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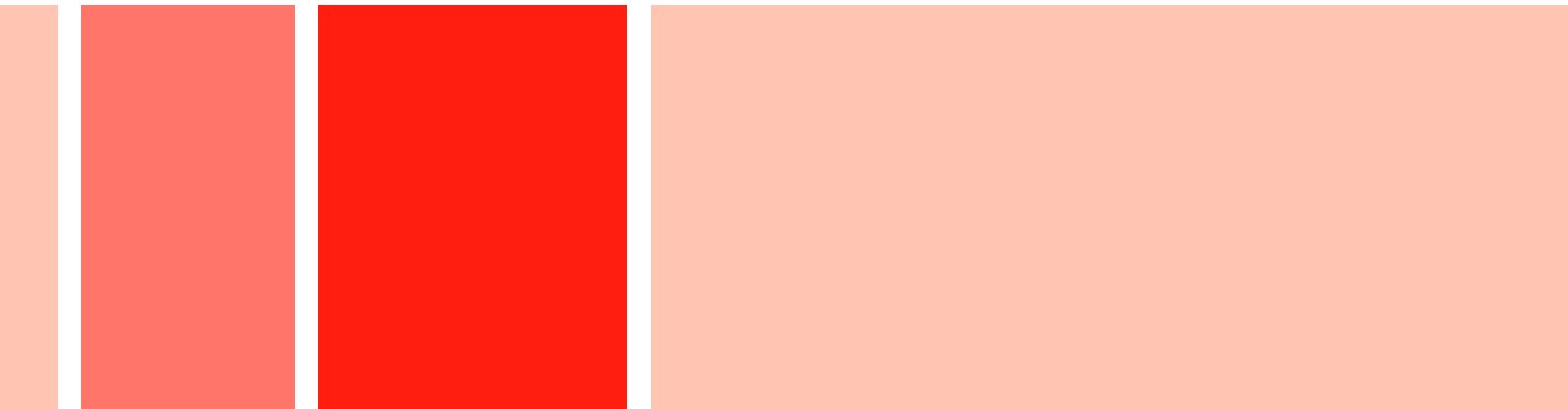
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# Evaluation of the Financial Contingency Fund (FCF)



# **Evaluation of the Financial Contingency Fund (FCF)**

**Authored by Nia Bryer, Old Bell 3 Ltd**

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

For further information please contact:

Julie Owens

Research and Evaluation Branch

Knowledge and Analytical Services

Welsh Government

Llandudno Junction

Conwy

LL31 9RZ

Tel: 0300 062 5484

Email: [Julie.Owens@wales.gsi.gov.uk](mailto:Julie.Owens@wales.gsi.gov.uk)

Welsh Government Social Research, year

ISBN 978-0-7504-9360-4

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## **GLOSSARY OF ACRONYMS**

ADG	Adult Dependent's Grant
ALG	Assembly Learning Grant
ALG (FE)	Assembly Learning Grant (Further Education)
BACS	Banker's Automated Clearing Services
CAVC	Cardiff and Vale College
CCG	Childcare Grant
DSA	Disabled Students' Allowance
DfES	Department for Education and Skills
EMA	Education Maintenance Allowance
FCF	Financial Contingency Fund
FE	Further Education
FEI	Further Education Institution
HE	Higher Education
HEI	Higher Education Institution
NHS	National Health Service
PLA	Parents' Learning Allowance
SLC	Student Loans Company
SOA	Super Output Area
UoW	University of Wales
UWIC	University of Wales in Cardiff (now Cardiff Metropolitan University)
WEA	Workers' Educational Association
WfA	Welsh for Adults
YMCA	Young Men's Christian Association

## EXECUTIVE SUMMARY

Old Bell 3 Ltd. was commissioned by the Welsh Government to carry out an evaluation of the Financial Contingency Fund (FCF) available to Higher Education (HE) and Further Education (FE), including Welsh for Adults (WfA) students in Wales. The purpose of the evaluation is to assess the impact and effectiveness of the Fund in order to inform its future direction and consider whether or not a separate FCF allocation for FE and HE remains appropriate.

Where the report refers to a 'statutory scheme', that means it is a scheme set out in legislation (e.g. regulations) which gives certain students a right to receive a certain level of support. Where the report refers to a 'non-statutory scheme' or a 'discretionary scheme', that means an administrative scheme (i.e. a scheme not set out in regulations but which nevertheless has a statutory basis) which allows for greater discretion as to when a student may receive support and the level of support.

This report presents the findings of an evaluation undertaken between July and December 2012 which involved a desk based review of Welsh Government documentation and datasets as well as individual HEI/FEI information. It also involved the development of research instruments and undertaking fieldwork with Welsh HEIs, FEIs and other stakeholders. The fieldwork consisted of visits to five HEIs and nine FEIs (including focus groups/interviews with a total of 152 students) as well as telephone interviews with representatives from five of the remaining six HEIs and the ten remaining FEIs.

The FCF was first introduced in 1991 to support FE and HE students who faced financial difficulties and who, without support, were likely to leave their education. The Welsh Government makes available annual FCF monies to individual institutions to administer to their students on a discretionary basis. Funding to institutions is made available via two distinct schemes, namely the Higher Education Scheme and the Further Education Scheme. £9.1 million has been made available via the scheme on an annual basis since 2010/11. £2.1 million has been allocated to HEIs whilst FEIs have been allocated £7.0m over each of the last few years. The amount of funding allocated to HEIs fell in 2010/11 by around 60% in comparison to previous academic years due to the improvements made to student finance statutory provision more generally. A small amount of funding (£64,000) is ring-fenced within the FE FCF Scheme for use by WfA Centres to support their students. This approach was

first adopted during 2008/9 when six new WfA Centres were established, five of which were based within HEIs and one within an FEI.

Across the HE sector just over 6,000 students received FCF support during 2010/11 and the vast majority of these were full time undergraduate students. A significant proportion of the FCF HE fund was used to support general living costs, followed by accommodation costs and books/equipment. Some 1,500 HE students were refused funding during 2010/11. Across the FE sector 18,815 students were supported via the FCF FE scheme during 2010/11 and the vast majority of these were full time students. Just over half of them (55%) were aged 16-18 years old. Two provisions accounted for nearly three quarters of all spend across the FCF FE scheme during 2010/11 namely childcare (at 41%) followed by transport (at 32%). 2,300 applications were rejected by administrating institutions.

Our evaluation found that there is a clear rationale for providing discretionary financial support to both FE and HE students at particular times of need during their studies. Our fieldwork revealed that FCF complements the complex statutory and discretionary student financial support available and that one of its key strengths is its local administration by individual institutions in that institutions are able to respond to the specific circumstances of their student body. Having said this FCF is used to 'plug' particular gaps within statutory provision, particularly across the HE sector, where it is used to support childcare provision and meet the needs of NHS funded students. It is also the case that FCF is being used to iron out inconsistencies in the support available to students in FE settings compared to those in school sixth forms – such as the case of using FCF to meet students' travel costs and lunch vouchers.

The evaluation found that FCF was routinely used in the FE sector to fund foreseeable costs associated with studying for certain categories of students (generally based upon household income) as opposed to supporting student financial emergency needs. This does not mean that the FCF is not fit for purpose as the evidence suggests FCF is an important tool in enabling the recruitment and retention of individuals who might otherwise be excluded from educational opportunities. Rather we believe that the Welsh Government should recognise the use of funding in this way via its FCF FE scheme in the future.

We conclude that the FCF should be maintained as a discretionary scheme although there may be merit in exploring more effective ways of funding some of the provisions currently accommodated via the FCF across the FE sector such as FE student transport and childcare



(particularly given the fact that childcare demand places a disproportionate demand upon the FCF funds at FE level). We also conclude that the HE and FE schemes should be maintained as separate schemes largely due to the fact that the use of the schemes are so different from each other that any advantages of amalgamation would be outweighed by the disadvantages.

One of the main findings of the evaluation was the significant differences adopted by individual institutions in terms of how they approach FCF, especially across the FE sector. The report presents many of these differences in terms of student eligibility and student experience of applying for funds and makes a specific recommendation for the sector to work towards a more common approach in their administration of FCF based upon current good practice. Having said this we believe that institutions should maintain the current flexibility warranted by the Welsh Government scheme in terms of how they administer the schemes at a local level.

The fieldwork revealed that institutions were generally un-sighted as to the methodology adopted by the Welsh Government to make funding available to institutions and as such we believe there would be merit in providing greater transparency as well as undertaking a fundamental review of this methodology. We also conclude that it is appropriate that an administrative fee (at the current level) be made available to institutions towards the costs incurred in administering the FCF schemes.

Our evaluation found that the needs of NHS funded students currently places a disproportionate demand on FCF funds at HE level, and that demand has increased since changes to statutory provision were made at the beginning of 2012/13. We concur with the view of the majority of those interviewed that this group of students ought to continue to be able to access FCF but suggest that the sector engages with the National Leadership and Innovation Agency for Healthcare (NLIAH) within the NHS sector to discuss whether any shortcomings in NHS financial support for its students could be better addressed via statutory provision.

The study also raised questions around the rationale for making funding directly available to WfA Centres and highlighted the fact that funding is currently too generous when assessed against student demand. We are not convinced of the need to ring-fence funds for this particular group of students however we do believe that they ought to have access to FCF support should they satisfy the scheme's requirements. In this sense it may be beneficial to

explore whether the needs of WfA students could be accommodated via their host institutions' FCF monies (as indeed other FE students studying at some HEIs do so) or alternatively to adopt a more centralised approach so that student demand can be better accommodated.

Finally, the evaluation concludes that the FCF is largely fit for purpose across both the FE and HE sectors, albeit in very different ways, in that funding is used by institutions to meet the objectives set out by the Welsh Government. Our evaluation fieldwork has shown that the funds do impact positively upon student participation and retention. In the case of the FE sector the fund is making a difference to the enrolment, attendance and retention of students and the feedback from both FEI interviewees and students provides evidence of this. At HE, the evidence points to FCF being an effective tool in retaining students and where evidence was available HEIs could demonstrate that FCF recipient withdrawal rates were lower than their general withdrawal rates. However it is clear, more so at HE, that the provision of financial advice and guidance is equally as important to the student as the funding itself and many students who were interviewed admitted that withdrawing from their course was very much an option of last resort. The evaluation did point to a small amount of deadweight however with feedback from some students demonstrating that they would have enrolled or continued with their studies regardless of FCF support.

We make 16 recommendations in all, namely that:

1. the Welsh Government continue to fund the FCF schemes across both the HE and FE sector, while recognising via its scheme that its current use within FEIs is focused on meeting foreseeable needs for specific groups of students rather than on emergencies. Funding should continue to be made available directly to individual institutions to administer on a discretionary basis;
2. the Welsh Government communicates the underlying methodology for making funding available to individual institutions and modifies it as might be necessary to better reflect anticipated future student numbers, student demographics, rurality and deprivation levels served by each institution;
3. the Welsh Government maintains two distinctive FCF Schemes for the HE and FE sector;
4. the Welsh Government issues more timely notifications of both annual FCF scheme circulars and financial allocations to FEIs and HEIs;

5. the Welsh Government continues to off-set some of the costs incurred by FEIs and HEI in administrating the FCF schemes and that the current fee rates be maintained;
6. in the long-term the Welsh Government in conjunction with its partners explores alternative means of funding travel provisions for 16-18 year olds;
7. in the long-term childcare costs incurred by FE students would be better accommodated via statutory provision as is the case with HE students. In the meantime we recommend that the FE sector work collaboratively to adopt a more consistent approach to awarding childcare funding;
8. the Welsh Government maintains the priority groups identified within the scheme but considers including 'carers' as a new priority group;
9. the Welsh Government, in discussion with FEIs and HEIs, considers whether the needs of franchised HE students studying at FEIs would be better accommodated locally at the FEI itself and if so, funded accordingly;
10. the Welsh Government stipulates in its FCF scheme that all HEIs and FEIs should be represented on the FCF HE and FE Advisory Groups and that actions proposed and agreed at these groups be adopted more generally across the sector;
11. FEIs collaborate via the FCF Advisory Group as well as the National Association of Student Money Advisers (NASMA) where relevant, to work together in developing a more consistent approach towards FCF especially in terms of assessing student eligibility and application processes. Likewise we recommend that HEIs collaborate in the same manner to achieve a more consistent approach to the FCF scheme;
12. the sector engages with the NLIAH to discuss how the financial support requirements of NHS funded students could be better accommodated either via statutory provision or via the NLIAH making an appropriate contribution towards the FCF budgets at individual institutional level so as to ease the pressure upon FCF to meet these requirements;
13. the current model of providing ring-fenced funding to individual WfA Centres be withdrawn and that the needs of these students be met either via their host institution's FCF monies or via a less generously funded centralised approach. We believe that the WfA Centres should collectively decide on which option would best serve their student needs;
14. institutions move towards adopting current good practice by stipulating that it would be *desirable* for FCF recipients to make a contribution towards the costs being funded via FCF and adopt a practice of funding actual rather than notional or estimated costs of provisions where this is practical to so do;

15. the Welsh Government encourages FEIs and HEIs via the two Advisory Groups to adopt an indicative maximum level of funding per student via the FCF scheme;
16. HEIs should not routinely fund the 15% part of the costs that the Childcare Grant (CCG) requires students to make to them but rather make such a contribution where there is a clear financial deficit in an applicant's budget.

# 1 INTRODUCTION

## 1.1 Purpose of Report

Old Bell 3 Ltd. was commissioned by the Welsh Government to carry out an evaluation of the Financial Contingency Fund (FCF) available to Higher Education (HE) and Further Education (FE), including Welsh for Adults (WfA) students in Wales. The purpose of the evaluation is to assess the impact and effectiveness of the Fund in order to inform its future direction.

The FCF was first introduced in 1991 to support FE and HE students who faced financial difficulties and who, without support, were likely to leave their education. Annual funds are made available by the Welsh Government to individual institutions to administer to their students on a discretionary basis. During 2010/11 £9.1 million funding was awarded via the FCF, from which 6,055 awards were made to HE students for £2.1 million and 23,580 awards were made to FE students for £7.0 million.

This evaluation was undertaken between July and December 2012 and its overall aim was to:

‘evaluate the Financial Contingency Fund in both Further Education (FE) and Higher Education (HE) including Welsh for Adults (WfA), and consider whether or not a separate FCF allocation for FE and HE remains appropriate. The findings and recommendations will then be used to inform the future direction of the Fund and feed into an overall assessment of the provision of financial support for students of FE and HE<sup>1</sup>.’

Specific objectives were outlined in the evaluation specification, including:

- Exploring the fit of the FCF with other statutory and discretionary student support products and wider student support agenda;
- Mapping the use of the FCF and how the fund is administered across different institutions and identifying variations and commonalities;
- Assessing the appropriateness of the FCF eligibility criteria set by the Welsh Government;
- Assessing how the FCF is marketed and communicated to students and parents;

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<sup>1</sup> Evaluation Specification, Page 4

- Exploring HE specific issues including the use of FCF for NHS funded students, childcare and accommodation costs;
- Exploring FE specific issues including the use of ring fencing budgets, the use of the FCF for childcare, transport and learners with additional needs;
- Identifying areas of best practice and areas for improvement in terms of how the FCF is managed and delivered across institutions;
- Assessing the extent to which FCF is fit for purpose;
- Assessing the impact of the FCF upon student participation and retention;
- Exploring what would have happened in the absence of the FCF;
- Exploring alternative models to deliver the FCF in the future.

### **1.2 Method and Work Programme**

The work programme underpinning this report has involved the following elements:

- An inception phase involving an initial meeting with the Evaluation Steering Group which included Welsh Government policy and research officials as well as representatives from the FE, HE and WfA sectors. This phase also involved undertaking scoping interviews with key members of the Evaluation Steering Group, receiving relevant documentation and FCF datasets in respect of 2010/11 academic year and drafting and agreeing an Inception Report;
- Undertaking a desk based review of:
  - Welsh Government FCF guidance issued to institutions and other documentation relating to the administration of the fund;
  - The current student finance provision available to students studying in Wales;
  - FCF datasets provided by the Welsh Government on the use of the FCF during 2010/11;
  - Institutional FCF policies, guidance and application forms received from individual HEIs, FEIs and WfA Centres in Wales to understand how the scheme is being administered at institutional level.
- Developing the following research instruments and agreeing these with the Evaluation Steering Group:
  - A semi structured topic guide for stakeholders (including Welsh Government officials) with an interest in the FCF;
  - A semi structured topic guide for HE and FE institutions as well as a brief paper based questionnaire for self-completion by each institution;

- A semi structured focus group topic guide for use with WfA Centre representatives as well as a brief paper based questionnaire for self-completion by each Centre;
- A semi structured focus group topic guide for use with FCF supported students;
- A semi structured focus group topic guide for use with students who had applied for FCF but had not been awarded funding.
- Undertaking interviews (mostly on a face to face basis) with a total of 11 'external' stakeholders<sup>2</sup>;
- Undertaking a package of fieldwork across five HEIs<sup>3</sup> and nine FEIs<sup>4</sup> which typically included interviews with:
  - Senior individuals with responsibility for the FCF (e.g. Finance Directors, Academic Registrars);
  - Personnel involved in student advice and guidance (such as Heads of Student Services/Student Support and Student Financial Advisors);
  - Representatives from the Student Unions;
  - Members of staff with knowledge of any NHS funded provision (where relevant);
  - Small groups of year one students in receipt of FCF support;
  - Small groups of year two students seeking FCF support;
  - Small groups of students who had applied for, but been refused FCF support.

Not all of the institutions visited could accommodate the requirements set out above for students, and in many cases mixed groups of students were interviewed and in some cases no non supported students were recruited to the focus groups.

Furthermore additional phone interviews were conducted with eleven WfA students as no WfA students participated in our student focus groups at individual institutions. In all, 152 students were interviewed – of whom 125 had been supported via FCF and the remaining 27 had either been refused funding or were still waiting to hear the outcome of their application. Of these 152, 32 were HE students, 109 were FE students and the remaining 11 were WfA students;

- Undertaking telephone interviews with representatives from five of the remaining six HEIs<sup>5</sup> and the ten remaining FEIs<sup>6</sup>;

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<sup>2</sup> Including Welsh Government officials, Colegau Cymru, NUS Wales, National Association of Disability Practitioners, National Association of Student Money Advisers and the Local Authority Finance Officers' Group

<sup>3</sup> University of Glamorgan, Prifysgol Bangor University, Swansea University, University of Wales, Newport and Glyndŵr University

<sup>4</sup> Deeside College, Cardiff and Vale College, Coleg Gwent, Grŵp Llandrillo Menai, Pembrokeshire College, Neath Port Talbot College, Coleg Powys, Gower College and Merthyr College

- Undertaking a focus group with representatives from five of the six WfA Centres;
- Presenting emerging findings to a meeting of the Evaluation Steering Group on 11<sup>th</sup> December;
- Drafting this evaluation report.

### **1.3 Structure of the Report**

In the remainder of this report, we set out the background to the FCF Schemes (Chapter 2), before turning to discuss the rationale and need for FCF in the HE sector (Chapter 3), HEIs' approach to the Scheme (Chapter 4) and use of the Scheme across the HE sector (Chapter 5). We then discuss the use of FCF for HE NHS students (Chapter 6) before focusing on the rationale and need for FCF in the FE sector (Chapter 7). Chapters 8 and 9 explore FEIs' approach to the FCF Scheme and the use of FCF across the FE sector respectively whilst Chapter 10 focuses upon the use of the FCF within the WfA sector. The report then focuses upon the administration of the Schemes within institutions (Chapter 11) as well as Welsh Government funding and administration (Chapter 12) before moving on to look at the impacts of the FCF Schemes (Chapter 13) and its future (Chapter 14). Finally (at Chapter 15) we present our conclusions and recommendations.

Annexes 1 to 5 (presented in a separate document in the language that they were used) contain the questionnaire/topic guide used to interview FEIs and HEIs (Annex 1), stakeholders (Annex 2), Welsh for Adults Centres (Annex 3), FCF student recipients (Annex 4) and FCF Unsuccessful student applicants (Annex 5). The topic guides contained at Annexes 1, 2 and 3 cover:

- The rationale and need for FCF including its fit with other student support provision available to students;
- How FCF is being used and the difference it has upon student participation and retention;
- The implementation of FCF by the Welsh Government and individual institutions;
- Whether FCF is being used effectively and is fit for purpose;
- The future direction of the Fund and whether the schemes should be amalgamated and/or become statutory.

The topic guides contained at Annexes 4 and 5 cover:

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<sup>5</sup> Aberystwyth University, Cardiff University, Cardiff Metropolitan University (covered during scoping interviews), Open University and the University of Wales Trinity St David

<sup>6</sup> Bridgend College, Coleg Sir Gâr, Coleg Ceredigion, Coleg Harlech WEA, Ystrad Mynach College, Coleg Morgannwg, St David's Catholic College, WEA South, Yale College and YMCA.



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- How students got to hear about FCF and why they applied for it;
- What students thought of the application process;
- What difference the funds made to student recipients;
- What student recipients would have done had they not had the funding;
- The reasons why an award was not made to unsuccessful applicants;
- What unsuccessful applicants have done in the absence of the funds.

