldn’t fall back on them.’

6.15 Indeed a strong case was made by contributing students (particularly non-recipients) for decoupling an individual students’ eligibility for ALG (FE) support from their parents’ earnings: indeed several non-recipients noted that they were missing out on support as they could not prove they were living financially independently from their parents, such as:

‘[referring to another non-recipient in the group] it should go off what she earns not what her parents earn ... she’s an adult.’

6.16 Interestingly one focus group contributor noted that once he had passed the age of 25, he had become eligible for ALG (FE) although none of his personal circumstances had changed, because he lived at home but was expected to pay rent, as he had previously done

- 6.17 A few practitioners noted that the ALG (FE) household threshold and allowance had not changed in recent years to account for inflation. In some cases it was thought that this had led to an increasing demand upon the FCF budgets allocated to individual institutions.
- 6.18 Many practitioners (and a small number of students) drew attention to the fact that the ALG (FE) funds could not be awarded to students who had already received the fund for a previous course which was at the same level of study as they were applying for support. Whilst there was some agreement in principle around this policy, in that it was encouraging students to progress to the next level, it did create some issues for a few students. For instance a small number of students explained that they had wanted to take a course at the same qualification level but felt it unfair that they were ineligible for support e.g. a student who had received ALG (FE) funding for one course in hairdressing could not access further ALG (FE) funding to complete another beauty therapy course as it was at the same level of qualification as the hairdressing one..

### **Appropriateness of allowance levels**

6.19 Mixed views were conveyed about the appropriateness of the ALG (FE) allowance levels. Some students suggested that the full £1,500 allowance was sufficient for those students without dependents and living at home:

- ‘really good ... adequate ... more than enough really.’
- ‘it covers about 80 per cent of what you need’
- ‘you make do .. you’ve got to budget it, that’s what you get and that’s that.’

6.20 However, even this maximum level of allowance was clearly inadequate for a large number of other students interviewed – particularly those who were living independently and had dependents. Several of these ALG

(FE) recipients suggested that they were financially worse off than their EMA counterparts. Respondents at one college for example were particularly vocal about the inadequate allowance levels 'for mature students £1,500 a year is not enough'.

6.21 Indeed quite a few of these students explained that they would be financially much better off on benefits in the short term (although accepting that they hoped to be financially better off in the long term as a result of securing qualifications and improving their employment prospects). This was a particular issue for those students who had to forego their benefit payments in order to return to education '[the ALG] disqualified you from some benefits and is less than you'd get on benefits'.

6.22 To add to their difficulties it was argued that living costs had risen in recent years, yet the allowance has remained the same over the same timeframe:

'the price of everything is increasing but our money isn't so we are having to go short'.

6.23 Whilst many students took the view that the ALG (FE) allowance did not stretch to cover general living costs some practitioners were of the opinion that the allowance was never intended for this purpose but rather it was available to cover the additional costs of participating in further education.

6.24 Quite a few students and practitioners suggested that a more gradual reduction in the allowance levels made available via the Scheme may be more appropriate rather than what was perceived to be a very severe drop from the maximum £1,500 rate to the next rate of £750. Interestingly some part-time students in receipt of ALG (FE) funds argued that they incurred more than half the costs of a full-time student in that they were still required to buy the same course equipment and

books, and were therefore slightly critical of the fact that they could only access just over half of the ALG (FE) allowance for full-time students.

### **Use of ALG (FE) Funds**

6.25 Feedback from ALG (FE) recipients suggests that the funds are much more of an essential contribution, rather than a 'nice to have', for the vast majority of students and are used primarily for educational related purposes and general living costs. Our focus group discussions revealed that the main use of ALG (FE) funding was for college related supplies, cited by the vast majority of contributors. This was followed by food (cited by a minority of contributors) and transport related costs (cited by a few). Only a relatively small proportion of ALG (FE) recipients reported using the funding to contribute towards household costs – for instance less than a tenth of contributors used the funding for either rent or bills. These were much more likely to be older adult learners and this group were particularly vocal about the importance of the grant in helping to meet their basic living costs.

6.26 Our interviews with previous ALG (FE) recipients showed that the vast majority – at least 22 of the 30 interviewed, considered the ALG (FE) funding to have been an essential contribution for them during their time of study. This group was most likely to have used the money for general living expenses with food and travel costs being cited most frequently.

6.27 The focus group discussions often revealed that whilst relatively few young ALG (FE) recipients were required to make regular rent payments to their parents, several were in fact required to make one-off contributions.

6.28 Feedback from practitioners suggests that the ALG (FE) funding is being used in the main for educational related purposes: many stated that students were reliant upon the funds for covering transport or fuel costs to get to college – given that they often did not benefit from subsidised or

free college transport. Some practitioners suggested that adult learners had greater upfront costs at the start of term which meant that the initial ALG (FE) injection of funds was vital. The views of one practitioner echoed the sentiments of many others:

'I think the money is well used for the Assembly Learning Grants, especially for those with families'.

6.29 Overall students who contributed to this study expressed their preference to receive financial support in the form of cash payments with no restrictions on how this funding ought to be used. This view was largely fuelled by the fact that ALG (FE) recipients thought the funds that they were receiving were being put to appropriate use and that they were 'mature' enough to manage the allowance. Having said this, a few contributors would have been happy to receive financial support in an alternative way – particularly those who tended to use their ALG (FE) allowance solely for travel costs who argued that they would have accepted free transport to college instead of the cash allowance.

### **Perceptions of the ALG (FE)**

6.30 As was the case with the EMA Scheme, our fieldwork did not encounter any element of stigmatisation in receiving the ALG (FE) allowance but rather one of jealousy amongst non-recipients. The Scheme is not as well-known as the EMA across colleges so appears not to be a topic that is discussed at length amongst the student population. It also appeared to be the case that non-ALG (FE) recipients were largely unaware of who received ALG (FE) support.

## **7 ALG (FE) ADMINISTRATION**

### **Introduction**

7.1 In this section we first discuss how the ALG (FE) has been promoted and the effectiveness of these methods, before turning to explore the ALG (FE) application process, the role of each learning centre, the use of learning agreements and the processes adopted to monitor attendance for ALG (FE) recipients.

### **ALG (FE) promotion and hearing about the Scheme**

7.2 A selection of promotional materials prepared by the Student Loans Company for the 2013/14 academic year was reviewed as part of this evaluation. These were:

- ALG (FE) Coming Soon Poster
- ALG (FE) Apply Now Poster
- ALG (FE) Apply Now Leaflet
- ALG (FE) Standard Application Form
- ALG (FE) Standard Application Guidance Notes

7.3 Our review suggests that all promotional materials have been clearly branded with both the Welsh Government and Student Finance Wales logos. The leaflet and posters have been produced bilingually and in our view the language used is as clear and accessible as possible. The information and questions presented in the application form is straight-forward with appropriate use of flowcharts, routing and symbols (including where original evidence is required to be submitted by the applicant). The section on student and parental income is possibly the most challenging to complete but we appreciate the need for SLC to collect this information.



7.4 The fieldwork revealed that a wide range of promotional and information dissemination methods were deployed by colleges to promote the ALG (FE) Scheme – with many of these methods similar to those of EMA. They included the provision of information at open days, interviews, enrolment days and start of term induction sessions. College practitioners also noted that they distribute SLC’s ALG (FE) application packs to prospective and existing students.