## **2. FCF BACKGROUND**

### **2.1 Introduction**

In this Chapter we set out the background to the FCF. We first consider the purpose of the FCF including its aims and objectives for both HE and FE (Section 2.2), then outline how the fund is intended to be used across the HE sector (Section 2.3) and FE sector (Section 2.4) before turning to outline the scheme's overall implementation model (Section 2.5) and the various advisory groups that exist to support FCF (Section 2.6).

Where the report refers to a 'statutory scheme', that means it is a scheme set out in legislation (e.g. regulations) which gives certain students a right to receive a certain level of support. Where the report refers to a 'non-statutory scheme' or a 'discretionary scheme', that means an administrative scheme (i.e. a scheme not set out in regulations but which nevertheless has a statutory basis) which allows for greater discretion as to when a student may receive support and the level of support.

### **2.2 Aims and Objectives**

The FCF has been available since 1991 to students who are facing financial difficulties. The aim of the Fund is to provide financial help to students whose access to either further or higher education might be inhibited by financial considerations or who face financial difficulties during their studies. The Welsh Government makes available annual FCF monies to individual institutions to administer to their students on a discretionary basis. Funding to institutions is made available via two distinct schemes, namely the Higher Education Scheme and the Further Education Scheme, with the requirements of each scheme Issued annually to both sectors.

The broad objectives of the FCF as outlined in the Welsh Government's scheme in recent years have remained consistent and are:

- In HE settings the fund is administered for 'the purpose of establishing discretionary funds to be used to provide financial assistance to those students who need extra help to meet costs which are not already being met from other sources of funding; to provide emergency payments in respect of unexpected crises; and to assist in cases where a student may be considering leaving higher education because of financial

problems<sup>7</sup>.

- In FE settings (including WfA centres) the fund is used 'to provide financial help to those eligible students whose access to further education might be inhibited by financial considerations, or who, for whatever reason, including physical or other disability, face financial difficulties'<sup>8</sup>.

£9.1 million has been made available via the scheme on an annual basis since 2010/11. £2.1 million has been allocated to HEIs whilst FEIs have been allocated £7.0m over each of the last few years. The amount of funding allocated to HEIs in 2010/11 fell by around 60% in comparison to previous academic years due to improvements made to student finance statutory provision - including an increase in the maintenance grant HE students could access (raised to £5,000), an increase in the upper household income threshold for students who became eligible for the maintenance grant (raised to £50,000) and the introduction of debt relief which resulted in the partial cancellation of up to £1,500 of a student maintenance loan. The amount of funding allocated to FEIs has been more consistent over the last ten or so years, apart from slight drops during 2008/09 and 2005/06.

Table 1: FCF Annual Allocations (£)

Academic Year	HE allocation	FE allocation	Total allocation
2012/13	£2.1m	£7.0m	£9.1m
2011/12	£2.1m	£7.0m	£9.1m
2010/11	£2.1m	£7.0m	£9.1m
2009/10	£5.2m	£7.0m	£12.2m
2008/09	£4.8m	£6.5m	£11.3m
2007/08	£6.4m	£7.0m	£13.4m
2006/07	£5.1m	£7.0m	£12.1m
2005/06	£5.1m	£6.5m	£11.6m
2004/05	£5.0m	£7.0m	£12.0m
2003/04	£5.0m	£7.0m	£12.0m

Source: Welsh Government Data

Funding to HEIs is calculated on the basis of a formula related to student population numbers as well as levels of deprivation. Funding to FEIs is currently based year on year upon historical allocations rather than on applying a formula: there is a lack of clarity

<sup>7</sup> Welsh Government (October 2012) *Financial Contingency Fund 2012/13 – Scheme (2012 No 37) Higher education institutions* Page 1

<sup>8</sup> Welsh Government (October 2012) *Financial Contingency Fund 2012/13 – Scheme (2012 No.38) Further education institutions and Welsh for Adults Centres* Page 1

surrounding the original basis of this allocation, which was inherited from the former ELWa<sup>9</sup> and attempts to develop a formula have foundered on concerns about the disruptive effect on those FEIs which would see a cut in funding.

It is worth noting that a small amount of funding is ring-fenced within the FE FCF Scheme for use by WfA Centres to support their students. This approach was first adopted during 2008/9 when six new WfA Centres were established, five of which were based within HEIs and one within an FEI.

### **2.3 The FCF within Higher Education**

A review of the Welsh Government scheme for HE shows that the FCF schemes currently intend to support certain priority groups (and these groups differ slightly between HE and FE sectors). In the HE sector the scheme strives to give priority to students that are more likely to be under financial strain although institutions can add to the list should they feel it to be appropriate. The current priority, but not exclusive, groups are

- Students with children;
- Students with existing essential financial commitments;
- Disabled students;
- Care leavers;
- Final year students in financial difficulty, including those unable to undertake paid work due to academic pressures;
- Foyer residents and other homeless students;
- Students who are ineligible for support under the Assembly Learning Grants (ALG) and Loans (Higher Education) (Wales) Regulations 2011 or under the eligible student's equivalent government funded student support scheme or legislation.

The Welsh Government scheme for both 2011/12 and 2012/13 set out some fundamental eligibility criteria for the use of FCF funds which, for the HE sector include:

- Financial hardship associated with eligible student living costs;
- Reasonable costs incurred by eligible disabled students and eligible students with disabled dependents in relation to preliminary diagnostic tests or equipment which are not met by the Disabled Students' Allowance (DSA);
- Course costs such as childcare, travel, books and field trips but not student tuition fees (other than for low income eligible part-time students whose other fee support is insufficient to meet the full tuition fees);

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<sup>9</sup> ELWa (Education and Learning Wales) was an Assembly Sponsored Public Body responsible for post-16 learning in Wales between 2000 and 2006.

- Exceptional costs such as repairs to essential household equipment, emergency situations and assistance with priority debts;
- Living costs such as rent, mortgage payments, food, utility bills as well as clothing and laundry;
- Course costs and tuition fees for undergraduate taster modules.

The scheme also highlights that within HE settings, students are deemed eligible if they are a UK citizen or are ordinarily resident within the UK<sup>10</sup> and are either full or part time undergraduate, postgraduate or further education students. There are also no restrictions upon them applying more than once during any one academic year.

Only minor changes were made to the FCF HE scheme circulars between 2011/12 and 2012/13, notably the removal of the requirement for students to be studying for at least 50% of their time. Significant changes were made to the guidance notes in earlier years - for example previous guidance (such as that for 2010/11) stated that the maximum FCF award to any one student was set at £3,500 (there is currently no limit set) and the guidance issued previously was much more comprehensive.

### **2.4 The FCF within Further Education and Welsh for Adults**

The priority student groups identified for the FE sector in the Welsh Government scheme are:

- Students who need help with childcare costs, especially lone parents;
- Students who reach the age of 20 before they complete their A levels or other FE courses and who face particular financial difficulties because their families will cease to receive child tax benefit and dependency additions in Social Security benefits of tax credits for these students as of their 20<sup>th</sup> birthday;
- Students who have been in care, on probation or are otherwise considered to be at risk;
- Students on low income or from low income families, including young learners who do not qualify for income support, unemployed people receiving Job Seekers Allowance and those in receipt of means tested state benefit such as Working Tax Credit and their unwaged dependants;
- Students from a Super Output Area (SOA) with a level of educational deprivation

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<sup>10</sup> In that there are no restrictions on their stay or have been resident in the UK for three years immediately before the start of their course. Also includes Refugees and those who have indefinite leave to enter or remain in the UK.

above a specific threshold<sup>11</sup>.

The scheme also notes that FCF is well-placed to serve those students who are on the 'cliff edge' of funding, i.e. just outside the eligibility criteria for the ALG (FE) or Education Maintenance Allowance (EMA) but nonetheless struggling financially. As is the case with FCF HE, institutions can add to this list should they feel it appropriate to do so.

The FE guidance in previous years has been somewhat less explicit than its HE counterpart about what can be funded. However the 2012/13 scheme is more explicit in stating that the fund can be used to help students meet the course related costs (such as childcare, travel, books, field trips, fees such as examination and registration fees as well as the costs of equipment and materials regarded as essential to their course) as well as referring to costs arising from disabilities for the first time. It has traditionally been more explicit about what the FCF cannot support and the annual circulars for 2011/12 and 2012/13 state that the FCF cannot be used to support:

- Means-tested entitlement schemes such as bursary schemes;
- Students who fall within a particular income band without consideration of that individual students' need;
- Group or communal facilities, or to make adaptations to buildings (although FEIs may use the Fund to provide transport services which are procured on a bulk basis and do not involve any capital purchases);
- Fines and deposits;
- Tuition fees (except for part-time HE students undertaking taster modules and FE students undertaking taster modules less than 12 credits).

Similarly to HE, FE students are deemed eligible for FCF if they are normally resident in the UK. Others, including EU students, are not usually eligible for support unless they fall into other specific categories<sup>12</sup>. Students are eligible if they are either Further Education students aged 16 and over and are undertaking full or part-time courses or Higher Education students undertaking full or part time courses which do not fall into the scope of the FCF HE Scheme.

The FE scheme also states that institutions should not use FCF to incentivise learners away

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<sup>11</sup> Welsh Government (October 2012) *Financial Contingency Fund 2012/13 – Scheme (2012 No.38) Further education institutions and Welsh for Adults Centres* Page 1

<sup>12</sup> Including Refugees and their family members, persons with leave to enter or remain and their family members, European Economic Area migrant workers and their families and other EU nationals who have been ordinarily resident in the UK for the preceding three years.

from other neighboring institutions and gives a strong steer that funding should only be used as a last resort in that other sources of student financial support such as the EMA and the ALG FE, as well as more generic financial support such as tax credits and social security benefits should be considered prior to making an application for FCF.

Some changes to the FCF FE scheme have been made over time – with the most notable changes being the extension of funding to part-time students during 2007/08 and the introduction of ring fenced funding for Welsh for Adults Centres during the same year.

### **2.5 Scheme Implementation and Management**

The Welsh Government provides FCF funding to HE and FE institutions in Wales. Details of the non-statutory scheme are provided to recipient institutions annually.

Under the terms of the scheme the Head of each FE or HE Institution is deemed to be the accounting officer and is accountable for advising its own institution's governing body of its responsibilities to deliver the funding in line with the policy terms and conditions outlined in the scheme. They are responsible for putting in place arrangements for managing the FCF schemes (explored in Chapters 4 and 8). The schemes specify very little in terms of what is expected of institutions in this respect.

Funding is usually made available at the start of the academic year and each institution is required to operate a separate interest bearing account into which the Welsh Government makes a payment. Any interest generated is maintained by the institution as part of its FCF. Institutions are able to carry forward a small amount of any unspent funding and interest (no more than 10%) into the following academic year and may use a small proportion (up to 3% or £525, whichever is greater) to administer and publicise the scheme.

FCF payments to students can be made as grants or short-term loans; and in the case of HE only, as bursaries. In the HE sector short-term loans may be granted as an emergency loan when the individual's first student loan payment has been delayed beyond the start of the term, and it is recommended that the FCF loan should not exceed the equivalent of four weeks' of student loan payment. HEIs may also set aside up to 10% of their FCF to provide bursaries for students.

Generally the Welsh Government scheme places a strong emphasis upon:

- administering funding to students according to need;

- having written policies in place which set out operational arrangements for awarding funding and for dealing with appeals;
- not paying the student until the student has started their course (although payments can be agreed in principle prior to the start of the academic year);
- not committing any year on year awards to students;
- processing applications within a reasonable time (with three weeks highlighted as being acceptable for the FE sector but no timeframe is suggested for the HE sector);
- being able to make payment direct to the student, or a third party for the provisions of services;
- considering the inclusion of student representation in the decision making processes for awarding funding (HE only).

Each institution is expected to report back to the Welsh Government on the use of the FCF annually, with HEIs usually expected to report back on the previous academic year during January and FEIs during December.

### **2.6 FCF Advisory Groups and Networks**

Two Advisory Groups have been in place to oversee the implementation of the FCF across institutions, namely the FCF HE and FCF FE Advisory Groups. Both groups (discussed in detail at 2.6.1 and 2.6.2) share the same remit and have been set up to recommend and share best practice among those delivering funds to students.

In addition to these advisory groups, two other 'informal' networks exist, which have stemmed from the sector itself – one being the FE Network (which pre-dates the FCF FE Advisory Group and is attended by FE student or learner support managers) and the other being the WfA FCF Task and Finish Group (which met for the first time during December 2012 largely in response to the Welsh Government's review of FCF).

#### *2.6.1 FCF HE Advisory Group*

Minutes of the HE Advisory Group meetings supplied show that it was attended by representatives from the Welsh Government Higher Education Division and Strategic Planning, Finance and Performance Department as well as representatives from five Welsh Universities. The minutes reviewed reveal that the focus of the meetings included developing and reviewing the terms of reference for the group, discussing possible changes to the FCF HE scheme and issues of relevance to this evaluation. The group also agreed to extend an invitation to the NUS to attend future meetings.



### *2.6.2 FCF FE Advisory Group*

As with the FCF HE Advisory Group, similar Welsh Government representatives attend the FE Advisory Group as well as representatives from FEIs and WfA Centres. The group meets on a bi-monthly basis and a review of meeting minutes held between December 2011 and May 2012 shows that typically five FEIs and one WfA Centre attend. A representative from NUS Wales also began to attend following an invitation from the group. Similarly to the FCF HE Advisory Group, this FE Advisory Group has discussed the issues which this evaluation ought to consider and research.

Of particular interest to this evaluation has been the discussion and feedback on the development of a Good Practice Guidance by the FE Network which would involve standardising elements of the FCF such as the application forms used by institutions, adopting common assessment criteria and common income thresholds for eligible students which institutions could adopt for 2013/14. Minutes from the May 2012 meeting suggest that the final Good Practice Guidance would be finalised during early autumn 2012 but we understand that this is still in draft format.

In our view these groups have focused on appropriate issues to the sector and have functioned as an effective conduit for the sector to engage directly with the Welsh Government. The progress made by the FE group in particular to develop a good practice guide for the sector is to be commended. Despite all FEIs and HEIs being invited to nominate a representative to attend these groups, membership of both groups could have been stronger so as to allow a greater contribution from a wider number of institutions.

## **3. RATIONALE AND NEED FOR FCF HE**

### **3.1 Introduction**

We now turn to the findings of our research across the HE sector, drawing on our desk based research as well as the fieldwork with stakeholders, academic institutions and students.

In this Chapter, we examine the rationale for the FCF within the HE sector. We firstly present an overview of the statutory and discretionary student support in Wales (Section 3.2) before considering, on the basis of our desk review, the extent to which FCF fits within this context (Section 3.3). We then (in Section 3.4) turn to explore interviewees' perceptions of this 'fit' and the underlying rationale and need for the fund (Section 3.5).

### **3.2 Fit with statutory and discretionary student support**

The HE student finance funding structure in Wales is complex and has changed significantly over the past few years. In this section we summarise the current student finance funding available across higher education:

#### *3.2.1 Tuition Fee Grant*

The Welsh Government introduced a new fee grant structure for students who normally live in Wales and either choose to study in Wales, England, Northern Ireland or Scotland from 2012/13 onwards. It was introduced in response to the UK Government's decision to allow English universities to charge up to a maximum of £9,000 per annum for full time higher education courses. From September 2012 eligible Welsh students attending full-time courses at any UK university or college can access a non means-tested tuition fee loan of up to £3,465 (£3,575 from September 2013) and a non means-tested tuition fee grant to cover the difference between the maximum tuition fee loan available and the tuition fee actually charged by the UK university. This is a maximum grant of £5,535 (£5,425 from September 2013) if the maximum tuition fee of £9,000 is charged by the university. Students who started their course between 2006/07 and 2009/10 can continue to access a Tuition Fee Grant of up to £2,085 to help pay for any amount of tuition fees over £1,380 that a university or college charges as well as a Tuition Fee Loan to cover the first £1,380 of tuition fees charged. Students who started their course either in 2010/11 or 2011/12 are not eligible for a Tuition Fee Grant.

### *3.2.2 Repayable Student Loans*

Students can access a repayable student loan to pay for tuition fees and/or towards living costs when studying. Students can access the following loans or grants via Student Finance Wales (a partnership organisation which provides support services to Welsh students). In both cases Welsh Local Authorities are responsible for assessing students' eligibility and the Student Loans Company make payments on behalf of the Welsh Government:

- Tuition Fee Loan: A repayable loan of up to £3,465 to cover Tuition Fee costs. The Student Loans Company pays the fees directly to an university or college;
- Maintenance Loan (living costs): A repayable loan to help students cover living costs such as accommodation, food, clothes, travel and other living expenses. Eligible students must be aged under 60 at the start of their course. Maximum Maintenance Loan rates are set and are currently for 2012/13 in the region of £6,648 for students living away from their parents' home and studying in London, £4,745 for students living away from their parents' home and studying elsewhere and £3,673 for students living at their parents' home. Final year student rates are lower.

### *3.2.3 Non repayable grants for full time students*

New and existing full time students can access three main types of non-repayable grants if they are eligible for support - eligibility is dependent upon the students' household income. The three student grants available are:

- Assembly Learning Grant (ALG) (often referred to as a maintenance grant or living costs grant): The maximum amount of support available to full time students who started their course either in 2012/13 or 2011/12 is £5,000 per year with the amount provided dependent upon students' household income. Students from households with incomes of £18,370 or less can receive the full £5,000 grant whilst those from households with incomes over £50,020 do not receive any grant funding. Students who started their course in 2009/10 or earlier are eligible for a maximum maintenance grant of £2,960;
- Special Support Grant: This grant replaced the ALG for full-time students who may also be able to claim certain income-related benefits. Students cannot receive both an ALG and a Special Support Grant. Students who are usually eligible for a Special Support Grant include lone parents, disabled students, those who are incapable of work for at least 28 weeks or are aged 60 or older. The amount of support is the same as that made available via the ALG.
- Welsh Bursary Scheme: Bursaries are extra financial help available from a Welsh

university or college which can be accessed by students provided they are paying the full tuition fee amount of £3,465 and are also receiving the full amount of ALG or Special Support Grant. The minimum available for this academic year (2012/13) is £347 and is only available for continuing students.

#### *3.2.4 Non repayable part-time student grants*

- Part time students can access a non-repayable Tuition Fee Grant of up to £1,025 to cover the costs of fees charged by their education institution and this is paid directly to the institution. The amount students receive depends upon their household income and the intensity of their course. Students who already have an honours degree do not usually receive support;
- Course Grants: Course grants of up to £1,155 are available to part time students depending upon household income. Students from households with an income of up to £26,095 can usually access the full course grant whilst those from households with an income over £28,181 cannot access this fund. The grant is paid directly to the student in one lump sum.

#### *3.2.5 Childcare Grant (CCG)*

A Childcare grant is available to both full and part time students with dependent children under 16 years of age (17 years of age if the child is registered as having special educational needs) and those children are in registered or approved childcare. The CCG covers 85% of the students' total childcare costs during both term times and holidays and the amount made available depends upon household income and (for part-time students) intensity of the course. Full time students can receive up to £161.50 a week for one child or up to £274.55 a week for more than one child. Part time students can receive up to £206 a week if they have two children and are studying 75% or more of the equivalent full-time course. Grants are usually paid in three instalments directly to the student.

#### *3.2.6 Parents' Learning Allowance (PLA)*

The PLA is available to full and part time students with dependent children to help with course related costs. The amount made available depends upon the student's household income and (for part-time students) the intensity of the course being studied. Full time students can receive up to £1,508 a year whilst part time students are able to access up to £1,131 per year if they are studying 75% or more of the equivalent full-time course. Grants are paid in three instalments directly to the student.

### *3.2.7 Adult Dependents' Grant (ADG)*

This grant is made available to full and part time students with an adult family member, other than an adult who is their child, dependent upon them financially. Subject to their household income a maximum grant of £2,647 is available to full time students and £1,985 for part time students (varying according to the intensity of the part time course being studied). The grant is paid directly to the student in three instalments.

### *3.2.8 Disabled Students' Allowances (DSA)*

The DSA is made available to full and part time students to help pay extra costs which they may have in relation to their course as a direct result of a disability, mental health condition or specific learning difficulty. Students are able to access a specialist equipment allowance (of up to £5,166 for the whole course), non-medical helper's allowance (of up to £20,520 a year for full time and £15,390 for part time students) and a general allowance (of up to £1,729 a year for full time and £1,296 for part time students). These allowances are not means-tested in that the student or household income is not taken into consideration when awarding the funds.