7.5 During our fieldwork it was common for practitioners to state that their college colleagues would routinely inform existing EMA recipients that they might qualify for ALG (FE) as they turn 19 and are no longer eligible to apply for the EMA. Indeed it was felt that this group of students were the best informed about ALG (FE) prior to enrolling on their course. One such student observed:

‘I was at the college before and received EMA ... and when I tried to apply for EMA when I came back to do the course, they said I’d have to apply for ALG’.

7.6 Several examples were identified during our fieldwork of adult learners who had come to hear about ALG (FE) at college open days or enrolment days. Indeed many practitioners stressed that the provision of information about ALG (FE) at open days or interviews was critical as prospective students were likely to focus on the costs associated with returning to study at this early stage. Practitioners in several colleges added that information and application packs for ALG (FE) were also routinely issued to prospective students when a written offer of a study place was issued to them. One such student attending our focus groups echoed this:

‘I researched it [finance] first ... on the student finance website ... to find out how I was going to be able to afford to go back’ into education.

7.7 Despite this, it seemed that only a minority of ALG (FE) recipients attending our focus groups had prior knowledge of the Scheme before enrolling on to their course. Two such contributors remarked:

- 'I'd never heard of it before [starting the course]';
- 'It's not explained very well ... so many people didn't even know they could claim it ... didn't know it existed'.

7.8 Likewise some practitioners agreed that adult learners frequently did not know about the existence of ALG (FE) before coming to college with one adding 'a lot are surprised of its existence'. Quite a few student contributors cited that they had come to hear about ALG (FE) from others on their courses 'I did not know about it until another woman said that she got it' and at least two had heard about it as a consequence of going to discuss their financial difficulties with student finance staff.

7.9 Indeed, it was noteworthy that several examples were cited by current ALG (FE) recipients, of course tutors who had been unaware of the Scheme – again raising some questions about the level of awareness of the fund across colleges more generally. One such contributor noted that:

'they [tutors] don't seem to know much about it [the ALG].'

7.10 In general, both practitioners and students thought that the EMA Scheme was being promoted more effectively and that there was greater awareness of it compared with the ALG (FE) Scheme. One adult student pointed out 'everyone knows about the EMA'. Perhaps this is not a surprising finding given that adult learners form a much smaller proportion of the overall further education student population – thus adult learner finance support messages and discussion tends to be 'under the radar' – and given that most recipients of EMA have progressed directly from school where they form a 'captive audience' for information about

the scheme, whereas potentially messages about ALG (FE) are relevant to the entire working age population.

7.11 It was also widely acknowledged that the target audience for ALG (FE) is much wider, less clearly defined and more difficult to target than potential EMA recipients. Practitioners acknowledged that their promotional efforts were largely focused on those potential adult learners who had already taken an initial step to at least enquire about further education – getting the message across to the general public who may only be thinking about returning to further education was thought to require another approach altogether and was not thought to be currently undertaken particularly effectively (if at all). Practitioners were keen to see this issue addressed in the future alongside partner organisations such as Careers Wales and Jobcentre Plus who support potential returners on a regular basis.

7.12 A number of suggestions were made by students for better promotion of ALG (FE) and these included:

- Clearer and easier to access information on college websites;
- Greater awareness of ALG (FE) amongst college tutors;
- Better advertisements on college campus (often with the same visibility as EMA) including posters, intranet, powerpoint slides in reception areas etc.

### **Application Process**

7.13 Our fieldwork found that students' experiences in completing the ALG (FE) application forms and providing the necessary original documentation to support their application had been very mixed. Some had found the application process relatively straight forward whereas others had found it frustrating, and at worst very difficult. The fieldwork suggested that college staff generally did not provide much support to

applicants completing their ALG (FE) application forms but rather directed student enquiries to Student Finance Wales.

7.14 Generally the application process which was in place for those students already in receipt of ALG (FE) and continuing with their education was thought to be good and straightforward in that these students were only required to complete a continuation form rather than a full application form for the following year.

7.15 Many students contributing to our focus groups had experienced some difficulties with the ALG (FE) application process. Indeed it was noteworthy that these difficulties were more pronounced than for the EMA application process possibly because many more learners had taken on the responsibility for completing the forms themselves, whereas EMA recipients had been more reliant upon their parents completing the necessary paperwork. At one focus group for instance ALG (FE) recipients voiced significant criticism about the terminology adopted within the forms in that they had found the questions relating to income particularly challenging. Others suggested that the application form was too 'lengthy' and 'wordy' in nature and suggested this would possibly put students off applying for support.

7.16 By far the main issue experienced by applicants, however, related to the submission of original documentation to support their application. In one particular college four of the nine ALG (FE) recipients interviewed had experienced problems submitting the correct evidence – in one case a student had not received payment until November despite having started the application process in June of that year. Several hinted at difficulties in sourcing the original documentation evidence required, for example:

'all sorts ... like the kids' birth certificates, my birth certificate, my marriage certificate ... [it was] stressful'.

- 7.17 Other applicants had incurred substantial fees in order to produce the right sort of original documentation e.g. £40 for a driving licence. Frequent examples were observed where difficulties in providing the right sort of original documentation had led to 'to-ing and fro-ing' (in one instance, up to seven or eight times) between the applicant and SLC. These issues had often led to delays in receiving the first termly payment.
- 7.18 Applicants had also been very concerned about submitting original documentation via the postal system. Indeed a small number of examples were cited whereby such original documentation had been lost in the postal system. Practitioners were particularly mindful of applicants' reluctance to send away original documentation for fear of it being lost – with parents even more reluctant to do so. It was suggested by a couple of practitioners that it would be helpful if colleges could verify original documentation and sign photocopies of these in order to avoid having to post original documentation to the SLC in the future.
- 7.19 Indeed practitioners generally agreed that the ALG (FE) application process was more challenging by comparison with the EMA Scheme due to the level of original income evidence required and also the difficulty some applicants who were under the age of 25 had in proving that they lived independently of their parents. As a result it was thought that the number of ALG (FE) application appeals made were higher than for the EMA Scheme – largely as a result of learners under the age of 25 who were still living at home finding out that they were actually ineligible for support.
- 7.20 Whilst not currently available, both students and practitioners expressed the view that they would generally welcome a move towards an on-line ALG (FE) application process.

## Role of Learning Centres

7.21 The expectations of each learning centre are outlined in the annual Guidance Notes issued by the Welsh Government. These include<sup>113</sup>:

- Promotion and awareness raising of the scheme including the distribution of application packs;
- Offer of encouragement and advice relating to the completion and return of forms;
- Provision of general advice and guidance about the scheme, including attendance rules, to students;
- Producing and confirming Learning Grant Agreements for all ALG (FE) recipients;
- Entering information about recipients on to the learning centre portal and deal with any appeals relating to course or attendance.

7.22 In comparison with the work involved with EMA, FEIs typically allocate less staffing resource to the administration of the ALG (FE) Scheme, largely due to the lower number of students involved. College practitioners noted that the workload involved was at its most intensive at the start of the academic year.

7.23 Our fieldwork revealed that the resources required on the part of learning centres to administer the ALG (FE) Scheme were generally considered to be very reasonable primarily as the number of students in receipt of support was fairly low (when compared with the EMA Scheme) at the level of each individual institution. Most institutions thought that the benefits incurred as a result of the investment in the administration of the scheme (e.g. more students on roll, increased attendance, etc.) fully justified this investment.