### *3.2.9 Discretionary Funding*

Many HEIs offer discretionary funds, and examples which were encountered during our fieldwork included:

- Regional funds such as the Thomas Howell Education Trust which provides a non-means tested grant of between £100 and £500 to first year undergraduate students aged under 25 and resident in North Wales;
- Welsh medium/bilingual scholarships/bursaries for students undertaking part or all of their courses through the medium of Welsh or bilingually;
- Y Coleg Cymraeg Cenedlaethol Scholarships of up to £1,000 per year for individuals studying their degree through the medium of Welsh;
- HEI Widening Participation funds administered by a number of HEIs to provide grants and/or bursaries to undergraduate and postgraduate students from more deprived communities, as well as students leaving care or who are homeless;
- University Bursaries<sup>13</sup> available to full time students from low income households;
- Start Up Bursaries to care and foyer leavers during their first year of study;
- Hardship Funds, including Alumni Funds, for specific groups or purposes. Examples include:

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<sup>13</sup> Such as at the Universities of Trinity St David, Aberystwyth and Bangor

- the Aberystwyth Fund available to all students, be they part time or full time, resident in the UK or overseas, for financial crises linked to emergencies;
- the Bangor University Fund, to support final year students in financial hardship;
- the Exceptional Circumstances Fund at Trinity St David to help international students with unexpected financial costs.
- Academic Excellence Awards awarded to the highest achieving full-time students entering universities, based on their UCAS tariff score;
- Students' Unions' hardship fund which provides small, short-term financial support to students struggling with financial hardship;
- FE/HE Progression Bursaries for students who are progressing from Further Education to Higher Education;

### **3.3 FCF fit with statutory and discretionary support**

Our desk based review of other statutory and discretionary HE student financial support and feedback from our fieldwork suggests that FCF largely complements such provisions. In particular:

- The amount of funding students can access from other financial support packages is generally assessed by their taxable household income prior to them starting their course, but this may not always provide an accurate picture of the student's actual income levels during their period of study, particularly if any parental contribution required does not materialise. Interviewees argued that the FCF scheme focuses upon the immediate situation of the student: 'it deals with the here and now - it's not a calculation that's done upfront and in advance';
- Other forms of financial support are typically made available at the start of the academic year or term and so cannot be expected to take into consideration any unforeseen student expenditure or change in circumstances, unlike FCF which has the flexibility to accommodate these issues. Interviewees argued that FCF is based on financial need in that a student's actual expenditure against their income is taken into consideration – should a student's calculation show a surplus then no FCF funding is usually made available: '[it is] a very good fund for being able to look at individual circumstances ... it enables us to look at an individual's circumstances at a specific point in time' and as a result one interviewee commented that 'less [funds] at the right time is more effective than more [funds] upfront';
- Other than the HE Bursary Scheme, statutory student funding is administered by either Student Finance Wales/England or Local Authorities – FCF on the other hand is administered locally by institutions and, in principle therefore, should be easier for

students to access and more closely attuned to local circumstances. Interviewees argued that FCF offers tremendous flexibility to support students in ways which statutory provision does not – the prime example being able to support HE students who receive late payments from Student Finance Wales (due to a variety of reasons);

- Several interviewees working within HEIs also argued that one of the key strengths of the FCF is that it takes a holistic approach to HE students' circumstances which is not the case with other forms of support available via Student Finance Wales or Local Authorities;
- It was argued that FCF is considered an option of last resort for students who have to demonstrate that they have exhausted all other forms of support, including statutory provision, other discretionary funds, as well as bank overdraft facilities and income from part time work;
- A handful of HEI interviewees specifically commented that they had seen a decline in the use of the FCF monies for supporting the needs of disabled students as the DSA, which was introduced in 1993, generally covered the costs associated with their needs;
- The majority of HEIs routinely use the FCF HE funds to provide the 15% childcare contribution required of those students who receive the Student Childcare Grant provided they are able to meet the Scheme's eligibility guidelines. In the main, interviewees thought it appropriate that the FCF be used in this way.

However our desk based review and fieldwork highlighted some areas of poor alignment:

- HE students with additional needs in terms of childcare, disabilities and dependents appear to be well catered for via statutory provision although the FCF HE scheme can be used to cover these costs;
- Full time HE students from lower income households appear to be generally well catered for by the current student finance provision suggesting that, provided they manage their funding effectively and have no unpredicted costs to cover, such students should not place a significant demand upon FCF resources.
- One key issue to emerge from our fieldwork related to the fact that HEIs regularly use the FCF HE funds to augment the statutory funding available for part time students and it was widely acknowledged that, although generous, the student financial support for part-timers did not always cover their costs.

### **3.4 Rationale and Need**

Our fieldwork revealed an overwhelming response that there is a need for the FCF across

the HE sector. Across HEIs, interviewees took the view that there was a 'definite need' for FCF as 'part of an holistic plan' designed to aid retention. Many interviewees argued that the availability of a discretionary fund, administered locally to students was a vital tool that ought to be sustained. No interviewee thought that the FCF Schemes ought to be withdrawn. One HEI interviewee commented that 'the fact that we used our entire FCF allocation last year' was an indication of the need for this fund amongst students.

FCF was perceived as a key tool for reaching students who are facing a range of difficulties in addition to financial hardship such as family breakdown or academic difficulties. The recent drive to widen access was thought to have resulted in the recruitment of more students with complex circumstances. However some were eager to point out that the number of FCF applications which they had received in recent years had decreased largely as a result of the introduction of additional income for some Welsh domiciled students via the ALG and Special Support Grant.

### **3.5 Contextual Issues**

#### *3.5.1 College or University mergers*

The continuing merger of Trinity University College and the University of Wales Lampeter has led to a review of the two institutions' methods of administering the FCF HE fund and consideration of the strengths and weaknesses of the systems employed by each. The University of Wales Trinity St David (as the merged institution is to be known) operates a single FCF across all campuses, although applications are considered by two separate committees, based on the old institutions. Consistency in the workings of these committees is ensured by their both being chaired by the same individual.

Interviewees at the Universities of Newport and Glamorgan were mindful that they would similarly have to review their approach to the FCF HE funds during the current merger process, although no specific discussions had taken place at the point of our fieldwork. No major concerns were expressed by either University about this process, largely because they perceived that the other University operated the FCF in a similar way to themselves.

#### *3.5.2 HE Funding cuts*

The drastic FCF cut in funding to HEIs during 2010/11, largely due to the introduction of additional statutory provision had a significant impact upon HEIs' approach to FCF. In many cases the allocations were halved. Several HEI interviewees complained about what were



perceived as the 'last-minuteness' of the cuts, which had come as 'a considerable shock'. Some HEI interviewees spoke of being able to use up their 10% under-spend from the previous year to off-set some of the cuts during 2010/11, but they had then faced real issues during 2011/12 as they had no buffer to fall back upon – indeed, some institutions' FCF funds were exhausted before the end of the academic year and in one case at least, the institution had to utilise its own internal funds to meet the demand from amongst students.

HEIs took different courses of action in their efforts to manage the 2010/11 funding cuts, with some HEIs making fewer awards to students (i.e. focusing upon those 'truly in need of financial support') whilst others awarded lower amounts of funding to students. In some cases, HEIs spoke of having to adopt both approaches in an effort to keep within their revised allocations.

HEI interviewees highlighted some specific changes which were implemented, including:

- Making specific provisions ineligible for funding e.g. financial contribution towards dyslexia assessments were made ineligible at Bangor University with the University absorbing some of these costs itself and making childcare holiday retention costs ineligible at Newport University;
- Introducing means testing for accessing the 15% childcare contribution required towards the CCG;
- Prioritising support for particular groups – usually those with children and dependents over single students, although one HEI decided to prioritise students from middle income households because they demonstrated greater financial deficits than those with full statutory funding;
- Raising the bar for support with accommodation costs – at one HEI an interviewee noted that 'students have to be at the point of being evicted before we give them accommodation support';
- Reducing the maximum funding that any one student could access under the FCF scheme e.g. at Glamorgan University the maximum grant was halved from £1000 to £500 and the maximum emergency loan was also reduced.

The experience of one HEI echoed that of several others in that they had to 'rein in our methodology quite considerably' so that the University could support those at most need of financial support. It is clear that students who possibly lacked a convincing case to demonstrate a financial shortfall would not have been supported during 2010/11, whereas they might have been in previous years. Despite not having welcomed the cuts, some

interviewees were prepared to admit that it had made them re-assess their approach to awarding funding and adopt more stringent eligibility criteria. Some HEIs also spoke of having to absorb higher administrative costs as a result of both having to adopt tighter and more time-consuming monitoring procedures as well as having to spend more time with individual students to provide support (either in applying for FCF or directing them elsewhere). With hindsight, a few HEIs conceded that the cut-backs had introduced a greater sense of rigour to the scheme across the sector. At least two HEIs also spoke of a reduction in promotional activity since the cuts took place in an effort to manage expectations.

## **4. HEIs' APPROACH TO FCF**

### **4.1 Introduction**

Section 4.2 of this chapter deals with the views of the sector on the Welsh Government Scheme that is issued to HEIs (in particular the guidance around priority groups and residency requirements). The chapter goes on to discuss some of the general policies adopted by HEIs to award funding (Section 4.3).

### **4.2 Welsh Government Scheme**

It was generally argued by those interviewed that the scheme provided adequate flexibility to institutions to manage the Fund as they see fit, although there was a call to issue guidance around what should be funded. Many of those interviewed referred to previous years when annual guidance was provided as being more useful than recent ones - although we are mindful that changing the basis under which the Fund is administered was a result of an internal review of the scheme by Welsh Government officials.

Several interviewees called for advice about a number of issues such as capping the limit to any one student can receive to £3,500, and the definition of a part time student, as well as greater clarity as opposed to descriptive guidance which can be interpreted in many ways. It was argued that this would provide a more equitable provision for students across Wales.

Indeed several of those consulted argued that they had adhered to some of the requirements set out in earlier guidance notices despite them not being included in current ones as this had been a safe approach to adopt. However over time HEI interviewees believed that institutions may deviate away from some of these unwritten common approaches. Many HEI interviewees called for the Welsh Government to maintain its flexibility, however, in terms of how institutions should administer the scheme.

#### *4.2.1 Priority Groups*

Mixed views were conveyed by interviewees about the priority groups identified by the Welsh Government in its FCF HE scheme. Most interviewees from the HE sector thought they were appropriate and in keeping with the groups that the Welsh Government expected the sector to reach and support via their widening access agenda: 'they're pretty right but it's not rocket science is it?' Our fieldwork did not reveal any desire from within the HE sector to set an order of precedence of the priority groups that should be supported via FCF.

It was widely acknowledged that the priority groups were 'illustrative' and so should not cause too many difficulties for HEIs in accommodating the needs of other groups of students. One HEI interviewee, for example, commented that 'we never exclude anybody' just because they did not fit into the priority groups. Furthermore many commented that the description of priority groups was sufficiently broad in scope to allow HEIs a degree of flexibility in terms of awarding funds.

A minority questioned the relevance and value of priority groups given that the FCF is primarily awarded on the basis of individuals' circumstances rather than on whether students fall into particular categories or not. Furthermore, a couple of interviewees questioned the rationale for including 'students who are not eligible for statutory support' which was a new group added during 2011/12. Generally it was felt that this priority group should be better defined. As it stood its inclusion meant that universities could now support students who were repeating a year of study (having failed it previously) but also support students studying a second degree (who would be ineligible for statutory support). Another interviewee from the HE sector questioned the value of maintaining those priority groups who were well catered for by statutory provision (notably students with children and disabled students) whilst another suggested the inclusion of 'carers' as a new priority group (given that one HEI had adopted this group as a priority within their own guidance during 2011/12).

The inclusion of priority groups does have an impact upon the levels of funding students can expect to receive at some institutions – for example, Glyndŵr University awards are limited to 50% of the student's shortfall if they fall outside of the Welsh Government's priority groups, compared to 80% for those who fall within them. Similarly at Glamorgan University priority group students can expect to receive up to £500 to meet their financial shortfall compared with up to £400 for non-priority groups.

### *4.2.2 Residency Requirements*

The majority of interviewees argued that the residency requirements set out in the Welsh Government scheme were appropriate and, as they were well aligned with statutory residency requirements for the HE sector, should not be changed. Indeed many interviewees pointed out that as alternative hardship funds (often funded directly by the HEI) were often available to accommodate the needs of international students who did not qualify for the FCF there was no need to revise the FCF requirements in this respect (although a couple of HE interviewees did think that FCF should be made available to international students).

Some interviewees stressed that a change in the residency requirements for FCF would only serve to complicate matters for HEIs and create confusion amongst both students and awarding institutions in the long term. It would also, it was argued, place significant additional pressure on the FCF HE allocations which HEIs 'couldn't afford to fund' within FCF.

When asked about the possibilities of restricting FCF to Welsh domiciled students only, most interviewees voiced objections ('this would not be an option - it would raise ethical issues and would be very divisive') whilst the remaining few were cautious: 'I would want the Welsh Government to think carefully before they made it just for Welsh domiciled students'. No single interviewee argued that the FCF HE should be restricted in this way. One reason given related to the fact that a significant proportion of students at Welsh HEIs are non-Welsh domiciled and HEIs feared that any restrictions imposed upon the FCF might serve to discourage such students from studying at their institutions (although it was widely acknowledged by the sector that the fund should not be used as a recruitment tool for HEIs). Secondly, a number of interviewees conveyed their fear that such a restriction would not be in keeping with an ethos of offering equal opportunities to students.

### **4.3 HEI FCF Policies**

The approach taken by HEIs is reasonably consistent in that FCF applications are considered on an individual basis to assess whether students have a shortfall in their expenditure against their income. In the main, funding is only made available to those who are able to demonstrate a financial deficit. A couple of HEI interviewees were keen to stress that funding is only awarded to students who are deemed 'financially viable' as FCF support will not resolve the problems faced by students who have substantial and unresolvable debt problems.

It was largely accepted that those students accessing the full statutory support are usually well financed and, in theory, should not require FCF support. However, the FCF scheme allows institutions to be flexible and accommodate exceptional circumstances e.g. our fieldwork revealed one example whereby a student had received FCF support despite accessing the full statutory support available as they had used their student loan and grant to pay for the funeral costs of a parent. Several HEI interviewees mentioned that applicants are expected to have exhausted all other options of support before FCF funding is made available and many consistently argued that they only considered 'essential expenditure' when determining whether an applicant had a financial deficit. This approach was not always

welcomed by applicants (particularly mature students who having grown accustomed to a particular lifestyle, increasingly argued that essential costs would include mobile phone costs or car costs) and it was not always easy for HEIs to determine whether some costs were essential or lifestyle costs.

It is worth noting that the FCF HE Scheme is not always known as such, with the fund branded as the 'Access Fund' in Newport University, for example.

Despite this overall common approach, many differences emerge in terms of what gets funded and how this is distributed by individual HEIs. For example:

- Some place a fixed cap (e.g. £400 or £500 at Glamorgan University) or a proportional cap towards the deficit identified (e.g. 50% contribution at Glyndŵr University) on the amount of funding that any one student can usually access for financial hardship support;
- Some operate a higher fixed cap (e.g. at £3,500 at Glyndŵr University) which takes all funds including childcare into consideration, whereas others place a proportional or fixed cap on particular provisions (e.g. accommodation costs and weekly living costs are capped at Aberystwyth University, whilst daily childcare funds are capped at Newport University);
- Some will prioritise the FCF funds for particular groups (e.g. at Cardiff University priority is given to those with childcare and travel costs);
- Some expect students (other than final year students) to be able to make a contribution (e.g. set at £1,000 in Cardiff University) via part time work and if students are unable to secure work they have to demonstrate that they tried (e.g. at Swansea University);
- Most HEIs expect students to use their bank overdraft facilities prior to applying to FCF although the amount of overdraft a student can secure has reduced drastically in recent years (according to one HEI interviewee this had been cut from around £3,000 to a maximum of £500);
- One HEI specified that they do not usually allow first year students to apply for the fund until after December as they would not be expected to have financial difficulties during their first term at University
- Some but not all HEIs operate a minimum FCF award figure which varied from £50 at Trinity St David, Glamorgan and Newport Universities to £100 at Swansea University for example;
- The proportion of FCF funds usually allocated before or during the first academic

term ranges substantially from around 4% to 70% as shown in Table 2 below:

Table 2: Proportion of FCF funds usually allocated before or during first academic term

	Proportion
Open University	Approx. 70
University of Glamorgan	66
UoW, Newport	59
Bangor University	54
Cardiff Metropolitan University	45
Aberystwyth University	35
Cardiff University	33
UoW, Trinity Saint David	27
Swansea University	25
Glyndŵr University	10 (upfront)
Swansea Metropolitan University	Not known

Source: HEIs Completed Questionnaires

#### 4.3.1 Consideration of part time and full time applicants

No restrictions were imposed by any HEI in that both full time and part time students were able to apply for FCF funds (at the Open University only part time students applied). It was generally recognised that the financial support available to part time students is generous but that it was not always sufficient to cover some costs such as course costs and living costs. In some institutions, FCF policies meant that part time students could only apply for particular provisions - in the case of Bangor University for example, part time students can only apply for childcare or travelling costs as it is expected that they should be able to cover other expenditure via benefits or work income. Similarly in Swansea University, funds are only usually made available to support course fees and travel costs for part time students.

#### 4.3.2 Applicants who have already accessed FCF in the past

No HEI operates a policy whereby a student who has accessed FCF in the past cannot apply again for funding in the future. Indeed many HEIs spoke of students with particular circumstances (e.g. lone parents) who would be expected to apply to the Fund on an annual basis, but a couple spoke of trying to restrict applications to once per annum. HEIs were more guarded about receiving multiple requests from students who had applied to the FCF Scheme because they had previously mis-managed their income – whilst they would not be excluded from applying, there was an expectation that such students would be able to apply the financial management advice received so that they would not need to re-apply again.

#### *4.3.3 Requirement for making student contribution*

HEIs do not have explicit policies which require students to make a proportional contribution towards a specific provision as HEIs take a more holistic view of student income and expenditure. It is largely accepted, however, that HE students are required to make their own contributions towards the funding of the courses either via part time work, overdraft facilities, family support or other statutory and discretionary sources.

#### *4.3.4 Support for FE students*

HEI interviewees noted that students studying FE level courses at HEIs were generally able to access support via the FCF HE Scheme and this arrangement was deemed to be working well at such institutions. In the main FE students tend to access the FCF Fund for accommodation and equipment related support.

#### *4.3.5 Use of loans*

Seven of the HEIs who participated in the research administered loans as part of their FCF offering and typically used between 1% and 31% of their annual allocations for loan purposes (as shown in Table 3). These institutions were inclined to argue that the loan facility was particularly helpful in supporting a student who would otherwise be ineligible for grant funding support. For example, a specific student's income-expenditure calculation might show a surplus and so would not qualify for grant support – yet a loan support would help them manage fluctuations in cash-flow such as pay day loans or utility bills.

In the main loans are used to support students whose student loans have been delayed. Some institutions place a cap on such loans (e.g. at Aberystwyth University these loans are capped at £50 per week; at Bangor University loans of up to £250 are usually made available, whilst Glamorgan University usually offers a loan of up to £400 – although more could be made available in exceptional circumstances). Loans are also occasionally issued to students for the purpose of covering childcare costs incurred during the first month of a student's course as students may not have received their CCG in time for the start of the course, as in the case of Glyndŵr University. Interestingly, at least three of the HEIs interviewed commented that loan expenditure was classified under the 'other' category for Welsh Government returns.

Three HEIs did not make available a loan facility via their FCF scheme. Cardiff University, for example, administers its own loan fund which pre-dates the FCF scheme. The institution



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has, therefore, no need to use FCF monies in this way. In the case of another, Newport University used to make loan funds available via the FCF scheme but stopped doing so due to the low repayment rates on amounts borrowed and the fact that the cost of administering a loan scheme did not offer value for money. Whilst other institutions would acknowledge this point some were keen to highlight that loans can often be a means of teaching students to manage their money more effectively..

Table 3: Proportion of FCF funds usually allocated as loans

	Proportion
Glyndŵr University	31
UoW Trinity Saint David	25
University of Glamorgan	7
Aberystwyth University	6
Cardiff Metropolitan University	4
Bangor University	1
Swansea University	1
UoW Newport	0
Cardiff University	0
Open University	0
Swansea Metropolitan University	N/A

Source: HEIs Completed Questionnaires

## 5. USE OF THE FCF ACROSS THE HE SECTOR

### 5.1 Introduction

In this section we discuss how the FCF has been used across the HE sector, firstly looking at the data supplied by the Welsh Government for 2010/11 (Section 5.2) before turning to discuss the feedback from our fieldwork (Section 5.3).

### 5.2 Use of the FCF within the HE sector: An analysis of data

£2.1m funding is currently made available to 11 HEIs and three FEIs which deliver HE provision. Cardiff University receives the largest allocation, followed by the University of Glamorgan and Swansea University. Three institutions experienced a drop in their financial allocations between 2010/11 and 2012/13, whilst two experienced an increase. Allocations for the remaining six institutions remained similar (see Table 4).