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<sup>113</sup> Welsh Government Student Finance Wales 'Assembly Learning Grant (Further Education) Guidance Notes Academic Year 2013/2014'

## Use of Learning Agreements

- 7.24 All learning centres are required to produce and confirm ALG (FE) learning grant agreements which are then signed by both ALG (FE) recipient students and a college representative. Whilst these learning grant agreements are required for each academic year one college practitioner noted that they insist that their ALG recipients sign learning agreements on a termly basis. Whilst this was time consuming, it was thought that it was helpful in identifying any problems at an early stage of each term.
- 7.25 In addition to the ALG learning grant agreements, colleges also often use their own agreements with students to cover their intended programme of study (often referred to as individual learning plans or agreements) against which their attainment will be measured.
- 7.26 As was the case with the EMA learning agreements put in place, practitioners argued positively about the need and potential value of the ALG learning grant agreements adding that they functioned as useful documents in communicating to students what was expected of them in terms of attendance, behaviour and code of conduct.
- 7.27 Our fieldwork however revealed that ALG (FE) recipients tended to be quite sceptical of the value of the learning grant agreements put in place. Whilst some compared them to a job contract others could not recall what had been included in the agreement and only had a vague recollection of signing it. Quite a few suggestions were offered by both practitioners and students around ways the learning grant agreements could be strengthened including the adoption of a broader set of performance measures - such as effort and academic achievement - and not just attendance requirements. Some learners thought that this might offer a fairer way of awarding payments – particularly those who had difficulties meeting the attendance requirements set by their institutions.

However not all learners thought that future learning agreements ought to contain performance related indicators adding that they could introduce a much greater degree of subjectivity on the part of their tutor and/or institution. Furthermore a number of these learners thought that allowing learning centres to adopt a greater degree of flexibility when reporting attendance offered a sensible way forward.

### **Attendance policies**

7.28 The SFW guidance stipulates that student attendance data is used as the basis of authorising ALG (FE) payments and that learning centres should adopt existing processes for the collation of that attendance data. The guidance does not stipulate what level of attendance is required in order to receive ALG (FE) payments and as a result these, rates were set by individual colleges and varied from one to another. They included:

- Two colleges which required students to maintain a 80 per cent attendance rate over the academic term;
- Another college which required students to achieve 100 per cent attendance for the first two weeks, with an average of 80 per cent over the rest of the term;
- A fourth which required 90 per cent attendance across the whole term before the college authorised the release of ALG payment.

7.29 On the whole it would seem that the attendance criteria (and its monitoring) set by individual colleges to approve ALG (FE) payments were often less demanding than those attached to the EMA Scheme. However some learning centres stated that they applied the same attendance requirements of ALG recipients as EMA recipients and all students generally.

7.30 Several colleges admitted to showing a greater degree of flexibility to adult learners, particularly those with young families, than they did for



EMA recipients. This was thought to be appropriate given the greater number of factors influencing their lives. However it was thought that this flexible approach often meant that ALG (FE) recipients had lower attendance rates than EMA recipients and some practitioners suggested that there might be a strong case for their college to adopt a stricter policy for ALG (FE).

7.31 Very mixed and contrasting views were conveyed by ALG (FE) recipients about the attendance requirements. Our fieldwork revealed that some students did not think that their college operated a clear policy in terms of the attendance rates required of them and this had led to some degree of confusion amongst some ALG (FE) recipients – with examples cited whereby students were under the impression that they needed to achieve higher attendance rates than was required or expected by college practitioners. Others believed that the college policies and procedures on attendance requirements were much too strict – particularly not being able to accommodate absenteeism relating to the care of their children for instance. Others questioned the appropriateness of adopting attendance as an indicator for awarding payment given that mature students in particular return to education on a voluntary basis. One such student added:

‘I’m here because I want to learn ... it’s [monitoring attendance for payment purposes] a bit patronising really.’

### **Monitoring attendance and authorising payments**

7.32 A few of the ALG (FE) recipients who participated in our research had experienced issues relating to the monitoring of their attendance for the purposes of authorising payments, although on the whole these issues were cited much less frequently than amongst EMA recipients. Some ALG (FE) recipients had experienced issues relating to the incorrect marking of registers by tutors and others were aware that their

attendance rate had dropped – frequently due to ill-health or due to other factors such as the need to care for an ill child.

### **ALG (FE) Payments**

7.33 A key issue raised by both students (current and previous) and practitioners was the termly payment of ALG (FE) funds. Whilst a few contributors accepted that termly payments prepared students well for adapting to a similar funding regime within higher education, the vast majority said that they would prefer to receive more regular payments – either on a monthly or fortnightly basis. Students in particular argued that monthly payments would make it easier for them to budget their finances and would also better prepare them for work and a monthly salary. It would appear that the receipt of larger termly payments caused concern for those who had previously grown accustomed to fortnightly EMA payments. One student noted that:

‘It was really hard switching from EMA to ALG ...it became harder to budget.’

7.34 This view was echoed by a practitioner:

‘We’re finding by half term some of them are coming to us ... because they’ve already spent their first £600’.

7.35 Indeed some practitioners and students were candid in admitting their concerns that the availability of a large initial payment was attracting a small number of students who were enrolling solely for the money, despite policies being put in place by SLC to recover these sorts of payments. One such student noted that:

‘When I was doing the childcare course I saw people applying for ALG, they just applied to get the funding and then they’d drop out’.

7.36 In the same way one practitioner observed:

‘the only negative thing about ALG is the amount that is paid upfront ... in many cases students get £600 within two weeks of enrolling at the college and then very often the attendance starts to go down.’

7.37 Some contributors suggested that recipients ought to be given the option of receiving payments either on a termly, monthly or fortnightly basis according to what suited them.

7.38 The other issue, raised primarily by students, related to the fact that the termly payment values did not correspond to the length of the academic terms at all. Some students questioned why they received a larger sum during the first term but smaller amounts during the second and third terms despite each term being fairly equal in length. In such cases students possibly did not appreciate that the larger first payment is provided in order to cover up front costs such as equipment, materials or books.

7.39 One final issue raised in relation to the payment of ALG (FE) was around late payments of funds. Indeed there was some evidence to suggest that a number of students had not received their first payment (for a variety of reasons) until mid-way through the autumn term – meaning that students were without funds for most of September. This had created significant issues for some recipients in terms of covering travel and other costs. One practitioner added

‘I do think that SFW is quite harsh on ALG students at the beginning’.

7.40 A number of ALG (FE) recipient focus group contributors as well as previous ALG (FE) funded students argued that there was a need for the SLC to set specific dates for releasing the funds to students as it was thought that this would help students budget their finances better. One

previous student for instance noted that this would have made it easier to manage their monthly bills. Indeed there was quite some confusion amongst students as to when they should expect to receive payments and one such contributor noted that:

‘with ALG you’re always wondering whether you’ll get it ... when you should, it’s often late’.

- 7.41 Some previous students suggested that it would have been helpful to have received text or e-mail alerts to notify them when to expect to receive their payment.

## **8 DIFFERENCE MADE**

### **Introduction**

8.1 In this section we discuss the difference the ALG (FE) Scheme has made to students' decisions to participate and enrol within post-16 education, before turning to explore the extent to which it has widened participation, improved attendance and contributed to making a difference to student completion rates, attainment and progression into higher education. It is important to stress that the evidence presented here is largely qualitative and subjective, relying on the views of students, practitioners and stakeholders.