Table 4: FCF HE Financial Annual Allocation by Institution

Institution (£)	2012/13	2011/12	2010/11
Cardiff University	411,553	393,907	412,980
University of Glamorgan <sup>14</sup>	378,295	402,538	410,500
Swansea University	252,003	257,171	254,860
Bangor University	197,731	195,873	165,010
Cardiff Metropolitan University	176,989	179,562	186,410
UoW, Newport	173,123	179,562	174,670
Aberystwyth University	164,725	148,670	146,570
Glyndŵr University	117,350	113,466	115,340
Swansea Metropolitan University	109,140	116,752	113,690
UoW, Trinity Saint David	74,664	75,066	72,710
Open University	31,634	31,634	31,630
Grŵp Llandrillo Menai <sup>15</sup>	19,777	10,927	9,850
Coleg Sir Gâr	3,127	5,583	6,420
Neath Port Talbot	1,889	2,313	1,930
(Coleg Menai)	N/A	N/A	290
Gower College Swansea	0	32	150
Total	2,103,000	2,103,000	2,103,000

Source: Welsh Government

<sup>14</sup> Includes Royal Welsh College of Music and Drama allocation

<sup>15</sup> Previously Coleg Llandrillo and Coleg Menai

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Nearly all (95%) of the FCF HE funds were used to support full time students, with most of these studying at undergraduate level (see Table 5). Other than for the Open University (where part time students accounted for all FCF expenditure) this was a general pattern across all HEIs and FEIs, although a greater proportion of FCF expenditure was allocated to part time HE students at Coleg Llandrillo<sup>16</sup> (13%), Cardiff Metropolitan University<sup>17</sup> (10%) and UoW Trinity St David (8%). Overall FCF HE expenditure on undergraduates stood at 89%, postgraduates at 8% and Further Education at 3%. Some Universities reported higher than average levels of expenditure on postgraduate students than others; namely Bangor University (16%), Cardiff Metropolitan University (12%) and Swansea University (12%).

**Table 5: FCF HE Expenditure by Mode of Study**

2010/11 (£)	Full Time	Part Time	Total
Undergraduate	2,023,640	96,730	2,120,380
Postgraduate	175,720	27,150	202,870
Further Education	83,390	1,010	89,400
Total	2,287,760	124,890	2,412,650 <sup>18</sup>

Source: Welsh Government

In terms of the provisions funded, Table 6 shows that a significant proportion of the FCF HE fund is used to support general living costs (at 30%) followed by accommodation costs (19%) and books/equipment (10%). Part time students are more likely to use the FCF for additional fee support (with 23% of expenditure for part time students used for this purpose) followed by taster modules (17%).

<sup>16</sup> Now Grŵp Llandrillo Menai

<sup>17</sup> Then UWIC

<sup>18</sup> Annual FCF expenditure is higher than annual allocations because expenditure includes any funds carried over from previous year, interest accrued and any loans repaid from previous year.

Table 6: FCF HE Expenditure by Provisions

2010/11 (£)	Full Time	Part Time	Total
General living costs	697,580	23,560	721,130
Accommodation	464,670	6,230	470,900
Books & Equipment	218,910	19,060	237,970
Childcare	164,830	1,380	166,210
Other	149,250	1,990	151,250
Transport	147,500	7,360	154,860
Emergency banking	94,000	200	94,200
Bursary scheme	77,880	2,250	80,130
Utility costs	75,420	1,700	77,120
Diagnostic testing	71,110	8,920	80,030
Assistance with Disability costs	70,070	1,000	71,070
Priority debt	52,040	880	52,920
Additional Fee support	4,500	29,170	33,670
Taster modules	0	21,200	21,200
Fee remission-transitional arrangements	0	0	0
Total	2,287,760	124,890	2,412,650

Source: Welsh Government

When examining spend on these provisions by individual institutions, it is worth highlighting some patterns for the HEIs:

- General living costs accounted for the largest spend at five HEIs (University of Glamorgan, Cardiff University, UoW Trinity St David, Swansea University and Cardiff Metropolitan University), whilst no spend on living costs were recorded at all at two (Bangor University and UoW Newport);
- Accommodation costs accounted for the largest spend at three HEIs (Aberystwyth University, Bangor University and Swansea Metropolitan University) and it was also the second largest spending area in several other HEIs, such as Swansea University, UoW Trinity St David and UoW Newport;
- Unusually books/equipment accounted for the highest spend at UoW Newport, with 40% of the FCF HE budget used for this purpose;
- The profile of spend at Glyndŵr University was different to other HEIs in that an unusually high proportion (26%) of spend was allocated to other provisions (with this being its highest area of spend) followed by general living costs;
- Likewise the profile of spend at the Open University differed to the norm in that spend was confined to four areas. Taster modules accounted for its largest spend (at 33%),

## Evaluation of the Financial Contingency Fund

followed by additional fee support, books and equipment and diagnostic testing;

- Aberystwyth University and the Open University were the only HEIs not to spend any funding on childcare provision and it only constituted a very small proportion of spend (less than 1%) at UoW Trinity St David;
- No bursary funding was made available via the FCF HE at seven HEIs (Cardiff University, Aberystwyth University, UoW Trinity St David, Glyndŵr University, Swansea Metropolitan University, UoW Newport and the Open University);
- No priority debt funding was made available at five HEIs (Aberystwyth University, Bangor University, Glyndŵr University, UoW Newport and the Open University);
- Additional fee support was higher than average at Cardiff Metropolitan University at 6% and, as would be expected, was allocated to part time students only;
- Assistance with disability costs was unusually high at Swansea Metropolitan University and accounted for 22% of its spend (and the second highest expenditure after accommodation);
- Diagnostic testing accounted for between none (e.g. Glyndŵr University) and around 5% (e.g. at UoW Newport) of HEI spending.

Across the three funded FEIs during 2010/11, FCF HE funding was allocated to two areas – the largest being books and equipment followed by general living costs.

In all, 6,055 students were supported via the FCF HE Scheme during 2010/11. This represents 3.6% of all students studying at Welsh HEIs during that year. In line with expenditure patterns, most of the students supported were in full time undergraduate study. Whilst 5% of all undergraduate students were supported via the FCF the proportion of further education students, at 0.7% was much lower (as shown in Table 7 below).

Table 7: FCF HE Number of students supported

2010/11	FCF Supported			All Students		
	Full Time	Part Time	Total	Full Time	Part Time	Total
Undergraduate	4,795	655	5,450	75,695	33,495	109,190
Postgraduate	335	75	410	16,130	14,770	30,900
Further Education	190	5	195	5,775	23,180	28,955
<b>Total</b>	<b>5,320</b>	<b>735</b>	<b>6,055</b>	<b>97,600</b>	<b>71,445</b>	<b>169,045</b>

Source: Welsh Government and Stats Wales

## Evaluation of the Financial Contingency Fund

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The largest numbers of students were supported at Cardiff University, followed by Swansea University and the University of Glamorgan, with lower numbers at Bangor University and the Open University. This pattern largely reflects the overall number of students at these institutions. Interestingly, a higher proportion of part time students (as a proportion of all students supported via the FCF) were supported at Swansea University (at 26%), whilst it is understandable given the profile of students at the Open University that all students supported were part time students. Relatively few (just over 1%) of students supported via FCF at Cardiff University were part time students, as shown in Table 8 below.

**Table 8: Number of students supported via the FCF HE Scheme by Institution**

Institution 2010/11	(FCF Supported)			(All Students)
	Full Time	Part Time	Total	Total
Cardiff University	1,150	15	1,165	30,955
Swansea University	710	245	950	19,330
University of Glamorgan <sup>19</sup>	700	40	745	29,875
UoW Newport	525	55	580	10,295
Glyndŵr University	485	10	495	8,960
Swansea Metropolitan University	460	20	480	6,160
Aberystwyth University	370	5	375	14,955
Cardiff Metropolitan University	335	35	370	13,605
UoW Trinity Saint David	280	20	300	6,740
Open University	0	285	285	9,085
Bangor University	245	* <sup>20</sup>	250	19,090
All FEIs	60	*	65 <sup>21</sup>	N/A
<b>Total</b>	<b>5,320</b>	<b>735</b>	<b>6,055</b>	<b>169,050</b>

Table 9 shows that 7,260 awards were made during 2010/11, which implies that almost a fifth of students (1,205) received more than one FCF HE award. Postgraduate students are much more likely than undergraduates or Further Education students to receive more than one award.

<sup>19</sup> Includes Royal Welsh College of Music and Drama allocation

<sup>20</sup> Numbers less than 5, but not zero, are represented by '\*'

<sup>21</sup> Due to rounding, the sums of some rows or columns may not add to the total figure given.

Table 9: FCF HE Awards Made

2010/11	Full Time	Part Time	Total
Undergraduate	5,775	745	6,520
Postgraduate	455	125	580
Further Education	150	10	160
Total	3,680	885	7,260

Source: Welsh Government

When looking at the age profile of students who received awards, Table 10 shows a fairly even spread of awards made to those under 21 (28%), those aged between 21 and 24 (33%) and those aged 25 and over (38%). Part time students were more likely than full time students to fall into the over 25 group. When exploring the data at institutional level, it can be seen that UoW Newport supported a higher than average proportion of students aged under 21; Cardiff University and Swansea Metropolitan University supported higher proportion of those aged 21-24 and Swansea University, Glyndŵr University and the Open University supported a higher proportion of students over 25.

Table 10: FCF HE Students Support by Age

2010/11	Full Time	Part Time	Total
Under 21	1,605	10	1,620
21-24	1,860	50	1,910
25+	1,575	630	2,205
Total <sup>22</sup>	5,050	690	5,735

Source: Welsh Government

The average value of an FCF HE award during 2010/11 was £421, although this varied across institutions (see Table 11): the average value of awards made was at its highest in the University of Glamorgan (at £721 per award) and Bangor University (£632) and at its lowest in Glyndŵr University (£236) and the Open University (£115). Indeed across all HEIs, the majority of awards were made for values between £100 and £999 during that year. Only 720 awards were made for amounts less than £100 and the institutions of Swansea University, Open University and Glyndŵr University accounted for most of these. At the other extreme only five awards were made for amounts of £3,500 and over and all of these were awarded by UoW Newport.

<sup>22</sup> Where data on age was made available

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Table 11: FCF HE awards distributed by value<sup>23</sup>

Institution		Less than £100	£100 - £999	£1,000 - £3,499	£3,500 and over	Total
University of Glamorgan <sup>24</sup>						
	Number	25	470	220	0	715
	Amounts	1,520	198,390	315,660	0	515,560
Cardiff University						
	Number	35	1,035	95	0	1,165
	Amounts	1,990	389,010	117,320	0	508,310
Swansea University						
	Number	295	600	30	0	920
	Amounts	11,070	222,450	34,410	0	267,930
Cardiff Metropolitan University						
	Number	0	315	55	0	370
	Amounts	0	131,490	75,330	0	206,820
UoW Newport						
	Number	15	370	35	5	425
	Amounts	850	123,540	53,530	18,170	196,640
Aberystwyth University						
	Number	15	325	40	0	375
	Amounts	650	123,390	47,720	0	171,530
Bangor University						
	Number	0	210	40	0	250
	Amounts	0	102,070	55,990	0	158,060
Glyndŵr University						
	Number	130	360	*	0	495
	Amounts	7,670	103,610	5,360	0	143,600
Swansea Metropolitan University						
	Number	40	315	25	0	375
	Amounts	1,680	107,220	34,700	0	143,600
UoW Trinity Saint David						
	Number	15	270	5	0	295
	Amounts	880	73,340	9,260	0	83,490
Open University						
	Number	145	140	0	0	285
	Amounts	11,540	21,230	0	0	32,770
All FEIs						
	Number	*	55	*	0	60
	Amounts	210	10,160	1,500	0	11,870
Total						
	Number	720	4,465	545	5	5,730
	Amounts	38,050	1,605,660	750,780	18,170	2,412,650

Source: Welsh Government

Around a fifth of applications made to the FCF HE Scheme were unsuccessful - during 2010/11 a total of 1,530 applications were turned down by institutions, with the highest proportion (as well as absolute number) of refusals being made by the University of Glamorgan followed by Cardiff Metropolitan University, UoW Newport and Swansea

<sup>23</sup> Total number of awards do not tally with total number of students as students can receive multiple awards which are reported individually to the Welsh Government.

<sup>24</sup> Includes Royal Welsh College of Music and Drama allocation



University. Very few refusals were made in Glyndŵr and Bangor Universities as shown in Table 12 below.

Table 12: FCF HE Application Refusals by Institution

Institution	Total Refused	As % of all Applications Made <sup>25</sup>
University of Glamorgan <sup>26</sup>	485	40%
Cardiff Metropolitan University	190	34%
UoW Newport	150	26%
Swansea University	255	22%
Aberystwyth University	75	17%
UoW Trinity Saint David	55	16%
Cardiff University	195	14%
Swansea Metropolitan University	60	14%
Bangor University	25	9%
Open University	15	5%
Glyndŵr University	10	2%
All FEIs	*	N/A
Total	1,530	21%

Source: Welsh Government

When looking at the reasons for refusing funds, just under half of the unsuccessful applications were rejected on the grounds that they lacked evidence of financial hardship, whilst just over a quarter did not meet the institution's priority for the use of funds. Encouragingly, only a very small proportion (less than 2%) of unsuccessful applications were refused funds on the basis of funds having been exhausted. These findings are presented in Table 13. When looking at the pattern across individual institutions, it is worth noting that insufficient evidence of financial hardship accounted for all unsuccessful applications at Glamorgan, Bangor and the Open Universities whereas the key refusal reason at Cardiff, Trinity St David and Swansea Universities related to not meeting institution's priority for the use of funding. A number of applications (just under 13%) were refused for other reasons.

<sup>25</sup> All applications calculated as all awards made plus refused applications.

<sup>26</sup> Includes Royal Welsh College of Music and Drama allocation

Table 13: Reasons for refusing applications to FCF HE Scheme

2010/11	Number Refused
Insufficient evidence of financial hardship	720
Did not meet institution's priority for use of funds	400
Other	195
Student in receipt of support from other sources	190
Institution's FCF allocation exhausted	25
Total	1,530

Source: Welsh Government

Data relating to the number of FCF HE supported students who were known to have left their institution before completing their course was not available via the Welsh Government.

Eight HEIs (the exceptions being Cardiff University, UoW Newport and the Open University) administered loans as part of their FCF HE Scheme during 2010/11, but the value of these loans only represented around 3% of all expenditure via the scheme (with just under £80,000 paid out during 2010/11) as shown in Table 14. In most cases loans are made to students whose loan payments from the Student Loans Company (SLC) are delayed. The data for 2010/11 shows that around 40% of loans paid out during the year were repaid during the same year. The repayment rate varies across institutions, with some (such as Aberystwyth University) reporting a 100% repayment rate, while others (such as Glyndŵr University) reported a significantly lower repayment rate of 14%. It is possible that the repayment rate varies from one institution to the next as some allocate more resources than others to this task. In some cases it is also understood that the institutions accept that these loans are unlikely to be re-paid.

Table 14: FCF HE Loan payments provided and repaid

2010/11	Number Successful	Paid Out £	Repaid within year £	Repaid from previous year £	Outstanding within year £
Total loans for SLC late payments	290	46,540	24,720	4,250	19,870
Other loans	70	32,720	6,950	350	25,810
All loans	360	79,260	31,670	4,600	45,810

Source: Welsh Government

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The funds distributed via the FCF HE Scheme were some £300,000 greater than the original funds set at £2.1m for 2010/11 because institutions utilised funds brought forward from the previous academic year as well as interest earned during 2010/11. Institutional spend on administration and publicity is relatively consistent (as shown in Table 15) and in keeping with the Welsh Government scheme of maintaining spend within 3% of their overall funding allocation (the average being 3.1%). Spend at UoW Trinity St David was lower than average at 1.5%, whilst some institutions (Swansea Metropolitan University and the Open University) returned proportions slightly higher (at 3.6% and 4.1% respectively). Three HEIs (Bangor University, Swansea University and the Open University) and two FEIs (namely Coleg Llandrillo and Neath Port Talbot College) returned funding to the Welsh Government for 2010/11, totalling just under £50,000 (which represents 2.2% of the overall HE allocation for that year).

**Table 15: FCF HE Fund allocation, distribution and returned**

Institution (£)	2010/11 Allocation	Funds distributed in 2010/11 <sup>27</sup>	Amount spent on administration / publicity	Funds to be returned to DfES <sup>28</sup>
Cardiff University	412,980	508,310	13,160	0
University Glamorgan <sup>29</sup>	410,500	515,560	12,830	0
Swansea University	254,860	267,930	7,650	22,790
Cardiff Met University	186,410	206,820	5,660	0
UoW Newport	174,670	196,080	5,780	0
Bangor University	165,010	158,060	4,950	16,610
Aberystwyth University	146,570	171,530	4,440	0
Glyndŵr University	115,340	116,640	3,070	0
Swansea Met University	113,690	143,600	4,100	0
UoW Trinity Saint David	72,710	83,490	1,110	0
Open University	31,630	32,770	1,290	2,750
All FEIs	18,640	11,870	1,310	4,810
<b>Total</b>	<b>2,103,000</b>	<b>2,412,650</b>	<b>65,310</b>	<b>46,970</b>

Source: Welsh Government

### 5.3 Use of the FCF within the HE sector: Fieldwork feedback

In this section we discuss some of the key messages conveyed during our fieldwork with

<sup>27</sup> Which includes funds brought forward from 2009/10 and any interest earned during 2010/11

<sup>28</sup> Excludes any funds carried forward of no more than 10% into 2011/12

<sup>29</sup> Includes Royal Welsh College of Music and Drama allocation

HEIs around the type of provisions funded via FCF – most notably around funding for living costs, accommodation, childcare, disabled students and disability testing.

### *5.3.1 Living Costs*

Several HEI interviewees commented that they had seen an increase in the demand amongst applicants for support with general living costs (although several also noted that such costs are reported under the headings of accommodation, utility and other). These included an increased demand from students from lower middle income households who sit just above the cut off threshold for statutory support. Some had also seen a recent rise in demand for FCF to be used for meeting travelling costs, due to increases in fuel charges, which get categorised as 'living costs'. Also our fieldwork revealed that at least three HEIs reported increases in applications from students struggling with pay-day loans and borrowing from loan-sharks, whilst a couple of HEIs reported increases in applications from students with on-line gambling issues. One HEI argued that it had experienced an increase in applications from third year students more recently, partly because their study pressures restricted them from taking up part time work, whilst another drew attention to an increase in demand from post graduate students largely due to the fact that they are ineligible for Professional and Career Development Loans when they had assumed that they would be.

### *5.3.2 Disabled students*

Most HEIs interviewed commented that they had seen a reduction in the funding distributed via FCF to disabled students and now very rarely make contributions for this other than funding for short-term health related issues which are not classified as disabled e.g. payment for taxi due to broken leg. It was generally felt that the DSA is able to accommodate requirements of disabled students.

### *5.3.3 Disability testing*

Not all HEIs use the FCF to cover costs associated with disability testing – for example Glyndŵr University and the UoW Trinity St David do not use the FCF to meet the costs of dyslexia assessments as these are covered by the university directly.

Of those that do use FCF to cover these costs, several cited a recent increase in demand from applicants. It was widely acknowledged that the fees for disability testing were high (e.g. dyslexia testing costs of between £240 and £350 were cited by interviewees) and, in the main HEIs, only make a contribution towards these costs via the FCF Fund. The FCF

contribution made by universities varies (for example from £50 at Bangor University, to £100 at Cardiff Metropolitan University and £200 at Aberystwyth University). Students are expected to contribute the remaining balance in most cases although some (such as Bangor University) meet the balance from core funds.

### *5.3.4 Accommodation*

It was argued that there is a strong relationship between FCF expenditure on accommodation and the cost of accommodation locally. In Cardiff for example, spend on accommodation is relatively low as university accommodation costs are generally low, whilst in Aberystwyth both the spend via FCF and cost of accommodation is high. Consequentially, Aberystwyth University adopts a much more stringent approach to funding accommodation costs in that the FCF can be used to cover up to 50% of overdue accommodation costs or to make up a shortfall of up to 50% of costs.

Other factors do have bearing upon this picture however, as in many cases HEI interviewees explicitly stated that they advised students to prioritise the payment of accommodation costs in the first instance. Aligned with this, many students are required to pay a semester's rent up front so tend to use their maintenance loan for this purpose. As a result, the FCF funding gets coded against other types of expenditure at some universities, such as Cardiff. However, others, such as Aberystwyth University, tend to record FCF spending against accommodation costs despite the funds having been used to contribute more generally towards a student's deficit as it was argued that accommodation costs make up a significant element of the applicant's expenditure.

As previously noted the cuts in FCF HE funds meant that HEIs have generally had to adopt tighter policies around accommodation and a couple of interviewees commented that the fund is now used to support those students who are genuinely under 'threat of losing their house' or being evicted from their accommodation.

### *5.3.5 Childcare*

As discussed in Section 5.2, all HEIs other than Aberystwyth University and the Open University reported spend on childcare. However our fieldwork revealed that students receiving FCF funds at Aberystwyth would have received a contribution towards childcare provided their outgoings included childcare costs but it would be recorded under the general headings of accommodation or general living costs.

Most student requirements for childcare funding is met via the CCG, although HEIs do allow students to access FCF funds to cover their personal contribution of 15%, provided they are not able to meet these costs from their own income. HEIs also use the FCF to cover childcare costs for those students who have not accessed the CCG provided that they meet their specific eligibility criteria.

The situation at Glyndŵr University is an exception, as students are able to access FCF for childcare support without being means tested. Students are guaranteed access to the 15% shortfall in their CCG allocation provided they use the on-site childcare facility, which is an independent commercial entity, albeit with historical links to the institution. Applicants who use other, off-site childcare provision usually access funding but are not guaranteed support. Future pressures on the FCF fund at this institution may result in the means testing of childcare contributions via FCF as happened in Swansea University when the FCF HE cuts were implemented.

Feedback from most students interviewed did not suggest that there is a huge demand for out of hours childcare financial assistance although that is not necessarily the case for particular students, including those on placements such as NHS funded students.

### *5.3.6 Bursaries*

Our fieldwork revealed some evidence that the FCF is used to award bursaries to specific types of students as was the case in three Universities (Bangor, Swansea and Glamorgan Universities). Overall only a small proportion of FCF funds is used for this purpose (just over £80,000 during 2010/11 representing just over 3% of the overall budget) and varies from around 5% of Glamorgan's expenditure to 12% and 13% at Swansea and Glamorgan Universities respectively<sup>30</sup>. Furthermore it is also the case that only small numbers (around 10 to 30 students at each of the three institutions) receive a FCF bursary on an annual basis.

At Bangor University bursaries of £2,000 are awarded to second, third and fourth year care leaver and Foyer students as well as Postgraduate Access Bursaries (for recent graduates or individuals who are unemployed immediately before starting their postgraduate studies). During 2010/11 post-graduate students accounted for the majority of both Bangor and Swansea University's spend on FCF bursaries. At Glamorgan University a £1,000 bursary is made available to full time care leavers and foyer or homeless students (but not in their final year) and £500 for part time students provided they meet the relevant eligibility

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<sup>30</sup> Based on 2010/11 Welsh Government data

requirements. During 2010/11 70% of Glamorgan University's FCF bursary spending was allocated to further education students.

The feedback from institutions administering these bursaries suggests that they are an effective means of supporting students facing exceptional circumstances such as care leavers and homeless individuals, particularly where no other alternative bursary support is available. It was also argued that the use of FCF for this purpose is confined to very few students at these Universities and that the criteria for awarding funds has been tightened in some instances over the last few years.

## **6. FCF AND NHS PROVISION**

### **6.1 Introduction**

In this section we discuss the specific use of FCF to support NHS funded students. We firstly (in Section 6.2) discuss the current student financial support package in place for NHS funded students before turning to explore how and for what purposes NHS students access the FCF funds (at Section 6.3). We finally (in Section 6.4) present the feedback from our fieldwork in terms of making FCF support available to NHS students in the future.

### **6.2 NHS Financial Support Package**

NHS financial support is available to students in receipt of NHS funded places on courses leading to professional registration such as a nurse or midwife, dental auxiliary or Allied Health Professional courses in Wales.

The tuition fees for non-medical courses are paid directly by the NHS so eligible students are not required to pay tuition fees. The package of support available to NHS funded students was recently revised and, as from September 2012, all students on NHS-funded courses in Wales are given access to the same package of financial support (in line with changes introduced in England). New Nursing/Midwifery and Associated Health Professional students can now access:

- A non-means tested NHS grant of £1,000;
- A means tested NHS bursary of up to £4,395 (dependent on whether a student lives independently or at their parents' home); and
- Access to additional support in the form of a maintenance loan of up to £2,324 (up to a lower rate of £1,811 in the final year of study).

During our fieldwork it was widely acknowledged that the previous NHS funding model was more generous in its financial support for nursing and midwifery students<sup>31</sup> and feedback from HEIs suggests that these students can now face significant deficits, amounting to as much as £2,000 per year in some cases. Despite this, some argued that the actual support for NHS funded students is still much better than it was several years ago.

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<sup>31</sup> Students studying nursing and midwifery diplomas received non-income assessed NHS Bursaries for the duration of their course compared to other NHS students who were all income assessed.



On the other hand, it was also argued that the introduction of the current funding model had benefited other NHS funded students who now had more generous financial support packages, thus eliminating any inequalities in the support made available.

In addition, NHS funded students continue to be able to access other available allowances, including:

- Extra Weeks' Attendance if a course runs for more than 30 weeks and 3 days in the academic year;
- A means-tested Dependents' Allowance of up to £2,400 for those with dependent adults or children;
- A means-tested childcare allowance available to students with dependent children aged 14 or under, or aged 16 and under if they have special education needs, of up to 85% of actual childcare costs;
- A means-tested parent learning allowance of up to £1,180 per year;
- Practice placement costs, to cover travel costs to practice placement and any accommodation costs incurred;
- Disabled Students' Allowance (similar to that for other HE students).

NHS funded students studying in Wales can also access hardship funding via the FCF HE Scheme and do so at the five Universities who deliver NHS funded courses<sup>32</sup>.

### **6.3 How NHS students access FCF**

All of the HEIs who participated in this study received applications for FCF support from NHS students, although none ring-fenced any FCF funding for this purpose. All were particularly mindful of the need to manage their FCF allocations appropriately to ensure that mid-term NHS student starters had equal access to the fund. In the case of one institution (Cardiff University), their only mid-term starters are NHS students and so the numbers involved makes this manageable.

It was argued that recent changes to the NHS funding structure had (or would) only serve to increase the pressure upon FCF resources, as it was generally argued that NHS students are more likely than other students to be in need of FCF financial support because:

- NHS funded courses tend to attract proportionately more older students who tend to have more complex needs: 'they just seem very needy';

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<sup>32</sup> Bangor University (two sites at Bangor and Wrexham), Glamorgan University, Cardiff University, Cardiff Metropolitan University and Swansea University

- NHS funded courses attract more women returners and single parents who are more likely to have children and require support with childcare;
- NHS funded students are required to study on a full time basis as well as undertake work placements which often involve shift work (thus creating demand for out of hours childcare as well as higher transport costs) and this was thought to reduce their ability to maintain any paid part time work;
- NHS childcare grant provision is less generous than statutory childcare provision.

In the main, applications from NHS students are considered in the same way as for all other HE students. As a result, it was argued that they are over-represented in terms of receiving support as one commented:

'[the University] is not the only one that had problems with health service, nurses in particular, having to apply to the FCF ... [two other Universities] have used quite a bit of their allocation for that too.'

One HEI had taken a decision to cap the amounts awarded to ensure that 'we've got money to help as many of them as we can'. In this case a cap of £1,500 had been introduced for student nurses with children and a cap of £1,000 for those without children.

Most HEIs thought that the number of NHS student applications and approvals at their institution was generally small e.g. 10 student nurses had received FCF support at one HEI but they tend to account for a fairly substantial share of the funds. For example, at another HEI, awards to NHS students had accounted for 18% of their FCF distributed during 2010/11 and 14% during 2011/12.

The contributions made to these students via the FCF scheme were thought to have a profound impact upon the student's ability to complete their courses. Funding via FCF for NHS students was thought to be primarily used to cover the costs of childcare as well as costs associated with travel to the institution (as this is not an eligible cost under the NHS funded package).

#### **6.4 Appropriateness of making FCF support available to NHS students**

Interviewees argued strongly that FCF should continue to be made available to NHS funded students in the same way as it was made available to other HE students. None of those interviewed expressed any strong desire to return back to the previous 'separate' funding

model for NHS students. Some HEI representatives suggested, however, that the current NHS financial package of support ought to be revised so that NHS students had access to equal levels of childcare grant allowances which would help ease the pressure on FCF funds at those institutions concerned.

## 7. FCF WITHIN THE FE SECTOR

### 7.1 Introduction

In this section we discuss the statutory and discretionary student funding available for FE students (Sections 7.2 and 7.3), before turning to discuss the findings of our fieldwork on the fit of FCF with these support packages (Section 7.4). We then turn to discuss the rationale and need for the FCF FE scheme (Section 7.5), as well as some of the wider contextual issues for the sector (Section 7.6). Finally, we discuss the FCF FE scheme, including the appropriateness of priority groups and residency requirements (Section 7.7).

### 7.2 FE Statutory and Discretionary Student Finance Support

FE students can access financial support via two main schemes, dependent upon their age and household income, namely the Education Maintenance Allowance (EMA) and the Assembly Learning Grant (FE):

#### *7.2.1 Education Maintenance Allowance (EMA)*

The EMA is available to UK citizens<sup>33</sup> living in Wales aged 16 to 18 who are studying Further Education (FE) courses (namely GCSEs, A or AS levels, BTEC, GNVQ, NVQ courses or basic skills courses which are at least 10 weeks in length). Students receiving the EMA must demonstrate that their household income is either £20,817 or less if they are the only child or living independently, or £23,077 or less if there are any additional young people studying full-time and eligible for child benefit in the household. Students receive £30 a week, paid every two weeks.

#### *7.2.2 Assembly Learning Grant (ALG) FE*

The ALG (FE) is available to UK citizens<sup>34</sup> living in Wales aged 19 and over who are studying FE courses for at least 275 hours a year (including courses such as GCSEs, A or AS levels, BTEC, GNVQ, NVQ courses or basic skills courses). Students must demonstrate that their household income is £18,370 or less in order to receive the funding. Students can expect to receive up to £1,500 if they are studying full-time or up to £750 if they are studying part-time, dependent on their household income – for example, students with a household income of up to £6,120 can expect to receive the full amount whilst those with a household income close to the £18,170 maximum can expect to receive £300 (for part-time) and £450

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<sup>33</sup> Some non UK citizens are also eligible for EMA

<sup>34</sup> Some non UK citizens are also eligible for ALG

(for full time) study.

### *7.2.3 FE Discretionary Funding*

Other than FCF, there is less discretionary funding available to students within the FE than HE sector. The discretionary funding available includes:

- The Thomas Howell Fund, which is made available to North Wales colleges (our fieldwork revealed that this fund gets used in different ways, for example, in one case, it is used primarily to support student transport costs and in another gets merged into the FCF scheme);
- Looked after child bursaries for students leaving care;
- Genesis Cymru Wales 2 project funding for childcare provision to support individuals back to work which is funded via the Welsh Government and EU funds.

## **7.3 Perceptions of FCF FE ‘fit’ with statutory and discretionary student funding**

Overall, the FCF FE Scheme’s fit with other student support provision was thought to be good and several FEI representatives noted that, as FCF is largely used to fund specific ‘needs’ such as travel, childcare and equipment, it complemented the objectives of statutory provisions (ALG and EMA), which were made available for general purposes to be used by the student as they saw fit. One interviewee commented: ‘Those funds [ALG and EMA] don’t meet needs, they meet financial situations’.

Across the FE sector, it was widely accepted that students from lower income households who were able to access statutory financial support via either the EMA or ALG (FE) were also the ones most likely to access the FCF FE funds, as the allocation of funding across the FE sector is (in the majority of cases) means tested by household income, rather than actual student deficits as is the case with HE. This is not always the case however (see Section 8.3), as a small number of FEIs exclude ALG or EMA recipients from applying for the FCF, except for very specific purposes.

## **7.4 Rationale and Need**

The overwhelming response from the FE sector points to a real need for the FCF to support FE students and all institutions were keen to stress that access to the fund was ‘fundamental’ to students. Several FE representatives emphasised the need for FEIs to be able to support students aged 16-18 years old in the same way as schools, where learners often access free travel and free school meals, although using FCF in this way as a

promotional tool could be regarded as inappropriate. Finally, at least half a dozen of the institutions interviewed pointed out that the need for the fund was evident from the demand placed upon it and a few argued that they were increasingly witnessing their allocations being outstripped by demand. One particular interviewee noted:

'I've spent next year's allocation already: my waiting list would already take all of next year's allocation ... I didn't have enough money for this year so ... they've delayed it for a year'.

It was argued that the increase in demand was largely due to changing economic factors, although some were prepared to admit that it might also be down to institutions learning to use the fund more effectively as well as a real terms cut in the allocations to FEIs due to Welsh Government annual allocations not being uprated with inflation.

## 7.5 Contextual Issues

### 7.5.1 Mergers between colleges

Many of the colleges which participated in this evaluation were facing possible or very likely mergers over the next few years. These include possible mergers between Coleg Powys and Neath Port Talbot College; Coleg Ystrad Mynach and Coleg Morgannwg, Worker's Educational Association (WEA) South and Coleg Harlech WEA as well as Yale and Deeside Colleges. In all of these cases the potential impact of the merger upon the FCF scheme was largely unknown and no discussions had taken place at any of these institutions around this issue at the time of the fieldwork.

Where mergers had already taken place, significant efforts had been made to adopt consistent policies and approaches – this had proved challenging in those cases where significant differences in approaches existed previously. Colleges had always maintained the previous allocations provided by the Welsh Government for each site.

The merger of Swansea and Gorseinon Colleges to form Gower College Swansea resulted in an alignment of the overall system on the lines of the former Swansea College, but some differences have been maintained across both campuses in how travel provision is funded. The new institution has maintained the same funding allocations as was previously administered, but the change in approach, which involves much more proactive promotion of the FCF on the Gorseinon campus than was previously the case has resulted in a large increase in the number of students at Gorseinon applying for travel support, which has

placed pressures upon the budgets at that campus.

In the case of another (Coleg Glan Hafren and Barry College that merged into Cardiff and Vale College), a common approach to the administration of the fund has been adopted, largely based upon the previous Coleg Glan Hafren model, but this has proved challenging as the previous institutions adopted entirely different approaches. For example, whilst Coleg Glan Hafren adopted a single income threshold criteria for awarding funds, Barry College had a much more complex model based on a sliding scale threshold, with students from lower incomes being able to access 100% of the allowance available, whilst those at the maximum threshold could receive 30% of the allowance. Furthermore, the adoption of one common policy has meant that new provisions (notably lunch vouchers) can now be accessed by students at Barry College, which has placed additional pressure on the FCF allocation at the College.

### *7.5.2 Mergers between Colleges and Universities*

We came across one example where a college had merged with a University (Merthyr College and the University of Glamorgan), but the merger had not had any bearing upon the way FCF was managed at either of these institutions. The allocations made available to each institution were kept separate and managed locally by each institution.

### *7.5.3 College and school sixth form mergers*

Our fieldwork revealed that changes to the tertiary system for 16-18 year olds, was thought to place further pressure upon the FCF budgets as greater number of students are likely to become eligible to access it. Our fieldwork revealed that there is still a significant lack of clarity about how this will impact individual colleges e.g. as in the case of Merthyr Tydfil, where sixth form education will transfer to the FEI in September 2013. Welsh Government officials have, however, discussed this particular issue with the College.

## **8. FEIs' APPROACH TO FCF**

### **8.1 Introduction**

This chapter, firstly in Section 8.2 deals with the views of the sector on the Welsh Government Scheme issued to FEIs (including guidance around priority groups and residency requirement). It then, in Section 8.3, discusses some of the general policies adopted by FEIs in awarding FCF.

### **8.2 Welsh Government Scheme**

As was the case for the HE sector, FEI interviewees argued that the scheme issued by the Welsh Government provided them with adequate flexibility to meet their localised needs and requirements. A more mixed view was conveyed by FEI interviewees however, around the need to strengthen or change the scheme – around half of the institutions were satisfied with the level of guidance provided stating that it offered the right amount of flexibility to them without being too prescriptive. The other half though, would welcome a better indication of how funds should be spent as this would enable them to adopt a more consistent, and thus more equitable, approach to student assessment. Given that each institution has developed its own policies and systems, one interviewee observed 'assessment [of need] is an area where some FEIs feel a bit shaky at times'. Indeed, many FEI representatives argued that the sector should adopt greater consistency in how household incomes are calculated, the evidence requirements put on students and how application forms are structured. The Welsh Government has encouraged such a development and has been working with the sector to develop greater consistency. One interviewee made the argument that these developments could be achieved from within the sector as opposed to Welsh Government directive: in essence 'self-regulation rather than government regulation', possibly via the FE Advisory Group.

#### *8.2.1 Priority Groups*

As was the case for the HE sector, the vast majority of FEI interviewees believed that the priority groups identified in the Welsh Government scheme were acceptable. Many pointed out that it was advantageous that they were indeed 'priority' rather than 'exclusive' groups in that the scheme offered adequate flexibility to FEIs to be able to accommodate local circumstances. It was also largely acknowledged that it was the 'same groups' who tended to receive support via FCF as other statutory funding, although this was not always the case.



There was no real desire amongst those interviewed for setting any order of preference for the groups who should receive financial support via the Fund at a national level. Whilst it was widely acknowledged that students with children was the one group who tend to receive the greatest amount of funding via the scheme at each institution and that in many cases this group was given priority, none of those interviewed believed that explicitly prioritising this group above other groups would be of benefit. The main argument given was that this group accesses a disproportionate amount of funding as childcare is expensive and institutions feared not being able to meet the needs of other students. At least three institutions suggested that, as 'carers' were regarded as priority groups at their own institution, there might be merit in prioritising these in the future.

In the main, interviewees thought that the type of provisions which could be funded via the FCF FE scheme were generally appropriate in that they covered 'the barriers that stop people coming in to college'. Overall only a small number of FEI representatives called for greater clarity on the provisions which could be funded and there was no real desire to set any preferential order for the type of provisions which ought to receive funding.

### *8.2.2 Residency Requirements*

Overall stakeholders and FEI representatives were generally satisfied with the residency requirements outlined in the FCF Scheme, adding that the FE sector tends to support more Welsh domiciled students than its HE counterpart and so generally have to deal less with issues of residency eligibility amongst applicants. The only exception was a call by two FEIs to include asylum seekers within the eligibility group as the majority of refusals made at one of these FEIs was thought to be for this group. Despite this, there was no appetite amongst those interviewed to confine the FCF to Welsh domiciled students and a few of the FEIs operating on the Welsh border added that this would create difficulties for them in that it would lead to a real disadvantage for English domiciled students.

### **8.3 FEI FCF Policies**

There are striking differences across the policies adopted by individual FEIs for the administration of FCF, most notably in terms of the eligibility set for income thresholds, whether students receive other forms of financial support via the ALG and EMA and the distance a student has to travel from home to their college.

Most, but not all, FEIs adopt a means-testing approach to FCF whereby students have to demonstrate that their annual household income is below a particular threshold. In such

cases no consideration is given to individual circumstances in that if students meet the threshold set they automatically qualify for FCF support (provided funds have not been exhausted).

The income threshold varies from one institution to another - a few such as Deeside College and Grŵp Llandrillo Menai, adopt the same income thresholds set for ALG (FE) at just over £18,000 whilst others (such as Pembrokeshire College) adopt the EMA's income threshold of around £23,000. Others set their own income thresholds, which tend to be at higher rates and vary from around the £20,000 mark to an upper ceiling of £25,000 (although one FEI adopted an upper ceiling of £32,000 until very recently). Where institutions set their own thresholds, it would appear that they are largely influenced by both historical factors as well as trying to make the allocations fit demand – at least four institutions informed us that they had revised their thresholds downwards in recent years due to increasing demand being placed on the funds.

Some of the FEIs which adopt a means-testing approach (particularly those which were aligned with ALG (FE) thresholds), were also implementing additional policies whereby those in receipt of ALG (FE) could only claim for restricted provision. For example, ALG and EMA recipients at Coleg Morgannwg and ALG (FE) recipients at Pembrokeshire College could only claim for childcare and transport allowances (although in the case of Coleg Morgannwg the college would consider exceptional cases). Likewise at Deeside College ALG (FE) funded students could not generally apply for the FCF unless they were seeking support for childcare purposes. Finally, ALG (FE) and EMA recipient students at Coleg Powys cannot apply for FCF unless they have specific needs.

There are also examples of FEIs who adopt different means-testing thresholds for students depending on the provision they are seeking support for. For example, at Coleg Morgannwg students have to demonstrate a disposable income of less than £10,000 per annum to qualify for lunch vouchers whereas the threshold is £20,000 for those students aged 19 and over who require travel support.

Only a very small number (including Coleg Powys for example) do not generally set a maximum income threshold for students to be eligible for FCF support – although in the case of Coleg Powys, it does so for childcare support only.

Nearly all of the FEIs interviewed planned their spending of the Fund via separate budget

allocations – this was done in a more formal ring-fenced way at some institutions, who explained that ‘an amount of fund is set aside’ for particular provisions at the start of the year. In the majority of cases it was felt that this approach was particularly important where demand was generally greater than the resources available. The ring-fencing of childcare as well as transport was more common than for other provisions. One interviewee stated:

‘if we didn’t ring-fence it we could probably spend the whole amount on childcare and accommodation which would disenfranchise the emergency students who come in, haven’t got any money for lunch, haven’t eaten, from very poor backgrounds. We’d lose a lot of students on the back of that.’

A key finding from the research is that the majority of the provision funded is structural in nature – in other words, relates to needs which are foreseeable in advance, such as childcare, transport to college or books and equipment which are needed for the specific course - although some FEIs do hold back funds for emergency hardship issues. In many cases, funding from FCF is provided to meet these foreseeable needs at the start of the course, provided the student comes from a household below the threshold applied by the FEI (in other words, no specific test of the individual’s circumstances apart from household income is applied). Related to this, there is a tendency for most colleges to administer funds on an explicit ‘first come first served basis’ which means that a significant proportion of FEI’s allocations get committed during the first academic term (and in some cases before the term begins as students can apply on enrolment). This is shown in data returned by 11 FEIs in Table 16 below. As a result, it is understandable that spend on provisions such as childcare, transport, accommodation and equipment take up the majority of spending across the sector.