### **Student enrolment**

8.2 Our fieldwork revealed very contrasting messages about the extent to which the possible availability of receiving the ALG (FE) funding impacted upon students' decisions to enrol on their courses. The feedback from the focus groups suggested that the funds were clearly a very critical contribution for a large number of students in that it had been a pre-requisite for their participation. A minority of students would have enrolled anyway, and these tended to be those who were not previously aware of the Scheme: as already noted, we encountered quite a high incidence of students who had not been aware of the Scheme prior to enrolling. Amongst the contrasting comments made were:

- 'I didn't know about it [ALG (FE)] when I started, so I would have started anyway without it';
- 'A big influence on my decision to come back – because I could get some funding, I could afford to come';
- 'It made no difference – the £250 is nothing really to last me a whole term'.

- 8.3 ALG (FE) recipients who participated in the focus groups were asked to indicate via a paper based questionnaire how important the support was to their decisions to enrol on the course. The vast majority thought that the possibility of receiving the ALG (FE) was either very or fairly important to their decision to enrol on their course. Around half of those in receipt of funding informed us that they would have enrolled on their course anyway whilst a large minority would not have enrolled on their course had they not received the ALG (FE) funding.
- 8.4 Our fieldwork with previous ALG (FE) recipients suggested that the majority would have enrolled anyway on their course whilst a minority would not have done so, in the absence of support. Only a few thought that whilst they would have enrolled they would have been likely to have dropped out early on had it not been for the grant support.
- 8.5 The importance attached to the ALG (FE) funds in terms of students' decisions to attend or not did vary from one college to another, with this apparently related to the extent of awareness of the scheme prior to enrolment. In two colleges a clear majority of participants in focus groups argued that they would not be in college without the funding. In contrast, in a small number of focus groups at other colleges, a significant proportion of the participants said that they had not been aware of the Scheme prior to enrolling and so would have taken a decision to return or continue in education regardless.
- 8.6 Practitioners overall took the view that the availability of the ALG (FE) funds was very important, even critical, for the majority of students taking the decision to continue or return to education. Indeed some argued that in comparison there was less 'deadweight' attached to the ALG (FE) than the EMA Scheme as there were fewer students who would be continuing in or returning to education anyway, regardless of the funding available. Their views were largely influenced by the way ALG (FE) recipients tended to be more heavily reliant upon the funds to

support their everyday living costs i.e. that it was functioning as an essential contribution rather than a 'nice to have' for a greater proportion of recipients.

- 8.7 Some practitioners, and indeed a small number of ALG (FE) recipients, were keen to stress however that the availability of ALG (FE) funding alone was not enough to persuade some students to enrol on their courses – but when offered in tandem with FCF (often to cover additional costs associated with childcare or transport) did form a powerful incentive for a small number of students to take the decision to enrol at their colleges. For instance, two students at one focus group argued that they would not have attended college without both ALG (FE) and FCF, as the FCF covered their childcare costs and amounted to much more than the ALG contribution. The same was true at another college where several ALG (FE) recipients had accessed FCF funding to cover a large proportion of their childcare costs and were using their ALG (FE) funds to provide the necessary further personal contribution required for childcare costs.

### **Widening participation**

- 8.8 Students and practitioners alike thought that the ALG (FE) Scheme was having a modest impact upon widening further education participation amongst adult learners. One key message to emerge from the fieldwork was that the Scheme was enabling adult learners from low income backgrounds to return to education without having to also work long hours in part-time jobs to support their full-time study.
- 8.9 Another interesting observation made by a number of practitioners was that the ALG (FE) was thought to be increasingly being used to support adult learners who were enrolling on Access to Higher Education courses. This in their view meant that the fund was proving particularly effective in supporting adults with no prior qualifications to achieve what was necessary in order to apply for higher education courses. This was

borne out in the focus group where a number of the ALG (FE) recipients (particularly those from older age groups) were studying such courses: these contributors argued that the financial contribution was a critical factor in enabling them to return to study. However, we were not able to test or confirm this assertion owing to the data constraints in terms of linking ALG (FE) data<sup>114</sup>.

## **Student attendance**

8.10 Feedback from stakeholders, practitioners and students suggested that the ALG (FE) has had some effect upon student attendance rates, albeit that this was much less pronounced than in the case of EMA. Indeed when ALG (FE) recipients were asked whether receiving the funding had made any difference to their attendance at college around half thought that it had made a significant difference with the others fairly evenly divided between those who thought it had made a little difference and those who thought that it had made no difference at all. Of the previous ALG (FE) recipients interviewed the majority did not think that the support had affected their attendance rates whilst a minority agreed that the funding had been an incentive for them to attend college on a regular basis.

8.11 Practitioners did take the view that the ALG (FE) was contributing towards higher attendance levels than would otherwise be the case, despite the impact not being as strong as for EMA. It was suggested that the threat of losing the money did make students really consider missing college before they decided to do so. Interestingly, one practitioner believed that the ALG (FE) termly payment ought to have a stronger impact upon attendance than its EMA counterpart because of the threat of losing a larger sum of funding

‘with EMA, if you miss a week, you miss £30 ... if your attendance is bad for ALG, it’s potentially £500’.

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<sup>114</sup> As discussed at Section 1.7 of this report.



8.12 Many practitioners suggested that the ALG (FE)'s impact upon recipients' attendance was lower than that of the EMA Scheme because institutional attendance policies were either less stringent or were not as heavily monitored as EMA. Other practitioners (as well as several students) suggested that adult learners tended to be more motivated in the first place so an incentive linked to attendance was not thought to be particularly effective. This view was conveyed by a few students, including that of one who noted that:

'missing the work is more important [a motivator for attending as opposed to receiving ALG (FE) payments]'.

8.13 Interestingly at least a couple of practitioners believed that more could be done to increase the potential impact ALG (FE) payments upon improving attendance rates by adopting a more robust approach to setting and monitoring attendance requirements.

8.14 Despite this, the ALG (FE) monies certainly helped many recipients who contributed to our focus groups to cover the costs of attending college particularly the costs of transport, thus improving their attendance rates. One such student noted for example that she had missed several days' college during the first six weeks of the course, before being awarded ALG (FE), because she had not been able afford the bus fare to college. Since being awarded the ALG (FE) grant this particular student had been able to maintain a 100 per cent attendance record. A couple of other ALG (FE) recipients noted:

- 'the ALG helps me get to the college. I would have liked to have done it ... but if I didn't get ALG, I wouldn't have been able to get here';
- 'I would have just had to drop out without it, otherwise I just could not feed my son'.

8.15 A few ALG (FE) recipients did acknowledge that trying to meet their college attendance requirements in order to qualify for the money was a cause of concern. This seemed a particular pressing point for adult learners with other responsibilities, particularly those with children, and who were finding that they were missing college because of issues such as taking time off to look after their children when they were ill. Some students were also concerned about whether the funds would be clawed-back if they did not manage to maintain their attendance levels going forward. One such student noted:

'I find the 90 per cent thing really stressful ... I'm on 89.9 per cent at the moment what if I am just under and I don't get it.'

8.16 Some students had learnt about the attendance requirements associated with ALG (FE) the hard way. For instance one student had failed to secure their £450 ALG payment after the first term due to low attendance rate but had subsequently improved attendance in order to secure further payments.