Table 16: Proportion of FCF usually allocated or awarded before or during the first academic term.

2010/11 (%)	Total
Gower College	100
Neath Port Talbot	Nearly all <sup>35</sup>
Bridgend College	99
Coleg Ystrad Mynach	95
Grwp Llandrillo Menai	90
Coleg Powys	80
Coleg Gwent	70
Coleg Morgannwg	44
Merthyr College	37
YMCA College	33
WEA South Wales	30

Source: FEIs

Some FEIs also mentioned that they deliberately over-allocate at the start of the term because experience has shown that a small number of students who are offered support (particularly childcare cost support) withdraw during the early stages of a course, thus enable the institution to spend its full allocation. Many FEIs mentioned that the provision of FCF funding is made available on the condition of good attendance, with several stating that students had to achieve the FEI's attendance rate (usually set at 80- 85%) in line with EMA requirements in order to continue receiving funding for provisions such as childcare and transport.

Several FEI interviewees noted that the range of provisions funded had 'narrowed' in recent years due to the increasing pressure and demand upon the fund. For example, at one such institution an FEI interviewee noted that 'a few years ago, we would allocate to other categories like books and kit, but childcare is now so much more expensive than it was three years ago, there's so much less available for things like books and kit. It's now taken by childcare, lodgings and travel whereas before we used to be able to spread it more.'

The majority of FEI interviewees noted that they had experienced an increase in applications from students coming from households demonstrating financial hardship in recent years, thus the proportion of students now meeting the FCF income thresholds set had increased.

<sup>35</sup> All funds besides a £10,000 emergency provision

Several FEI interviewees noted that their funds had been exhausted in recent years, but despite this, there was a general acceptance of individual FEI allocations (even though quite a few were unsighted as to the methodology used by the Welsh Government to provide funds). One interviewee in particular, noted that FCF funding to the FE sector had been reduced some four to five years ago and whilst that had caused issues at the time to the sector, budgets had been restored to their previous levels in subsequent years.

### *8.3.1 Consideration of part time and full time applications*

Only one FEI told us that they operated a policy which did not allow part-time students to apply for the FCF (Deeside College) although most other FEIs (other than those which catered for part time students only) believed the use of the FCF was generally confined to full time students.

### *8.3.2 Applicants who have already accessed FCF in the past*

It was generally accepted that FE students would make annual applications to the FCF fund and, in some cases, FEI respondents informed us that returning students would get priority over first year students in an effort to improve course completion rates. However, several FEIs pointed out that receiving FCF funds in the previous year did not provide any guarantee that any such student would receive FCF support in future years – and, indeed, we came across a few such students during our focus groups who had secured FCF support in the first year but not their second. No FEIs restrict students from re-applying for FCF on more than one occasion during any one academic year. Where students do re-apply during the same year it is usually for emergency or hardship funding support. Their likelihood of receiving support is largely dependent on whether funding has been exhausted or not.

### *8.3.3 Requirement for making student contribution*

As has already been suggested, some FEIs operate policies whereby FCF recipients are required to make a contribution towards the identified costs: in some of these cases such policy has only recently been introduced. Some examples are illustrated below:

- Several FEIs require students to contribute towards the cost of childcare ranging from a 25% contribution at Bridgend College, to 10% at Deeside College and 5% at Coleg Morgannwg. In other cases (e.g. at Powys College) students are required to contribute towards non-care costs such as nappies and food) whilst in Swansea, students can have childcare costs met for three days a week (on the assumption that students will therefore have to pay for a further day – although in practice this has been found to favour some courses which are only delivered over three days);

- A small number of FEIs require FCF-eligible students to make a contribution towards the cost of equipment or kit which are deemed necessary for the course that they study - FEIs routinely charge students for these provisions or expect students to purchase them directly. The contribution required from the student ranges from 40% at Bridgend College to 50% at Coleg Ystrad Mynach and Deeside College;
- A couple of FEIs require FCF-eligible students to make a contribution towards the cost of books such as a 25% contribution at Bridgend College;
- A small number of FEIs operate a policy whereby students claiming FCF are required to make a proportional contribution dependent upon their household income. For example, Pembrokeshire College recently introduced a policy whereby applicants from lower household incomes would be entitled to 100% FCF funding, with the proportion dropping to 50% for applicants that reached the maximum eligible income threshold. Likewise, Merthyr College operates a policy whereby all students who get childcare and bursary support have to make a contribution dependent upon the student's household income – those with incomes of up to £13,000 are required to make a contribution of 5%, whilst those with income of over £40,000 are required to make a 60% contribution.

However this is not consistently the case. For example Coleg Powys recently stopped charging a contribution from the student for childcare as this was not seen to be effective practice because, if the student failed to pay the nursery their contribution, the nursery would have difficulty retrieving the money.

Interviewees were prepared to comment on both the advantages and disadvantages of asking students to make a contribution towards costs which would otherwise be met by the FCF. The main advantages related to the FEI being able to support a greater number of students ('making the fund go further'), as well as giving students a greater sense of responsibility for the spend, thus increasing their commitment to their studies: it was felt, for example, that where students' equipment for a course (e.g. hairdressing) had been fully funded by FCF, they felt less compunction at dropping out – perhaps ironically, given the intention of FCF to aid retention.

However, the main downside mentioned by those interviewed related to the increased administration work involved for the FEIs – particularly where equipment was currently purchased by various departments in bulk as students would have to be invoiced for their contribution towards the cost. Furthermore a few interviewees stressed that some students

were just unable to afford to make a contribution.

#### *8.3.4 Support for HE students*

FEIs who were in receipt of FCF HE monies reported being able to accommodate the needs of those HE students who studied at their institution directly whilst in other cases HE students were signposted to the relevant HEI. Concern was expressed by a few interviewees about the latter (particularly amongst HEI interviewees) as the number of students being supported by HEIs was thought to be quite low. Interviewees suggested that this might be the result of low awareness amongst HE students studying at FEIs as well as students having to overcome more obstacles in accessing the Fund via an unfamiliar institution.

#### *8.3.5 Use of Loans*

Minimal use of FCF student loans are made by FEIs and only two such examples were found during our fieldwork. One of these FEIs had only just introduced it during 2011/12 for the first time. In this instance, loans had been used to support students who were either late in receiving their EMA payment or required a short term hardship loan. In another case, an FEI used its FCF HE allocation to make occasional loans, primarily where student loans were late in being received.

Generally, FEI interviewees were not enthused about the use of loans, arguing that the costs of administering them would far outweigh any benefits in providing them: some also questioned the student's ability to repay any loans made available. This in turn relates to the use of FCF to fund on-going foreseeable needs rather than immediate 'one-off' crises.

## **9. USE OF THE FCF ACROSS THE FE SECTOR**

### **9.1 Introduction**

In this section we discuss the use of the FCF across the FE sector – first in Section 9.2 by exploring the data provided by the Welsh Government and secondly in Section 9.3 we consider the feedback from our fieldwork.

### **9.2 Use of the FCF within the FE sector: An analysis of data**

£7.0 million annual FCF funding is currently made available to 19 FEIs and five WfA Centres across Wales<sup>36</sup>. FEIs account for the vast majority of this allocation, at £6.9m with just under £64,000 allocated to the WfA Centres. Funding to individual FEIs has remained static over the last three years other than in the case of institutional mergers where previous budgets have been merged. Three institutions (CAVC, Coleg Gwent and Grŵp Llandrillo Menai) receive the largest financial allocations and together account for over a third of the FCF FE Scheme budget during 2012/13, as shown in Table 17.

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<sup>36</sup> Funding for the sixth WfA Centre is included in the allocation provided directly to Coleg Gwent as this Centre is based within a FEI rather than a HEI.



Table 17: FCF FE Annual Allocation by Institution

Institution (£)	2012/13	2011/12	2010/11
Grŵp Llandrillo Menai <sup>37</sup>	865,017	668,602	668,600
Coleg Gwent	793,637	793,637	793,640
Cardiff and Vale College	730,227	730,227	481,020 <sup>38</sup>
Neath Port Talbot College	558,183	558,183	558,180
Gower College Swansea	556,758	556,758	556,760
Deeside College	521,225	521,225	521,230
Coleg Morgannwg	544,587	544,587	554,590
Ystrad Mynach College	389,660	389,660	389,660
Bridgend College	383,979	383,979	383,980
Coleg Sir Gâr	366,416	366,416	366,420
Yale College	284,760	284,760	284,760
Pembrokeshire College	243,276	243,276	243,280
Merthyr Tydfil College	225,464	225,464	225,460
Coleg Powys	198,062	198,062	198,060
Coleg Ceredigion	147,936	147,936	147,940
St David's Catholic College	61,875	61,875	61,880
Coleg Harlech WEA North	37,155	37,155	37,160
WEA South	21,659	21,659	21,660
YMCA	6,147	6,147	6,150
Barry College <sup>39</sup>	N/A	N/A	249,200
Coleg Menai	N/A	196,415	196,420
WfA Centres	63,980	63,980	63,980
Total	7,000,000	7,000,000	7,000,000

Source: Welsh Government

Turning to the data made available for institutions who received FCF FE monies during 2010/11 (for both FEIs and WfA, although a discussion on individual WfA Centres is set out in Chapter 10). The large majority (88%) of FCF FE funds during 2010/11 was used to support full time students and those aged 16-18 years old received just over half (55%) of the funding distributed. Where funding was provided to part time students, nearly all were aged 19 and over as shown in Table 18. As shown in Table 19 a couple of FEIs (WEA South and the YMCA) were more likely to support part time students via the Fund.

<sup>37</sup> Funding for 2011/12 and 2010/11 based on Coleg Llandrillo allocation only.

<sup>38</sup> Funding for Coleg Glan Hafren only during 2010/11

<sup>39</sup> Funding included in CAVC allocation for 2012/13 and 2011/12 due to merger of Barry College and Coleg Glan Hafren.

Table 18: FCF FE Number of students assisted

2010/11	Full Time	Part Time	Total
Further Education (16-18)	10,210	115	10,325
Further Education (19+)	6,400	2,085	8,485
Total	16,610	2,200	18,815

Source: Welsh Government

It is worth noting that the spending patterns at three of the larger colleges (Coleg Gwent, Neath Port Talbot College and Gower College Swansea) distorts the picture somewhat as 5,540 of the 10,210 full time 16-18 year old students supported via the scheme were reported between them, reflecting the fact that they serve as a key source of 16–18 provision in their areas. In fact, in the majority of the remaining colleges (13 of the 18), FCF funds were used to support more students aged 19 and above than 16- 18 year olds. Indeed, when looking at the overall expenditure via the FCF FE Scheme during 2010/11, the majority of the fund (£4.3m) was used to support students aged 19 and over whilst £2.4m was used to support students aged 16-18, suggesting that smaller amounts are usually awarded to younger students (see Table 19).

Table 19: FCF FE Number of students assisted by institution

2010/11	16-18	19+	Total
Coleg Gwent	3,375	540	3,915
Neath Port Talbot College	1,115	510	1,630
Gower College Swansea	1,050	435	1,485
Coleg Sir Gâr	660	565	1,230
Ystrad Mynach College	545	645	1,185
Coleg Morgannwg	300	775	1,075
Grŵp Llandrillo Menai <sup>40</sup>	550	395	940
Coleg Glan Hafren	260	610	875
Bridgend College	610	250	865
Coleg Harlech WEA North	0	745	745
Coleg Menai	295	440	735
Barry College	205	435	640
Deeside College	405	170	570
Merthyr Tydfil College	210	350	560
Yale College	75	345	420
WEA South	5	380	390
St David's Catholic College	345	35	380
Pembrokeshire College	145	175	320
YMCA	65	115	180
Coleg Powys	55	110	165
Coleg Ceredigion	45	85	130
WfA (All)	0	370	370
Total	10,325	8,485	18,815

Source: Welsh Government

Turning to explore the provisions funded via the FCF FE Scheme, Table 20 shows that two provisions accounted for nearly three quarters of spend in all - childcare accounted for the largest proportion (41%) of spend during 2010/11 followed by transport (at 32%). As would have been expected, most of the childcare funding was allocated to those aged 19 and over, whilst just over half of the transport spend was on students aged 16 to 18. Relatively small amounts were spent on provisions such as stationery and disability costs as well as exam and registration fees. Data presented at Table 20 enables a calculation of the average size of award made per provision and it can be seen that the highest average awards is made for childcare (at £1,600 per award), followed by transport for disabled students (at £1,500 per

<sup>40</sup> Funding for 2011/12 and 2010/11 based on Coleg Llandrillo allocation only.

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award) and then accommodation (at £580).

Table 20: FCF FE Spend by provision<sup>41</sup>

2010/11 (£)	16-18 Awards	16-18 £	19+ Awards	19+ £	Total Awards	Total £
Childcare	85	203,000	1,650	2,572,430	1,735	2,775,420
Transport	5,740	1,234,040	3,995	960,790	9,735	2,194,830
Lunch Vouchers	2,210	381,830	910	128,940	3,120	510,770
Equipment	2,480	258,720	1,460	134,020	3,940	392,740
Disabled Transport	25	39,660	210	312,060	235	351,720
Accommodation	110	155,850	265	64,840	380	220,690
Other	505	47,440	855	80,850	1,355	128,290
Trips	565	62,220	140	8,890	705	71,210
Books	995	32,350	565	18,700	1,560	51,050
Exam Fees	50	3,040	400	24,670	450	27,710
Registration Fees	45	2,250	310	24,710	355	26,950
Disability costs	*	580	*	990	5	1,570
Stationary	5	370	*	20	10	390
<b>Total</b>	<b>12,820</b>	<b>2,421,340</b>	<b>10,760</b>	<b>4,332,000</b>	<b>23,580</b>	<b>6,753,330</b>

Source: Welsh Government

Turning to explore spend on these provisions by individual FEIs some interesting observations can be made:

- Childcare accounted for the largest spend at 11 FEIs<sup>42</sup> and all but two FEIs (YMCA and St David's Catholic College) distributed funding for this purpose. The size of the average award made for childcare varied significantly between institutions, with average awards at their highest in Deeside College (£3,900), Merthyr Tydfil (£3,700) and Coleg Morgannwg (£3,500) and lowest amongst FEIs primarily involved in delivering part time provision such as WEA South (£119) and Coleg Harlech WEA (£189);
- Transport accounted for the largest spend at four FEIs (Coleg Sir Gâr, Coleg Glan Hafren, Coleg Gwent and Gower College Swansea), each of which have significant enrolment from 16 – 18 year olds studying A levels and vocational courses and all but one (Deeside College) made funds available for this purpose. Again the average award made for transport varied with high awards made in Yale (£496), Bridgend

<sup>41</sup> The number of awards made does not equate to the number of students supported due to some students receiving more than one award.

<sup>42</sup> Barry, Bridgend, Ceredigion, Deeside, Llandrillo, Menai, Merthyr Tydfil, Morannwg, Powys, Yale and Ystrad Mynach

(£460), Pembrokeshire (£403) and Gower (£200);

- Disabled transport costs accounted for the largest spend at one FEI (St David's Catholic College) but at £15,000 this was much lower than for several other FEIs who spent considerable amounts on such provision including Deeside College, Coleg Llandrillo and Pembrokeshire College. Eleven FEIs did not distribute any FCF funds on disabled transport costs;
- Eight FEIs distributed funds for accommodation and the average spend per student on accommodation was £581. The average awards at Deeside College and Coleg Llandrillo were much higher;
- Lunch vouchers accounted for the largest spend at one FEI (Neath Port Talbot College, which was mostly attributed to an increase in demand following the introduction of new card payment system which replaced the previous voucher system) and in all, twelve FEIs distributed funds for this purpose. The average spend per award under this heading varied from £69 (at Deeside College) to £201 (at Bridgend College) with the overall average being £163;
- 'Other' provisions accounted for the largest spend at one FEI (Coleg Harlech WEA) and was the second largest area of spend at another (Coleg Ceredigion);
- All 21 FEIs distributed funding for equipment, with average amounts varying from £282 at Coleg Morgannwg and £264 at Coleg Llandrillo to much smaller amounts of under £100 at several others;
- 15 institutions distributed funds for books, but the total spend on books did not exceed £12,000 in any one institution;
- 12 FEIs distributed funds on trips and no individual award exceeded £143 within this category of expenditure. Coleg Llandrillo awarded an unusually high number of awards (at 325) for trips, but numbers were much lower at other FEIs;
- Nine FEIs distributed funds for exam fees, seven for registration fees and two FEIs (Coleg Gwent and Pembrokeshire College) distributed funds for stationery;
- The YMCA was the only institution to award disability related costs and accounted for all the spend under this heading.

The average value of financial support provided to students via the FCF FE Scheme during 2010/11 was £359 but this figure varied across institutions: the average value of support per student was at its highest in Coleg Powys (£1,160) followed by Coleg Ceredigion (£980) and Deeside College (£910) and at its lowest in the YMCA (£31), WEA South (£37) and Coleg Harlech WEA (£52). As shown in Table 21, the majority of awards made via the scheme were to support students with amounts of between £100 and £1,000, although a significant

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number of students (4,845) were supported with funds under £100. A fair number of students (390) were also supported with funding of £3,500 or over and those institutions which spent higher than average amounts on childcare were well represented in this group.

Table 21: FCF FE awards distributed by value

2010/11		Less than £100	£100 - £999	£1,000 - £3,499	£3,500 and over	Total
Coleg Gwent	Number	320	3,580	20	*	3,915
	Amounts	22,500	709,440	33,970	5,090	771,010
Coleg Llandrillo	Number	95	700	100	45	940
	Amounts	6,160	228,590	188,750	230,280	653,790
Coleg Glan Hafren	Number	140	685	20	30	875
	Amounts	4,760	280,890	62,590	131,870	480,120
Coleg Morgannwg	Number	165	845	25	40	1,075
	Amounts	6,510	302,340	50,220	210,020	569,090
Gower College Swansea	Number	35	1,395	40	15	1,485
	Amounts	1,340	387,800	71,320	59,710	520,170
Deeside College	Number	305	145	60	60	570
	Amounts	9,910	31,480	159,800	317,340	518,530
Neath Port Talbot College	Number	320	1,260	40	10	1,630
	Amounts	12,790	363,780	90,120	40,570	507,270
Ystrad Mynach College	Number	600	525	30	35	1,185
	Amounts	25,270	114,440	60,340	177,810	377,860
Bridgend College	Number	270	530	50	20	865
	Amounts	13,780	183,580	100,690	76,050	374,090
Coleg Sir Gâr	Number	45	1,135	40	10	1,230
	Amounts	2,380	195,120	97,380	39,330	334,210
Yale College	Number	85	255	55	30	420
	Amounts	3,460	49,580	85,670	135,930	274,630
Merthyr Tydfil College	Number	295	225	15	25	560
	Amounts	11,810	58,590	28,340	143,210	241,950
Pembrokeshire College	Number	100	170	35	15	320
	Amounts	2,730	58,280	74,720	98,140	233,880
Barry College	Number	115	490	25	10	640
	Amounts	5,760	122,320	64,930	32,880	225,890
Coleg Menai	Number	420	280	25	10	735
	Amounts	22,350	66,260	50,040	54,760	193,410
Coleg Powys	Number	15	95	45	10	165

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	Amounts	880	30,650	102,760	57,000	191,300
Coleg Ceredigion	Number	20	80	10	20	130
	Amounts	620	37,190	15,890	73,630	127,330
St David's	Number	205	170	5	*	380
Catholic College	Amounts	1,210	36,010	13,430	4,250	54,900
Coleg Harlech	Number	495	250	0	0	745
WEA North	Amounts	13,380	25,200	0	0	38,580
WEA South	Number	375	10	0	0	390
	Amounts	12,090	2,360	0	0	14,440
YMCA	Number	175	5	0	0	180
	Amounts	3,950	1,570	0	0	5,520
WfA Centres (All)	Number	260	115	*	0	375
	Amounts	8,850	32,660	3,870	0	45,390
Total	Number	4,845	12,945	635	390	18,815
	Amounts	192,500	3,318,140	1,354,840	1,881,850	6,753,330

Source: Welsh Government

In all, 21,115 applications were made for the FCF FE Scheme during 2010/11 and only 2,300 were rejected by administering institutions (a 11% rejection rate, which is much lower than that of HE at 21%). The highest proportion of refusals were made by Yale College (where 41% of applications were turned down), followed by Pembrokeshire College (at 37%) and Bridgend College (at 36%). Interestingly, no applications were turned down at seven of the FEIs<sup>43</sup> mainly due to effective filtering processes deployed at these institutions.