### **Need for part-time work**

8.17 A high number of focus group students (ALG (FE) recipients and non-recipients) noted that they were also earning an income from part-time work whilst studying, including those who were studying on a full time basis. Those who were in receipt of support generally suggested that they would either have to source part-time work or work for longer hours in the absence of funding. A small number of recipients noted that they had reduced their working hours as a result of receiving ALG (FE) support.

8.18 It was impossible to generalise as to whether ALG (FE) recipients were any less likely to work on a part-time basis than their non-recipient counterparts as there were other factors (such as perceived proximity to potential jobs, age, personal circumstances and receipt of other income

related benefits) which seemed to have a greater bearing upon this. Both ALG (FE) recipients and non-recipients alike tended to highlight the difficulties associated with juggling part-time work and study commitments with non-recipients certainly stressing the point that grant funding would help ease their financial pressures. One noted for example that she had:

'to leave early to go to work ... or arrive late and tired because you've been at work'.

### **Retention, completion and withdrawal**

8.19 Our fieldwork with practitioners suggested that retention and completion rates for adult learners tended to be poorer than for younger students across further education and that this needed to be considered as crucial context for any evaluation of the ALG (FE). Furthermore practitioners argued that it was to be expected that ALG (FE) recipients, due to greater financial pressures and often more complex lives (e.g. being a single parent), would have lower completion rates than other adult learners, with the funding only partially offsetting the pressures which flowed from financial hardship. Several practitioners suggested that the ALG (FE) alone could not be expected to result in higher levels of retention and completion compared to the overall population of adult learners given these pressures (albeit that feedback from learners suggested that where no ALG (FE) was available there would be significantly higher levels of non-completion by this group of students).

8.20 Only a couple of colleges could provide retention or completion rates for ALG (FE) recipients against non-ALG recipients and whilst these actually revealed a very contrasting picture care must be taken when interpreting the findings in the absence of a detailed profile of the students at each institution:

- At one college ALG (FE) recipients had lower completion rates than non-ALG recipients i.e. 93 per cent for ALG (FE) recipients compared to 96 per cent for non-ALG recipients;
- At another, ALG (FE) recipients had higher completion rates - 89.5 per cent of ALG recipients were known to complete their courses successfully compared to 87.8 per cent of all adult learners at the college.

8.21 Students suggested that receipt of ALG (FE) funding had certainly helped to make their study lives less stressful and enabled them to concentrate on their studies. One such student noted that without the funding:

'I probably would have [enrolled], but I'd have been stressed out all of the time.'

8.22 The focus group discussions also suggested that a fair number of students would have had to withdraw from their courses had the funding support not materialised. A number of such students stressed their reliance upon the ALG (FE) payments to contribute towards general living costs. It would appear that those students in receipt of the full ALG (FE) amounts were the most reliant upon it in this respect and most likely to think that they would have found it impossible to financially sustain themselves over the duration of their course.

8.23 Indeed several recipients drew attention to unforeseen costs relating to their education which, without the ALG (FE) they would not have been able to cover e.g. costs associated with educational trips. It appears that the ALG (FE) in these cases was important in helping students meet costs that they had not necessarily anticipated when embarking on courses.

8.24 It is clear therefore that whilst the prospect of receiving ALG (FE) funding seems to have had an impact upon a minority of students'

decision to enrol on their courses, the ALG (FE) becomes more critical to a larger number of students as they progress through their courses in that it is only with the benefit of hindsight and experience that recipients have come to realise how important financial support has been to enabling them to continue with their studies. This suggests that the ALG (FE) is perhaps more important as a means of supporting student retention than student recruitment. It also suggests that an increased awareness of the fund could potentially result in the ALG (FE) having an increased impact upon the recruitment of students.

### **Attainment and achievement**

- 8.25 Overall neither practitioners nor students could source any concrete evidence to show that being in receipt of ALG (FE) funding was leading to higher levels of attainment and achievement. Practitioners, in drawing upon their own knowledge and evidence, tended to argue however that better attendance would convert into better attainment (while recognising that there was a lack of firm evidence in relation to the link between receipt of ALG (FE) support and higher attendance).
- 8.26 Students and practitioners alike stressed that adult learners tended to be more committed to their studies than their younger counterparts because they had often made a positive decision to return to education to learn. As a result it was suggested that the characteristics of this group accounted more for their attainment and achievement than the financial incentives made available via the Scheme.
- 8.27 However some ALG (FE) recipients did acknowledge that being in receipt of the funds meant that they had been able to make some necessary purchases (e.g. kits, books and equipment) which would help them achieve better course grades. A few students for example at one college noted that they had been able to purchase revision and exam preparation books which would hopefully stand them in a better position to achieve higher grades.

## **Progression and destination**

8.28 Our fieldwork revealed that colleges collected very little information on the destination routes of ALG (FE) recipients and unlike EMA there is no specific outcome indicator which the SLC is required to report upon. On the whole practitioners did not consider ALG (FE) to be a funding Scheme focused on progressing students into higher education. The only exception to this would be those ALG (FE) recipients studying Access to Higher Education courses and, as would probably be expected, it was thought that the conversion rate to higher education amongst this sub-group was particularly high.

8.29 Likewise the majority of students who participated in our focus groups did not think that being in receipt of ALG (FE) funding would have much bearing upon any further progression within education. Despite this, a fair proportion of ALG (FE) recipients did intend to pursue a higher education qualification. Some recognised that the funding was certainly helpful to them in that if they were unable to complete their further education qualification their chances of progressing into higher education would be much slimmer.

8.30 Of the 30 previous ALG (FE) recipients interviewed exactly half of them were still studying with 11 of these doing so at higher education level. A further one was about to start a university course in the autumn. The remaining half were either working (six), unemployed (five) or studying and working on a part time basis (three). Around half of those who had progressed to a higher education course did not think that they would have been able to secure their place had it not been for the financial support received via the ALG (FE) Scheme.

## **Value for money**

8.31 Generally, stakeholders, practitioners and students were inclined to argue that the ALG (FE) Scheme offered good value for money for the

Welsh Government as it was a relatively modest sum of money made available to a well-defined group of adult learners who were in dire need of financial support to see them through college. Some practitioners took the view that the ALG (FE) Scheme offered better value for money than its counterpart for younger students based upon the fact that supported students were more likely to be struggling financially whilst studying. Aligned to this practitioners believed that the funding was being spent appropriately by students to support their education and thought that there were more students (compared with EMA) who were reliant upon the financial support as essential income.

- 8.32 Other practitioners were slightly more critical. Some suggested for instance that the Scheme offered better value for money when supporting full-time students rather than part-time students. Other contributors raised questions about the value of the Scheme as a tool for increasing participation rates given that quite a few students were taking the decision to enrol anyway without knowing about the Scheme.
- 8.33 Other practitioners found it difficult to comment either way but thought that making funding available via a statutory scheme as was the case with the current regime, as opposed to a discretionary one, offered greater cost-efficiency in terms of administration.
- 8.34 Students were particularly inclined to argue that the Scheme offered very good value for money adding that the alternative costs involved for the Welsh or UK Government in supporting people on income related benefits or supporting NEETs would be significantly greater in the longer term.

## 9 FUTURE

### Introduction

9.1 In this section we present the views of stakeholders, practitioners and students on the future of financial support for adult learners and the ALG (FE) Scheme in particular. It is worth noting that as a broader discussion about the general financial support landscape for FE students will be presented in our Strategic Report due for publication in 2015, we focus specifically on issues relating to the ALG (FE) Scheme in this report.

### **Should the Welsh Government continue to financially support Welsh adult learners in the future?**

9.2 Students, practitioners and stakeholders argued strongly that financial support for adult learners ought to continue to be made available in the future. Indeed it was suggested by a number of practitioners interviewed that the provision of further education student finance had become a critical aspect of the further education landscape in Wales and that funding via the ALG (FE) Scheme in particular had assumed an important place across the FE sector in enabling students to continue and return to education.

9.3 Whilst acknowledging the limitations of any statutory approach based on means-testing most practitioners, and indeed some students, thought that financial support ought to continue to be made available on the basis of household income testing. Whilst there would always be some students in need who would miss out because they lived in households with income above any threshold set by the Welsh Government a large number of contributors recognised that this approach was probably the most cost-efficient model and its advantages outweighed the disadvantages presented via an alternative discretionary model, the main disadvantages of a discretionary model being higher administrative costs and a greater degree of subjectivity on behalf of an awarding body.



9.4 In the main the majority of contributors believed that financial support ought to continue to be made available as cash payments directly to supported students and there was not much appetite for introducing any restrictions upon the way recipients spent their funds. This was largely fuelled by the view that most ALG (FE) recipients used their funding appropriately – responding to individual needs and local circumstances.

**Could the Welsh Government better target financial support for Welsh adult learners in the future?**

9.5 Given that the majority of contributors to this evaluation thought that the ALG (FE) Scheme was working pretty effectively as it stood there was no strong desire to see any greater targeting of financial support for adult learners in the future – largely because it was thought that those currently supported via the Scheme were well defined and were relatively a very small proportion of the overall adult student population across Wales. Indeed, in contrast there were some strong suggestions for widening the net somewhat and supporting a larger number of adult learners. It was suggested that this could be achieved by raising the household income threshold for ALG (FE) support so as to be better aligned with that of the more generous thresholds of the EMA Scheme.

9.6 Mixed views were conveyed during the fieldwork as to whether costs relating to transport and childcare in particular could be better met from within a specific Scheme such as the ALG (FE) as opposed to the current arrangements of awarding support via a discretionary scheme, the FCF. Some practitioners argued strongly that it would be much more effective to cover the costs such as childcare provision via a statutory scheme as this would provide a much more equitable support infrastructure to those students requiring such support.

## **Should the ALG (FE) continue?**

- 9.7 The overwhelming majority of contributors to the evaluation thought that the Scheme ought to continue in the same manner as at present. There was some appetite to consider the merging of the two current statutory Schemes (namely the EMA and the ALG (FE)) but overall practical related concerns around the administrative and branding differences in the two Schemes were voiced about how this could be achieved.
- 9.8 Some practitioners and stakeholders did suggest that the need for the ALG (FE) Scheme was likely to increase in the future given that the possible introduction of a post 19 further education fees policy in Wales and the possible withdrawal of subsidised college transport (from those places where it is currently made available) for adult learners. In the context of the possible imposition of fees, some stakeholders referred to the need to consider introducing Fee Loans, in line with policy in England, though others thought there would be strong resistance to any loan-based funding in a further education context.

## **What impact would withdrawing the ALG (FE) Scheme have?**

- 9.9 Practitioners and students alike believed that removing the financial support available via the ALG (FE) Scheme would have a detrimental effect upon those learners who were reliant upon the funding as a source of income for covering their general living costs and would lead to reduced opportunities for those from low-income households to access or to continue learning. It was also the case that those who were in receipt of the highest sums of funding were the most likely to state that they would financially struggle whilst in further education. Indeed it was thought overall that the withdrawal of the Scheme would serve to lower retention rates amongst those currently supported – albeit given that recipients formed such a small proportion of all adult learners it was difficult for practitioners to make a case that its removal would impact substantially upon their institutional retention rates.

9.10 Interestingly a number of students and practitioners believed that the withdrawal of the Scheme would lead to a detrimental impact for those students studying vocational courses with significant equipment or kit costs. In the same manner concerns were expressed about the negative impact its removal would have upon the number of students studying Access to Higher Education courses (given the practitioners thought that the Scheme tended to have been particularly effective in encouraging these students to enrol, and subsequently support them on their courses).

**If the ALG (FE) is to continue, what changes ought to be made to the Scheme?**

9.11 A number of practical improvements and changes were suggested by practitioners, students and stakeholders for the Scheme in the future, with the most commonly agreed upon changes being:

- The need to improve the promotion and awareness raising of the Scheme, particularly to adults considering returning to further education and who might not be aware that financial support was available;
- Making more regular payments to ALG (FE) recipients so as to ease their cashflow management and also to reduce any incidence of students only enrolling in order to receive the first payment and who drop out thereafter. The fieldwork did not find a consistent view however about whether these more regular payments ought to be made on a half-termly, monthly or fortnightly basis;
- Improving the application process including extending the on-line application process, giving authority to colleges to authorise original documentation (saving applicants having to post these directly to the SLC) and enabling previous EMA recipients the ability to be 'fast-tracked' through the ALG (FE) application process when moving directly from one Scheme to another.

9.12 Other issues were identified, albeit that there was no consensus around how these issues ought to be tackled going forward, including:

- Reviewing the financial amounts payable to ALG (FE) recipients – the majority of contributors would prefer to see a more gradual drop in the funding amounts made available so that the lower amounts currently available would be increased in value. Aligned to this point a few contributors indeed questioned the value of the lowest payments available to both full and part time students currently available as they were not as critical to students' decisions to enrol or continue within further education compared to larger payment values;
- Reviewing the household income threshold set for the Scheme with options including raising the threshold in line with EMA or at least achieving a better alignment with other financial support thresholds set including those set for EMA and FCF;
- The need to agree and establish key performance indicators for the Scheme that would reflect its aims and objectives and which would enable the Welsh Government to manage its performance;
- Introducing money-management training to those in receipt of financial support to enable them to better budget their finances;
- The need to review, and possibly lower, the current age threshold set (at 25) which determines whether a student is living independently from their parents or not.

### **Is there a need to introduce a loan fund for FE?**

9.13 The fieldwork revealed polar opinions on whether there was a need to introduce a loan fund for further education – whilst practitioners were probably equally balanced in their views fewer students were supportive of this concept.

9.14 Those who believed that this should be considered suggested that in the main it would be appropriate for 'mature' learners returning to education

with the intention of then moving back to work and progress in their careers. It was not thought to be a particularly appropriate offer for younger students or for those who wanted to progress to higher education – given that this latter group would be likely to take out higher education loan funds later on. Students were also eager to stress that any loan fund offer ought to be conditional on future earnings, in the same manner as HE loans. For instance two such students commented:

- ‘if you only had to repay it when you’re earning enough, then yes, perhaps’.
- ‘provided it was at low or zero interest ... and it was wiped off after so many years if you’re not earning enough.’

9.15 Many practitioners were against the concept of introducing a further education loan fund, largely on the basis of principle in that it was inappropriate to encourage young students to get into debt. These contributors were anxious to stress that whilst a loan fund scheme was appropriate to higher education it was not necessarily appropriate for further education students, since the level of financial returns to learning were much lower at lower levels of qualification. Others were concerned about the additional administrative resources which would be required to administer a loan scheme and the additional burden which it would possible place upon further education institutions.