As shown in Table 22, the main reason applicants were refused funding was due to them not meeting their institution's priority for the use of the funds and this accounted for 41% of all refusals made. It was by far the main reason for refusing funding at Coleg Gwent (at 68% of all refusals) and Yale College (at 61%), suggesting that these two institutions do not advise prospective candidates about the nature of the fund to the same extent as other FEIs. A lack of sufficient evidence accounted for a third of refusals and was the main reason for rejecting applications at Bridgend College and Gower College Swansea. Whilst a relatively small proportion (12%) of refusals were made on the basis of the Fund having been exhausted, it was the main issue at Neath Port Talbot College (at 54%) and a cited as a factor by eight FEIs in all.

<sup>43</sup> Namely Deeside College, Coleg Harlech WEA, Coleg Menai, St David's Catholic College, WEA South, YMCA and Ystrad Mynach College

**Table 22: Reasons for refusing applications to FCF FE Scheme**

2010/11	Number Refused
Did not meet institution's priority for use of funds	950
Insufficient evidence for financial hardship	725
Institution's FCF allocation exhausted	275
Other	275
Student in receipt of support from other sources	215
Total	2,300

Source: Welsh Government

In terms of expenditure during 2010/11 £6.753m was distributed against a Welsh Government allocation of £7m for that year and an actual amount available of £7.287m<sup>44</sup>. Three FEIs (Coleg Sir Gâr, Coleg Ceredigion and WEA South) as well as three WfA Centres returned funding to the Welsh Government for 2010/11 totalling just under £44,000 (representing 0.6% of the overall FE allocation for that year). All but three FEIs (Deeside College, Coleg Gwent and Coleg Llandrillo) carried some funding into 2011/12. 18 FEIs used a proportion of their allocation to contribute towards the administration and publicity costs associated with the FCF FE Scheme and overall costs (2.3%) were well within the Welsh Government scheme set at 3%. Table 23 presents these data.

<sup>44</sup> Which included funds carried over from 2009/10, any interest accrued and loans repaid from 2009/10



Table 23: FCF FE Fund allocation, distribution and returned

Institution	2010/11 Allocation	Funds distributed in 2010/11 <sup>45</sup>	Amount spent on administration / publicity	Funds to be returned to DfES £ <sup>46</sup>
Coleg Gwent	793,640	771,010	23,810	0
Coleg Llandrillo	668,600	653,790	15,000	0
Neath Port Talbot College	558,180	507,270	16,750	0
Gower College Swansea	556,760	520,170	16,700	0
Coleg Morgannwg	554,590	569,090	16,340	0
Deeside College	521,230	518,530	2,960	0
Coleg Glan Hafren	481,020	480,120	70	0
Ystrad Mynach College	389,660	377,860	11,690	0
Bridgend College	383,980	374,090	11,520	0
Coleg Sir Gâr	366,420	334,210	10,990	15,360
Yale College	284,760	274,630	8,540	0
Barry College	249,200	225,890	0	0
Pembrokeshire College	243,280	233,880	7,300	0
Merthyr Tydfil College	225,460	241,950	0	0
Coleg Powys	198,060	191,300	5,630	0
Coleg Menai	196,420	193,410	5,890	0
Coleg Ceredigion	147,940	127,330	4,440	2,460
St David's Catholic College	61,880	54,900	1,860	0
Coleg Harlech WEA North	37,160	38,580	0	*
WEA South	21,660	14,440	650	6,510
YMCA	6,150	5,520	530	0
WfA Centres (All)	63,980	45,380	2,250	20,720
Total	7,000,000	6,753,330	162,910	43,950

Source: Welsh Government

Data supplied by the Welsh Government show that 1,300 students supported via the FCF FE were known to have left their institution before completing their course. This represents a withdrawal rate of 6.9% across FCF FE.

### 9.3 Use of the FCF within the FE sector: Fieldwork feedback

We now turn to discuss the feedback from our fieldwork around some of the main areas of provision where FCF funds are used, namely childcare, transport, equipment, hardship and emergency provisions as well as lunch vouchers.

<sup>45</sup> Which includes funds brought forward from 2009/10 and any interest earned during 2010/11

<sup>46</sup> Excludes any funds carried forward of no more than 10% into 2011/12 and any spend on audit costs incurred

### 9.3.1 *Childcare*

Our fieldwork revealed that the biggest provision area in terms of value of spend continues to be childcare and several FEIs noted that they had experienced an increase in demand for covering childcare costs in recent years. Indeed at least four colleges specifically stated that they had been unable to meet the demand for childcare applications during this academic year and held a database in reserve which they hoped to be able to fund either via fund savings (i.e. students withdrawing) or to support during the next academic year. FEI interviewees did not believe that the recent Welsh Government's policy of introducing free nursery places to all three year olds had resulted in any significant bearing upon the demand for FCF to cover childcare cover – largely because demand was thought to be high regardless of this factor.

Policies vary in terms of what support students can access and it would appear that institutions have had to make changes to these policies in recent years to accommodate the increasing demand for funds. For instance:

- Some operate a maximum daily allowance which students can expect to receive via the FCF fund to cover childcare provision but this rate varies from one institution to the next, largely dependent upon local fees. At Coleg Morgannwg, for example students receive up to £35 per day for one child (with the FEI contributing up to 95% of the actual cost). At another college (Gower College Swansea) students receive a maximum of £32 per day per child for a maximum of three days per week with students expected to cover the remaining days themselves;
- Others (such as Coleg Powys) do not operate a maximum rate, arguing that they are restricted by what local providers charge;
- Several FEIs noted that they expect students to contribute towards the cost of childcare (the examples above at Coleg Morgannwg and Gower College Swansea illustrate this, whilst at Grŵp Llandrillo Menai students are required to make varying levels of contribution towards the costs, depending upon household income and the contribution required is also tapered according to the number of children for which students require support;)
- At least one FEI implements a policy whereby they will only pay for the costs of childcare for one child;
- At another FEI, priority is given to students in the second year of a course to encourage progression and course completion.

A handful of FEIs expressed significant concerns about the amounts spent on childcare via the FCF, particularly as large amounts were only benefiting a very small number of learners. Whilst FEIs were generally prepared to meet their current commitments in terms of childcare, some were starting to consider how to achieve a more even balance between funding childcare and supporting other student needs, suggesting that FEI policies will become more stringent in due course. In one case for example an FEI was looking at how certain courses (whose students were heavy users of FCF for childcare purposes) could be delivered across four rather than five days.

Our fieldwork revealed that some colleges have in-house nurseries, usually at their main campuses, whilst others don't. For those FEIs with campus based nurseries their FCF policies on the use of these facilities vary. We came across one case where an institution restricts its FCF childcare funds for use at its own college nursery whilst another two adopt policies whereby they are only prepared to pay for other childcare provision if their FEI's nursery is full. In one such FEI this policy was only recently introduced for 2012/13 and it was recognised that its introduction may have significant implications for some students over the course of their study as they may be obliged to move their children to the on-site facility or to forgo childcare support monies for childcare. Other FEIs noted that they 'encourage' FCF recipients to use the college nursery where possible whilst the remaining ones allow the students to select their preferred childcare provider. At least two FEIs interviewed were prepared to admit that their own nursery would not exist without the FCF.

The vast majority of FEI interviewees believed that FEIs should be allowed to use FCF funds to support students who wished to make use of an FEI childcare facility but that in the main, this should be based upon student choice rather than an imposed FEI policy.

### *9.3.2 Transport*

Local authority policies on the provision of transport to students aged under 19 has a significant bearing upon whether FCF is used for this purpose. In the main, where the transportation costs of students aged between 16 and 18 are covered by the Local Authority, the FCF is not used for this purpose. This was the case in Coleg Ceredigion, Coleg Morgannwg and Pembrokeshire College for example.

A few Local Authorities have recently changed their policies for transporting 16-18 year old students to college sites, with Gwynedd and Môn Councils mentioned as specific examples. In these cases students are now required to pay for bus passes to attend FE courses in

Gwynedd and this has had a significant bearing upon the use of FCF funds to support students at Grŵp Llandrillo Menai whereby transport costs represent a far greater proportion of the costs attached to the Coleg Menai element compared with Coleg Llandrillo (as Conwy and Denbighshire Councils continue to fund the transport of 16 to 18 year olds). It is likely that demand to cover travel costs will increase across FEIs if the shift towards tertiary arrangements continues.

It is also the case that many Local Authorities will generally not fund the travel costs for students to educational establishments outside of their county (even in cases where the closest FEI for the student is outside of the local authority) and so the FCF fund does get used in many cases to help fund the costs for students who travel from a neighbouring local authority.

Arrangements for funding student travel, where eligible under FCF, varies and includes models whereby an institution will charter a travel provider to make available a specific college bus as well as models where the college purchases bus passes for students. FEIs also adopt very different policies on the distance between the student's home and college deemed eligible for support via FCF.

Several FEIs informed us that they had reduced the use of FCF to meet disabled students' transport costs in recent years as it was felt they were now well catered for via other funding sources such as Mobility Allowances and Local Authority funding. There may be future implications upon FCF resources however if Local Authorities implement any cuts to disabled student transport budgets as a result of local government funding pressures.

### *9.3.3 Equipment*

FEI's acknowledged that certain courses required students to purchase equipment – with courses such as hairdressing, beauty, catering, equine and other trades often requiring students to spend between £200 and £300 at the start of term. Many FEIs use FCF funds to cover these costs for eligible students and a small number of them ask for a student contribution.

### *9.3.4 Hardship/Emergency Funds*

Most FEIs claimed to hold back a small amount of funds for hardship support to respond to such requests over the course of the year and a few noted that they had actually seen an increase in such applications in recent years. This was proving challenging in some cases,

however, as the general demand upon the FCF funding had generally increased over the same timeframe.

In some cases, the provision of emergency funds involved 'giving them money there and then to buy food'. One student interviewed, for example, had received FCF hardship funding having become homeless within half an hour of seeing the college's registrar about his situation. Some FEIs place an upper limit on the amount of such funds that students can access e.g. £50 in the case of one FEI. On the other hand, one FEI admitted that accommodating requests for hardship or emergency funds can be more difficult for FEIs to handle as they are not as straight-forward as other elements funded arguing that in this particular FEI, 'finance officers don't really like handling these applications'.

### *9.3.5 Lunch Vouchers*

It was argued that the main reasons for providing lunch allowances included the need to continue to support students who had previously been able to access free school meals as well as address some of the fundamental issues that colleges were experiencing in terms of students arriving for their studies without having been fed properly – it was argued that the provision of a free lunch helped to increase attendance as well as improve student concentration during their lessons.

Not all FEIs have gone down the route of offering lunch vouchers as part of the FCF scheme, with those who do not provide them tending to argue that EMA and ALG (FE) monies ought to be adequate to cover such requirements or that the demand upon its FCF budget was already too high to be able to offer such support.

One institution which was offering lunch vouchers to the majority of its students (the bulk of whom were aged 16 to 18) acknowledged that it would have to review this policy in the future due to increasing demand being placed upon the FCF more generally. It is notable that in cases where lunch vouchers or lunch allowances are provided, each institution has set its own limits and these vary from between £2.15 to around £4 per day across FEIs. Several FEI interviewees noted that the use of lunch vouchers is restricted to the purchase of 'proper' and 'warm' food as opposed to 'fizzy drinks and rubbish' and in several cases FEIs had attempted to ensure that the allowance provided via FCF does cover the cost of a proper meal. Despite this, students at some colleges argued that their lunch vouchers did not cover the cost of a meal as prices were considered to be very expensive.

## 10. FCF WITHIN THE WfA SECTOR

### 10.1 Introduction

In this section we firstly discuss the use of the FCF across the WfA sector drawing upon both our desk based review of Welsh Government data and fieldwork findings. We first consider the funding allocations for WfA (Section 10.2), before turning to discuss the number and type of students supported (Section 10.3). We then move on to explore the provisions funded (Section 10.4) and the FCF spend on provisions (Section 10.5). Finally we discuss the management and administration arrangement across WfA Centres (Section 10.6) and the difference funding has made to WfA students (Section 10.7).

### 10.2 FCF WfA Funding Allocations

Funding of £63,980 is made available annually to five WfA Centres which are part of five HEIs across Wales. The sixth Centre is based within an FEI (Coleg Gwent) and in theory WfA students studying at this Centre are able to access FCF funds via the FEI funds made available to the institution, and no funds are ring-fenced for this provision. Each WfA Centre receives funds of between £8,854 and £22,659 as outlined in Table 24 below.

Table 24: FCF WfA Annual Allocation by Institution

Institution (£)	2012/13	2011/12	2010/11
WfA Bangor	22,659	22,659	22,660
WfA Swansea	11,474	11,474	11,470
WfA Glamorgan	11,000	11,000	11,000
WfA Aberystwyth	9,990	9,990	9,990
WfA Cardiff	8,854	8,854	8,850
WfA Total	63,980	63,980	63,980

Source: Welsh Government

The funding has been made available directly to WfA Centres as these students (studying FE courses) would not typically be eligible to receive support via the criteria adopted for FCF HE Schemes. It was explained during our fieldwork that the funds were initially made available to the Centres following the restructuring of the sector as previous WfA providers (mostly FEIs) could access FCF funds via their own institutions' allocation. It was thought likely that the annual allocations were largely based on historical trends and several interviewees accepted that the initial rationale for making funding available now needs to be

revisited. Furthermore several of those interviewed raised questions about the ‘fit’ of the Fund within the WfA sector (where students are predominantly studying on a sessional basis, with their studies representing only a small part of the working week), particularly given that Centres had to be fairly creative in making the FCF FE scheme relevant as it proved challenging to show how applicants were demonstrating hardship circumstances. Indeed it was generally accepted by stakeholders and WfA Centre representatives that the amount of funding to WfA Centres was too high and that there needed to be a clearer rationale in place to determine individual Centre allocations based upon factors such as student numbers or enrolments.

### 10.3 FCF WfA Students Supported

Data returned to the Welsh Government for 2010/11 shows that 370 WfA students were supported via the FCF scheme across five of the WfA Centres – all students were aged 19 and over and studying on a part time basis. Feedback from representatives at Coleg Gwent suggests that no applications or awards were made in respect of WfA students studying at that establishment. The number supported was at its highest at WfA Aberystwyth (at 220) and lowest at WfA Swansea (5). Our fieldwork confirmed that all WfA students would be included in these returns regardless of whether they studied a course directly with say Swansea University or a contracted FEI provider to that Centre. Interestingly there is no correlation between the number of students supported at each Centre (as shown in Table 25) with the annual allocation made available to each Centre (as at Table 24).

Table 25: FCF WfA students assisted by institution

2010/11	16-18	19+	Total
WfA Aberystwyth	0	220	220
WfA Bangor	0	80	80
WfA Cardiff	0	45	45
WfA Glamorgan	0	25	25
WfA Swansea	0	5	5
Total	0	370	370

Source: Welsh Government

Our fieldwork during the autumn of 2012 revealed that WfA Centres generally find it difficult to generate demand for FCF funds amongst their student base. At one WfA Centre for example only 46 of its 2,600 students had applied for FCF support during 2011/12 and only two applications had been received as at November 2012 despite raising the income threshold eligibility during that year. Furthermore in the case of Swansea the demand was

considered to be fairly non-existent largely because the Centre makes available its own Bursary scheme via its core Welsh Government grant which students can use to cover course costs and fees.

#### 10.4 FCF WfA Provisions Funded

As set out in Table 26 the WfA FCF allocation is primarily spent on two main provisions – childcare and transport, which together accounted for 82% of spend during 2010/11. Whilst all Centres awarded funds for childcare, spend on childcare was mostly accounted for by WfA Cardiff and WfA Bangor Centres (together 45 awards were made for childcare at a cost of £14,400 averaging £320 per award). Similarly all Centres awarded funds for transport – but this ranged from 10 awards at Cardiff (at a cost of £770 in all) to 25 awards at Morgannwg (£6,660 in total) and 50 awards in Aberystwyth ( £4,660 in total). It therefore follows that whilst the average transport award made by WfA Centres was £153 this varied from £77 at WfA Cardiff to £374 at WfA Swansea. Finally a large number of awards (295) were made for equipment costs during 2010/11, but the values of these awards were very small and averaged £19 each.

Table 26: FCF WfA Spend by provision<sup>47</sup>

2010/11	Total Awards	Total £
Childcare	55	19,610
Transport	115	17,560
Equipment	295	5,710
Other	30	1,750
Books	25	640
Exam Fees	5	120
Total	520	45,380

Source: Welsh Government

Our fieldwork with four of the WfA Centres revealed that students are generally supported for costs relating to childcare, travel and course materials such as books and equipment costs via the scheme but significant differences emerge in how each WfA Centre apply the FCF FE Scheme. For example:

- Each Centre applies its own ‘income’ threshold eligibility criteria – set at £25,000 in

<sup>47</sup> The number of awards made does not equate to the number of students supported due to some students receiving more than one award.



WfA Aberystwyth and £20,000<sup>48</sup> in WfA Cardiff for example;

- Each Centre applies different travel rates which vary from 45p in WfA Swansea, 40p per mile (WfA Glamorgan) to 25p per mile (WfA Cardiff) and 9p mile in WfA Bangor. Furthermore at least one Centre places a limit on the maximum amount of travel allowance any one student can claim during a term (e.g. at £30 per term);
- Centres interpret the eligibility guidance for informal learning in different ways meaning that students at one Centre (WfA Cardiff) can access support for taster module costs and informal course fees and students at another (WfA Glamorgan) access support to pay for residential courses;
- Whilst WfA students are generally able to recover the costs of additional books via the FCF FE Scheme there are examples of some Centres having applied a limit on the value of resources which can be reclaimed (e.g. a maximum of £20 for books).

None of the Centres used FCF funds to support course costs (although there are examples of this having been done in the past) although some do support students with taster module costs or summer course costs.

### **10.5 FCF WfA Spend**

The data in Table 27 suggests that whilst the majority of FCF WfA awards were made for amounts less than £100 the majority of spend was made for amounts between £100 and £999. The pattern across WfA Centres varied with some (such as Glamorgan) not having made any awards for amounts less than £100 whilst Aberystwyth awards 200 such awards. Interestingly Glamorgan operates a policy of not awarding less than £50 per application which would help explain the findings at this Centre.

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<sup>48</sup> For students without children. This increases to £47,00 for those with children.

Evaluation of the Financial Contingency Fund

Table 27: FCF WfA Awards distributed by value<sup>49</sup>

2010/11		Less than £100	£100 - £999	£1,000 - £3,499	£3,500 and over	Total
WfA Bangor	Number	45	35	0	0	80
	Amounts	1,890	10,650	0	0	12,540
WfA Glamorgan	Number	0	25	*	0	25
	Amounts	0	8,790	2,510	0	11,300
WfA Aberystwyth	Number	200	20	*	0	220
	Amounts	6,400	2,970	1,360	0	10,740
WfA Cardiff	Number	15	30	0	0	45
	Amounts	520	7,490	0	0	8,010
WfA Swansea	Number	*	5	0	0	5
	Amounts	40	2,760	0	0	2,800
Total	Number	260	115	*	0	375
	Amounts	8,850	32,660	3,870	0	45,390

Source: Welsh Government

Whilst 425 applications were made for FCF WfA funds during 2010/11 a total of 50 applications were refused (a refusal rate of 12%) as shown in Table 28. The main reason for not awarding funds was that the FCF's allocation had been exhausted – however the data is somewhat distorted by the picture at Aberystwyth WfA (which accounted for 35 of the refusals in all) in that all of these 30 cases refused on the basis of funds having been exhausted were based at Aberystwyth WfA. Indeed no applications were refused at Bangor or Swansea WfA Centres.

Table 28: Reasons for refusing WfA applications to FCF FE Scheme<sup>50</sup>

2010/11	Number Refused
Institution's FCF allocation exhausted	30
Insufficient evidence for financial hardship	15
Other	10
Did not meet institution's priority for use of funds	*
Student in receipt of support from other sources	0
Total	50

<sup>49</sup> The number of awards made does not equate to the number of students supported due to some students receiving more than one award.

<sup>50</sup> The numbers provided in this table have been rounded to the nearest 5 to maintain confidentiality and as a result the total does not add to the total figure given.

Source: Welsh Government

Table 29 shows that two of the WfA Centres struggled to distribute their annual allocations during 2010/11 and a significant proportion (32%) of the overall FCF WfA annual allocation was returned to the Welsh Government – with nearly the entirety of this amount returned by the two centres of WfA Swansea and Bangor. Feedback from Centre representatives suggests that this is a consistent pattern for other years and the funds returned to DfES could be even greater for 2011/12 (as for example the funds distributed by WfA Swansea and WfA Cardiff were lower at around £6,000 and £6,500 respectively). All Centres kept within the Welsh Government scheme of not spending more than 3% on administration and publicity costs or £525, whichever was the greatest.