9.16 Likewise a number of students were quite vocal in their opposition to such a loan fund being introduced, particularly if it were introduced to replace the current grant allowance:

- ‘it would put me off college completely if I had to [take out a loan] ... if it was a loan. I’d be panicking that much about paying it back’;
- ‘I’d rather struggle than take a loan’;
- ‘you’d finish your course and be going to university with that loan on your back as well as a university loan on your back’.

9.17 However there was a general agreement that should a loan fund be introduced, then it should serve to complement the current grant funding rather than replace it.

## 10 CONCLUSIONS AND RECOMMENDATIONS

10.1 In this section we present our conclusions based on our desk based analysis and findings from the qualitative fieldwork and make a series of nine recommendations.

10.2 We conclude that the ALG (FE) Scheme is a well-established financial support allowance that has been appropriately targeted at adult learners from lower-income households to continue in or to return to further education. There is significant evidence from both our evaluation and recent research by NUS Wales that adult learners within further education face significant financial difficulties and we take the view that there has been a real need for the ALG (FE) Scheme to help alleviate these difficulties. Retaining a statutory scheme based on means-testing would be in line with current policy in Scotland and Northern Ireland, although it differs from the approach adopted in England by the coalition UK Government since 2010. In our view the costs that would be involved in implementing an alternative discretionary financial support scheme would not represent good value, particularly given the general view of practitioners that the current scheme is already reaching those most in need of support.

10.3 Our fieldwork showed that the ALG (FE) funding is regarded as an essential financial contribution to the majority of students interviewed and the feedback suggests that the funds are being used for educational related costs as well as general living costs. It was also the case that the Scheme is thought to be supporting the right sort of students who genuinely required financial support. In particular it was thought that the Scheme is particularly crucial to adult learners with additional living costs – be they as a result of living independently or looking after family dependents – as it is this group who appears to be facing the greatest financial hardship whilst studying.

10.4 The vast majority of ALG (FE) recipients received the £1,500 maximum allowance available as their household income was below the £6,120 threshold and they were studying on a full-time basis. It is surprising that so few students from households with an income between £6,121 and the upper limit of £18,370 have been supported via the Scheme. Our fieldwork did not identify any one particular reason why this might have been the case although it is possible that this has been due to student concerns about the impact of receiving ALG (FE) funding upon their various benefit allowances as well as the fact that the lower payment values are not considered financially attractive enough to justify the work involved in submitting an application.

10.5 One key issue to emerge from our fieldwork related to the current lack of alignment between the ALG (FE) Scheme and the EMA Scheme for FE learners aged between 16 and 18 and we concur with the view of most contributors that there is a need to re-examine the household income thresholds set across these financial support schemes so that a more equitable offer is made available to both young and adult learners alike. Indeed we also believe that the Welsh Government should re-visit the current tiered payment bandings made available via the ALG (FE) Scheme: while we acknowledge that Government has different statutory responsibilities with regard to 16 – 18 year olds than for adult learners, it appears inequitable that a student who previously qualified for the EMA weekly payment of £30 could, on turning 19, potentially receive either no support or very little financial support (at the same time as their families lose access to child benefit, if the student is still living at home). Moreover, it is interesting that the thresholds in both Scotland and Northern Ireland for their adult maintenance schemes are significantly higher than in Wales, even though the approach to EMA in all three nations is very similar.

10.6 We take the view, given the significant financial hardship faced by many adult learners, that the current maximum ALG (FE) allowance (at



£1,500) ought to be maintained but that the lower level payments ought to be better aligned with the financial payments offered via the EMA Scheme (and at the very least set at circa £1,080 to £1,179 in line with what EMA recipients can expect to receive). This in our view would result in a more equitable funding model when compared with the EMA Scheme. We believe that there is a strong case for raising these lower payment allowances on the basis that adult learners generally face significant financial difficulties (by comparison to those aged 16 to 18) and also because we are also not convinced that the provision of lower payment allowances are particularly effective methods of improving the attendance of adult learners. At the same time, we acknowledge that the evaluation has shed little light on why there are (relatively) so few applications for ALG (FE) support from students where household income is between the lowest and highest threshold and that there is a risk that making the scheme more generous will lead to an increased number of applications as it is possible that students are prepared to undergo what is perceived as a complex application process in order to secure higher levels? of funding. A pilot scheme limited to one or two institutions or local authority areas may be needed to test out whether this is the case.

10.7 In principle we do think that it would be appropriate to remove the current classification between dependent and independent student within the ALG (FE) Scheme (with an independent student classified as being aged 25 or over or falling into any of the other eligibility criteria set by the Welsh Government). However we acknowledge that this recommendation would be unaffordable for the Welsh Government at present in light of other public sector financial pressures.

10.8 In contrast to the EMA Scheme the ALG (FE) Scheme has in our view been modestly funded at £8.2 million during the last academic year (2012/13) and has supported fewer learners per annum than both the EMA and FCF schemes. Despite this, the level of funding per student supported, at £1,090, is higher than other Welsh Government schemes

e.g. £826 for EMA and £506 for FCF. Even so, the fieldwork revealed that the funding provided tends to be put to appropriate use by recipients to support their education and is considered to be a much more essential financial contribution to this group of learners. In contrast to other parts of the UK the level of financial funding made available to adult learners in Wales is not considered overly generous in our view.

10.9 The ALG (FE) Scheme has generally supported a very small proportion of all further education learners aged 19 and over in Wales (7,525 or 4 per cent during 2012/13). The relatively low take up and penetration of the Scheme, particularly when consideration is given to the proportion of households in Wales who would be deemed eligible for ALG (FE) support on the basis of their income profile (accepting the limitations of such comparisons of course) should they contain a member in further education (and the strong representation of younger learners who are continuing in further education after they become 19) does pose some questions about the effectiveness of the Scheme's promotion and the awareness of adult learners more generally of the Scheme. While this again risks increasing the demand for the scheme, we believe it is inequitable that those enrolling on courses may discover they are eligible while those who are outside the system but would like to return are unaware that the means to help them exists.

10.10 Turning to discuss some of our conclusions regarding the ALG (FE) administration our fieldwork revealed that many practical changes could be implemented by the Welsh Government and SLC so as to improve the application process and ease the burden upon applicants to furnish original documentation to support the application. Indeed the biggest issue identified during our fieldwork related to the submission of original documentation and contributors would welcome any changes to simplify and streamline this process in the future. Our fieldwork also revealed that the ALG (FE) learning agreements are not particularly useful or meaningful to recipients. Furthermore learning centres adopt very different attendance policies which students have to adhere to in order to

receive their ALG (FE) payments. Attendance criteria for receiving ALG (FE) payments are not always communicated clearly to students.

10.11 Students and practitioners alike would prefer for the ALG (FE) payments to be made on a more regular basis mainly so as to ease cash-flow difficulties for students (and to equate more closely to the experience of those in work) but also to reduce the incidence of students enrolling solely for the receipt of the funding in the first term (and thereafter withdrawing from the course). We also believe that the advance notification to students when payment can be expected would help students manage their finances better.

10.12 Turning to explore the difference made by the ALG (FE) Scheme we conclude that it has had a very mixed impact upon students' decision to enrol in further education. On the one hand our fieldwork revealed that a fair number of ALG (FE) recipients had only come to hear about the Scheme after they had taken the decision to enrol on their course. This, in our view, raises some questions about the value of the Scheme as a contributor to increasing the number of adult learners participating in further education in that they would have enrolled anyway. However it was also the case that the availability of the ALG (FE) fund was a very critical consideration for a minority of recipients in that it was crucial to their decision to enrol in further education.

10.13 The ALG (FE) Scheme has in our view made a modest difference to further education attendance levels, with the effect upon these levels less pronounced than was the case for the EMA Scheme. This has largely come about due to less stringent institutional attendance policies adopted for the ALG (FE) Scheme as well as student attendance not being as rigidly monitored as the EMA. It is also the case of course that adult learners tend to perceive themselves as being more motivated to learn in the first place.

10.14 Based upon the qualitative fieldwork undertaken there is some evidence to suggest that the ALG (FE) Scheme has made a difference to the retention of adult learners within further education – although in the absence of robust quantitative data it is difficult to come to a firm conclusion about this. Our findings showed that a substantial proportion of supported students said that the ALG (FE) Scheme had been critical in enabling them to stay in further education and in many cases meet unanticipated costs associated with further education. This must be considered of course within the context of the feedback from practitioners interviewed that adult learners tend to be less likely than their younger counterparts to complete their courses and that they believed ALG (FE) recipients tend to have lower completion rates than other adult learners due to their personal circumstances and more complex lives.

10.15 Our fieldwork did not reveal any concrete evidence either way to demonstrate whether the ALG (FE) Scheme is having an impact upon student attainment and achievement levels with a view taken by many that the characteristics of the support group accounted more for their attainment and achievement than the financial incentives made available via the Scheme.

10.16 In terms of progression our fieldwork revealed that colleges collect very little information on the destination routes of ALG (FE) recipients and unlike EMA there is no specific outcome indicator which the SLC is required to report upon, thus making it very difficult to come to a conclusion on the effectiveness of the Scheme in this respect. However the feedback from a small number of previous ALG (FE) recipients suggests some positive outcomes in terms of progression with a fair number taking the view that they would not have been able to progress to higher education had it not been for the initial financial support received via the ALG (FE) Scheme.

10.17 Finally in terms of our conclusions, whilst the SLC provided the research team with information on ALG (FE) recipients between

September 2005/06 and August 2012/13, who had consented to their data being shared for the purpose of research,<sup>115</sup> the records would only have allowed us to analyse data for approximately 66 per cent of ALG (FE) recipients. The proportion of ALG (FE) recipients who had consented for their data to be shared<sup>116</sup> had declined during this period – for example in 2006 the ALG (FE) data extract accounted for approximately 91 per cent of the total population of ALG (FE) recipients. By 2011, this figure had declined to 54 per cent. In the absence of robust quantitative data it is therefore very difficult to come to any concrete conclusions about the impact of the ALG (FE) Scheme.

10.18 In light of our conclusions we make the following nine recommendations:

10.19 **Recommendation 1:** We recommend that the Welsh Government continues to financially support Welsh further education adult learners and that it continues to adopt the ALG (FE) Scheme as the basis for awarding such funding. We further recommend that the ALG (FE) Scheme is maintained as a statutory scheme with funding being awarded on the basis of applicants meeting specific eligibility requirements.

10.20 **Recommendation 2:** We recommend that the ALG (FE) Scheme continues to provide financial support on the basis of recipients meeting the current household income threshold of £18,370. We also recommend that the funding allowances made available via the ALG (FE) Scheme be re-examined and costed. Ideally we would suggest that a single rate of allowance (i.e. the highest rate of £1,500) be offered to full-time students based in households with an income threshold of £18,370 or under). Given that the vast majority of ALG (FE) recipients (currently 82 per cent) are eligible to receive the full award (i.e. £1,500 if they are studying on a full-time and £750 if they are studying on a part-

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<sup>115</sup> A detailed methodology for undertaking this data matching and analysis is presented in Annex C

<sup>116</sup> When compared with published AL (FE) recipient statistics

time basis) such a change would be known to positively benefit between 1,000 and 1,500 students (both full and part-time) per annum. However we acknowledge that the financial implications of introducing such a policy change may be much greater as increasing the allowance rate could very well encourage other adult learners, who would not have previously thought it worthwhile to apply for the lower value payments, to apply for support in the future. As such, and very much as a secondary option we would recommend that the ALG (FE) Scheme adopts a two-tiered payment value model – with the highest payment set at the current £1,500 rate and the lowest payment value set at around the EMA allowance rate of between £1,080 and £1,179.

**10.21 Recommendation 3:** We recommend that greater effort is deployed by learning centres, the SLC and the Welsh Government via SFW to raise awareness of the existence of financial support for adult learners so as to ensure those who could benefit from returning to education from low-income households are not deterred by the perception that no support is available. We further believe that greater awareness of the Scheme could be established across the further education sector more broadly, including tutors and lecturers. Finally, if greater alignment of the Scheme with the EMA Scheme is achieved it may be possible for the ALG (FE) fund to benefit and ‘piggy-back’ from the effective EMA marketing campaigns deployed by learning centres.

**10.22 Recommendation 4:** We recommend that practical steps are taken to improve the ALG (FE) application process. We think these improvements could be achieved via (a) the introduction of an on-line application process; (b) the fast-tracking of previous EMA recipient applications (in a similar manner to how returning ALG (FE) recipients are fast tracked through the process) and (c) working with learning centres to address some of the issues relating to the provision of original documentation by applicants. We would suggest that the Welsh Government and SLC explore how learning centres could check and verify original documents on behalf of SLC thus eliminating the need to

post such documentation directly to the SLC although we are mindful that such a development would need to be done carefully so as to satisfy any existing audit requirements.

**10.23 Recommendation 5:** We recommend that learning centres explore ways of enhancing the value of learning agreements adopted. We further recommend that learning centres communicate much more clearly what is required of students in terms of attendance policies and also adopt appropriate monitoring procedures. We would further suggest that there is a need for greater consistency across learning centres in terms of what is required of recipients in terms of attendance policies but recognise that learning centres need to have a greater degree of flexibility to accommodate lower attendance amongst particular groups of adult learners e.g. those with childcare or other caring responsibilities.

**10.24 Recommendation 6:** We recommend that ALG (FE) payments are made to students on a more regular basis than the current termly basis. We would suggest that payments be awarded in equal instalments on a monthly basis. We would further recommend that SLC adopts a regular payment date for each calendar month and that recipients be notified in advance (by text message if possible) of when to expect their funding and the value of the payment due.

**10.25 Recommendation 7:** We recommend that the Welsh Government adopts at least one key performance indicator directly for the ALG (FE) Scheme and reports upon this annually via its Programme for Government. In our view this performance indicator should reflect the aims and objectives of the Scheme and we would suggest that it could be the proportion of ALG (FE) recipients gaining a qualification at any level.

**10.26 Recommendation 8:** While acknowledging that there may well be diseconomies of scale in respect of any further education loan fund, we recommend that the Welsh Government takes further steps to explore

the practicalities of establishing such a fund to complement its package of financial support available for the sector (as opposed to replace its existing package of support for adult learners).

10.27 **Recommendation 9:** We recommend that issues which currently make it difficult to use ALG (FE) data for the purpose of monitoring and research - including the possibility of requiring receipt of ALG (FE) to be flagged up directly in FE records - should be examined as a matter of priority. We further recommend that the Welsh Government and the SLC continue to monitor ALG (FE) student data sharing consent rates and take appropriate action should this rate not improve in the future.



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