Table 29: FCF WfA Fund allocation, distribution and returned

Institution	2010/11 Allocation (£)	Funds distributed in 2010/11 <sup>51</sup> (£)	Amount spent on administration / publicity (£)	Funds to be returned to DfES (£) <sup>52</sup>
WfA Bangor	22,660	12,540	680	9,910
WfA Swansea	11,470	2,800	0	10,330
WfA Glamorgan	11,000	11,300	530	0
WfA Aberystwyth	9,990	10,740	530	0
WfA Cardiff	8,850	8,010	530	420
WfA Centres (All)	63,980	45,380	2,250	20,720

Source: Welsh Government

## 10.6 FCF WfA Management and Administration

WfA Aberystwyth and WfA Bangor adopt the same application form and student guidance notes whilst the other three Centres have each developed their own paperwork. These can usually be accessed via the Centre's website as well as directly from tutors and WfA administrators. One Centre specifically stated that they no longer distribute application forms to students in induction packs and another noted that they were now providing on-line forms in order to reduce costs. Our fieldwork revealed a strong desire amongst Centre representatives to develop one common application pack with consistent guidance notes across all Centres. Indeed in response to the commissioning of this evaluation WfA Centres have established a Task and Finish Group with a remit to develop a more common approach to the management of the FCF funds in the WfA sector.

<sup>51</sup> Which includes funds brought forward from 2009/10 and any interest earned during 2010/11.

<sup>52</sup> Excludes any funds carried forward of no more than 10% into 2011/12 and any spend on audit costs incurred.

Feedback from WfA Centre representatives suggests that the Funds are heavily promoted, largely due to the need to generate demand for support. This, it was claimed, was particularly onerous in terms of staff resources and a couple of interviewees raised questions around the value for money obtained. Information about the Funds are made available to students in a range of ways including via websites, student induction packs, promotional leaflets distributed by tutors, notice boards and regular student bulletins.

The arrangements for dealing with student applications vary. The arrangements at WfA Aberystwyth and WfA Bangor are similar in that both Universities sub-contract the administration of the fund to Grŵp Llandrillo Menai whilst responsibility for the Fund administration lies with the WfA teams at Swansea, Glamorgan and Cardiff Universities. Arrangements are more formal in some institutions such as Cardiff where a panel, including representatives from the HEI's FCF team as well as a HEI Finance Officer, meet three times a year (Jan, Apr and July) to discuss applications. Similarly in WfA Glamorgan applications are assessed twice a year by the University's Financial Contingency Fund Committee in November and March. Whilst neither of these institutions have application deadlines as such, they naturally encourage and support students to submit their applications in time for these decision making panel meetings. In others, administration arrangements are more informal, for example at WfA Swansea one or two members of staff make decisions on applications as they are received and usually no refusals are made.

In terms of future administration of the scheme stakeholders and a few WfA Centre representatives suggested ways in which it could be improved. These included adopting a more common approach to the Fund's administration across the Centres as well as exploring the option of appointing one partner or provider to manage the Fund across WfA Centres more generally. Furthermore stakeholders and WfA Centre representatives were in agreement that as the funds made available via FCF to the sector were currently too generous it would be sensible to reduce the annual budgets - although a strong argument was made that the Fund should not be removed as students ought to continue to be able to access it in the future. It was also suggested reviewing whether FCF could be used to support the costs of WfA courses as these were known to be a deterrent for many potential students to enrol. It is also worth noting that a current review of WfA is being conducted by the Welsh Government (due to report in June 2013) and which intends to consider the findings of this FCF review.

### **10.7 Difference made to WfA Students**

The feedback from many stakeholders and WfA Centre representatives suggests that students benefit in an 'opportunistic' manner from the fund largely because students make applications for funds retrospectively and usually submit copies of receipts for any spend incurred. As such it was not felt that the fund is used to address real hardship issues. The feedback from students however tends to suggest that the FCF fund is an effective tool for improving attendance and retention amongst a small number of students as well as a fairly important part of encouraging some students to return to study in further years.

During our fieldwork telephone interviews were conducted with a total of eleven WfA students who were studying at WfA Glamorgan, Aberystwyth or Bangor. In the main students had come to hear about the fund in a number of ways including via their tutor, from other students in their class, from an information pack received as well as a WfA magazine. None of those interviewed reported any major issues regarding the application process and all thought that the form had been simple to complete. A couple suggested that they would have liked to have had a decision about their application made sooner and one mentioned that she had been refused funding during her first year due to the fund having been exhausted. In this case the student had enrolled on the course late and had been penalised by the strictly first come first served approach adopted by the WfA Centre.

The WfA students interviewed had generally accessed the fund to pay for travel expenses and course materials such as books and CDs. Only one interviewee had been supported with childcare costs and two had received funding towards outstanding course fee costs. Three of the students interviewed were pensioners and had generally applied for support as they were on a fixed, low income whilst the remaining students were unemployed and had welcomed the additional support available to them.

Many who had received support for travel expenses mentioned that they lived in rural areas and the financial support had been important to them in off-setting some or all of the travel costs incurred. In one case for example a student noted that each journey to course classes cost approximately £5. Likewise those who had received funding to help with course materials tended to argue that the extra resources such as CDs and books had helped them learn at a quicker pace.

In the main first year WfA students were generally unaware that they could access FCF funds suggesting that its availability does not have much of a bearing upon a student's decision to enrol on such courses. Indeed many of these students acknowledged that they

had enrolled on the courses regardless of such support being available. However these interviewees argued that access to the funds had become an increasingly important factor over time in enabling them to complete their course as it had allowed them to maintain good attendance and cover the unexpected costs which they had not been aware of at the outset. Indeed one student argued that he would not be sitting an upcoming exam had he not been in receipt of the FCF as his attendance would have been lower and he would not be prepared to take such an exam.

Those who knew about the funding (typically returning students) in advance of enrolling onto the WfA courses tended to argue that they would have had difficulties in finding the additional funds to cover the additional costs associated with studying. Indeed one specifically noted that receiving the FCF was fundamental to her being able to enrol on the course in that it 'means the difference between me doing the course or not.' Some of these also mentioned that the availability of the funds had a bearing upon their decision to return to study a second or third year course as well as complete their courses 'without it [FCF] I really don't think I would have completed this course ... it's a godsend'.

Only one student mentioned that she considered withdrawing before receiving FCF funds: 'I would have really struggled and it probably would have been too much, I would not have been able to do the course' whilst another three admitted that they would have struggled to complete the course without funding.

## **11. ADMINISTRATION OF FCF WITHIN HEIs AND FEIs**

### **11.1 Introduction**

In this section we discuss the overall approach taken by FEIs and HEIs to manage FCF Schemes within their respective institution (Section 11.2) before turning to discuss the promotion and marketing of FCF within HE (Section 11.3) and FE (Section 11.4). We then explore the application processes (Section 11.5) as well as elements of monitoring and reporting (Section 11.6) before finally discussing methods of sharing good practice (Section 11.7).

### **11.2 Management Approach**

Our fieldwork across both the HE and FE sector revealed that the processes for managing FCF funds are generally well developed but differ significantly from one institution to the next. As would be expected, there are distinctive differences between the approach adopted by institutions serving larger number of students and applicants compared to smaller ones where systems tend to be more informal and less developed. In this section we try to identify some of the common practices that institutions take on board.

In the vast majority of HEIs, an FCF policy group exists which is responsible for developing and agreeing FCF guidance for the institution. This group commonly includes representation from various academic departments, a students' union, student support services, finance departments and a disability advisor. Similarly most (albeit not all) FEIs have a general FCF committee in place which sets the institution's policy on the use of FCF. Whilst these committees usually review FCF policies on an annual basis, a small number only review policies if a specific issue is raised. Our fieldwork revealed that FCF policies are signed off at senior level within FEIs (e.g. by a College Principal or Governing Body).

The resource that each institution has at its disposal to administer the FCF schemes varies and is largely dependent upon the size of its student population and FCF funds. For example, in most FEIs the FCF scheme is managed by the Head of Student Services who usually rely upon student services advisors or welfare advisors to deal with FCF student enquiries and receive completed applications. At HEIs the financial administration of the FCF fund sits either within student services or the finance department. Likewise at HEIs, front line student or welfare advisors largely deal with student enquiries with many students who go on to apply for FCF initially identified by these advisors when seeking general support around

finance and hardship issues.

Many FEIs and HEIs commented that the FCF scheme is administratively onerous for their institution in that it not only requires them to deal with the administration of paperwork but also deal with students' financial issues. One for example commented: 'it is a labour-intensive fund to administer, yet we're only allowed to use a very small amount of the fund to cover our administrative costs'.

### **11.3 Marketing and Promotion Across HEIs**

Within HEIs it would be fair to say that information about FCF is made available fairly widely but that institutions tread carefully in actively promoting the fund in order to manage expectations. As one HEI representative commented: 'if you shout loudly then you'll have a queue at the door' and another stated 'I'm very conscious that in the last two years we haven't promoted it as much because we had such a large hit in funding'. A statement made by another HEI representative sums up the general approach of HEIs:

'we don't hide the fact that there are additional funds ... especially now that money is particularly tight and people are very worried about committing themselves to something ... but I wouldn't say that we hand it out at the front of the building saying "hey we'll give you lots more money" ...'.

Our fieldwork revealed that the most commonly cited promotional methods used by HEIs were:

- HEI websites or HEI intranets or Moodles, where information is placed on student finance support pages as well as via 'adverts' on intranet homepages;
- Student Handbooks;
- University prospectuses;
- University open days;
- University notice boards, posters and leaflets;
- Induction talks and presentations for new students during Freshers' Week;
- Students' Union materials and website;
- Managing money and hardship advisory workshops made available by student support services;
- Formal and informal dissemination to University staff and teachers.

It would appear that many students are informed about the FCF when they approach student



support services with concerns about funding and finance, although there are many cases whereby applications are received 'cold'. Indeed, our focus groups with students revealed a wide range of ways by which they had come to hear of FCF including from peers and tutors.

In the main, HEIs thought that the promotion of the fund was either good or reasonable at their institution, given the constraints within which they had to operate. Despite this, quite a few admitted to coming across students 'who come in [and] don't have a clue' and indeed our fieldwork with students revealed this to be the case. Both students and HEI staff specifically commented that some academic departments are better than others in conveying messages about FCF, with nursing and social care departments mentioned as good examples and engineering a possible weaker one. Finally, some were concerned that messages about FCF might not be reaching the 'middle income students' because they have never been eligible for other forms of financial support. Indeed one student who participated in our focus groups was from a higher income family, but, as he was one of four children, he was not receiving the expected financial support from his parents. He argued that many students in his position believe that they are not eligible for any funds via FCF because they have never been eligible for statutory provision before.

### **11.4 Marketing and Promotion Across FEIs**

Turning to look at the promotion and marketing of FCF across FEIs our fieldwork revealed a trend where FEIs generally take more active steps to promote the fund across their institution. Indeed it would be fair to say that the visibility of FCF (via posters and leaflets) was much more evident during our visits to FEIs than HEIs. Some FEIs have taken steps to market the FCF by the activities which it can fund hence it's better known as the 'bus pass scheme' or the 'free lunch voucher scheme' at some institutions. Indeed several students who attended our focus groups at specific colleges had not heard of the term 'FCF' and were only familiar with the specific provision that they had received.

The promotional methods adopted across FEIs were largely similar to those at HEIs although FEI interviewees tended to attach more importance to personal promotional activities which could be carried out prior to students starting college (including at open days for potential students) and also during their initial week at the college (such as induction presentations). A few FEI interviewees spoke of the danger of 'information overload' to new students during their initial week at college however which, it was argued, went some way in explaining why some students would not recall having received information about the fund.

Several FEI interviewees mentioned that they actively 'screen' students to assess whether they would be eligible for FCF during their initial interview for a place at the college, as well as during their enrolment interview with a student support officer. Indeed one interviewee at an FEI was able to attribute a significant increase in the number of FCF applications that had been made at the college when this practice was introduced. At least two FEI interviewees highlighted the use of an 'induction check-list' at their institutions which required students to show that they have received information about student finance support including information on FCF.

FEI interviewees also mentioned the use of other methods to promote the FCF including the use of TV screens in college's communal areas and texting students with information on FCF. Quite a number relied heavily upon the referrals from tutors and a few FEI interviewees also stressed the importance of making available specific promotional materials and sessions to parents (particularly during open evenings) and examples were cited whereby information about the FCF would be contained in the parents' guide to financial support produced by the college.

Overall FEI representatives thought that their marketing of the FCF was effective and appropriate to the level of funds available at each institution. As in the case of the HE sector, some interviewees spoke of students missing out on support and it was suggested that these included students from particular departments (such as engineering) as well as those who feared coming forward due to the stigma attached and embarrassment they felt in seeking support (although in some cases the contrary was true in that students were proud to have received support and boasted about having a bus pass or a lunch voucher amongst their peers).

Many of the FE students who were interviewed could recall having received information about FCF either prior to (e.g. at school or open evenings), or during their enrolment and induction week at the college. Some however, noted that they had only come to hear of the scheme from their peers or tutors at a later date and many of these argued that their chances of receiving funding was severely reduced as a result. It was thought that timing was critical to the likelihood of them being supported as they were highly aware of the 'first come first served' policies which their institutions operated. Students were generally reluctant to accept any blame for being late in responding to the call for applications, however, although this may well have been a factor in some cases. Many students also argued that their chances of hearing about the FCF scheme was increased if they were

studying in particular departments or if they had been identified up-front as a priority (e.g. care leavers).

## **11.5 Application Processes**

### *11.5.1 Application Forms*

All institutions provide students with application forms in order to claim FCF support. These application forms are made available in a variety of ways including via the institution's website, Moodle or paper copies and can usually be easily accessed by students. Only one FEI informed us that they only make application forms available to students who are first 'screened' by interview although quite a number of student advisors spoke about the importance of explaining eligibility criteria to students prior to sharing application forms. A small number of HEIs make available one standard application form to students whereas most have numerous application forms to cover provisions such as childcare, disability testing and summer hardship. Most FEIs have one generic application form, although some have different forms for each type of need supported, such as lunch voucher application form, childcare application form and travel. In one, course tutors have to submit information onto a database well in advance of the start of the academic year on requirements in terms of equipment and trips, and students who are eligible for FCF (because they meet the household income threshold) automatically qualify for FCF for these items (as well as transport or childcare) if they are enrolled on the relevant course.

In terms of submitting the application forms, most institutions require students to do so in person (or by post) as they are required to provide supporting evidence in the form of bank statements, proof of household income, proof of residency or benefits received although a couple mentioned that they accept electronic applications. At least two HEIs informed us that they only accept applications in person so that student support staff can make an initial assessment of its completeness (although this did not always concur with the view of the students at those institutions). It was claimed that incomplete applications are not accepted at these institutions and it was argued that this went some way to explain their generally low refusal rate due to incomplete applications.

The majority of students, particularly at HE, had found the application forms relatively straight-forward, particularly when comparing with other student finance application forms such as EMA, ALG (FE) and Student Finance Wales. One such student noted 'it was just filling in the forms and e-mailing them my bank statements' and another noted that the

application process had been 'in a league of its own' adding that 'I think it's a model that other benefits and other services should really look at because it's personal, it's respectful'. Many complimented the guidance that they had received at student support services when applying for funds with one such student adding 'I've never encountered a system that is so flexible and willing to deal with someone like me' [HE student].

A small number of students (more so at FE level) had experienced more difficulties in dealing with the application process and a few admitted that they lacked confidence in form-filling and did not understand what was required of them. Indeed a few of these students added that they lacked support at home to complete the forms although in other cases interviewees acknowledged that they 'just gave it [the form] to Mum'. Overall students at both HE and FE were generally more likely to complain about the need to provide supplementary evidence such as bank statements and proof of income rather than the form itself. This seemed a particularly distressing requirement for some students who were recently estranged from their families in that they could not provide proof of evidence of having lived independently for three years (as required by some FEIs) in order to receive support. Some FE students (as well as FEI interviewees) called for the application forms and processes to be simplified and better aligned with EMA and ALG (FE) – for example it was suggested by several that it would be easier for students to submit their documents which evidenced their household incomes only once for both EMA and FCF, despite both schemes being administered separately.

We came across some specific problems at some institutions with regards to submitting the application forms – for example a couple of students at one institution complained that the application process took much longer than was acceptable because students support staff only collected application forms on a weekly basis from the campus at which they were based before processing them at the main campus. Hence the process was only deemed to start from the point at which the forms were received at the main campus. At another, a few HEI students argued that requests to provide any additional evidence to their applications would add a further 20 working day delay to the process which meant that, as the initial application process took 20 working days, students could be expected to wait up to 40 working days before hearing about the outcome of their application.

It is understandable that students who had been refused funding were most likely to complain about the application process and several of these commented that they did not understand why their application had been refused. Some of these unsuccessful applicants,

as well as a few successful ones, argued that it would occasionally help their case if they had been given an opportunity to explain their situation to a decision making panel when first making an application, particularly if their circumstances were complex as they did not think that a paper based application alone did justice to their circumstances. A very small number of students interviewed were highly aware that the application and awarding policies for FCF varied from one institution to the next and some felt very short changed by this. One student for example was aware through a friend at another Welsh university that their FCF scheme was administered in a more lenient manner and offered a higher maximum amount than at her own institution.

### *11.5.2 Decision making Processes*

A number of HEIs noted that FCF staff are responsible for assessing applications directly. Indeed at least three noted that they had improved their application assessment procedures in the last few years and could now assess applications in a much more streamlined way. In these cases HEI staff had been given delegated authority to make immediate decisions on straightforward applications in line with institutional guidance. This included being able to draw upon the advice of a senior colleague or advisor in one instance. It was argued that the introduction of such an approach had resulted in a speedier service for students and it was only complex and non-standard applications which were referred to an assessment panel for decisions. In one of these HEIs an on-line decision making process had also been recently introduced whereby emergency applications could be resolved on the day it was submitted, even if members of the assessment panel were away from their office on that day.

The processes at other HEIs, particularly at traditional institutions according to some, however relied very heavily upon the use of assessment panels. In one case an assessment panel meets on a weekly basis to decide upon all applications and staff have no discretionary powers to award grants. At another HEI, the assessment panel meets on a fortnightly basis. It was generally regarded as good practice to include a student representative on these HEI assessment panels. It is worth noting that HEIs are generally more inclined to provide money management advice to students in comparison to FEIs as advisors will discuss applicants' bank statements and expenditure on non-essential items.

FEIs are more likely than HEIs to operate FCF application deadlines. Indeed in some cases FEIs operate a 'one-off' deadline during September whilst others operate up to five deadlines spread throughout the academic year. Most FEIs (but no HEIs) accept applications before students enrol onto their courses (especially for existing students) but do not usually make decisions until the start of term. In most FEIs, all applications are assessed

by one staff member with only cases of refusals or appeals being dealt with by a panel. In only a couple of FE institutions, all FCF applicants are interviewed (e.g. Grŵp Llandrillo Menai) or all applicants for a certain provision such as childcare are interviewed (e.g. CAVC). In the remaining FEIs, decisions about applications under a particular value, ranging from under £450 at Pembrokeshire College to under £2,000 at Gower College Swansea, are taken by one member of staff whereas applications for larger awards are considered by an awards panel. These panels tend to meet more regularly at the start of the academic year when most applications are made.

Some FEIs are more stringent than others in adhering to a policy whereby if a student is not eligible they cannot apply (and in some cases students would not be given an application form to complete). One FEI specifically mentioned an on-line eligibility test that could be used to support this. In these institutions it was argued that the refusal rate is exceptionally low – even non-existent in some cases. In other FEIs it was argued that applications received without adequate evidence are not accepted and therefore not ‘logged’ onto the system. A few FEIs specifically noted that they would be prepared to accept ‘incomplete’ application forms only where appropriate written statements had been made available by professional advocates, such as in the case of social workers advocating the case of care leavers.

Mixed views were conveyed by students around the length of time it had taken for their applications to be reviewed – indeed the length of time varied significantly with some students reporting to have had immediate decisions to some within the FE sector still waiting to hear about the outcome in November despite having submitted their application at the start of term (largely because the fund had been exhausted). It was notable that students at a small number of HEIs and FEIs were much more negative about their experience of applying for funds and the time that it took for them to get a decision. The main concern amongst FE students related to the fact that they did not know when to expect to hear about the outcome of their application, as is the case with EMA for example. These students suggested that they would prefer a structure whereby they had a set deadline to submit an application and a set date by which they could expect to hear the outcome of the decision. Indeed we came across one HE student who had only come to hear about the unsuccessful outcome of the HEI’s decision via the invitation letter to our focus group.

### *11.5.3 Transfer of FCF Awards*

The method of payment to FCF recipients varies with FEIs and HEIs, adopting a mix of

cheques, BACS, cash and vouchers. FEIs were more likely to use cheque payments whilst HEIs noted greater use of BACS. It would appear that FEIs make more payments to providers directly than do HEIs, particularly for childcare and travel purposes. There are also examples of institutions making direct payments to other providers such as landlords or utility providers. Interestingly quite a few FEIs noted that a small number of students fail to collect their cheques when an FCF award has been made. These students would still be included in the institution's statistics reported to the Welsh Government (although the allocated funds would not be reported as FCF spend).

The majority of FCF recipients were satisfied with the method of payment that their institution had adopted although, as would be expected, some expressed dissatisfaction. In particular some students who had received payment by cheque would welcome a speedier transfer of funding. One such student commented:

'the cheque takes a bit long ... at the time I was desperate for the money ... it takes about four days for the bank to process it ... so if you're desperate for money ....'

In other cases students were concerned about the timing of payments to providers. For example in the case of one FEI student the college pays the childcare provider directly once a term, towards the end of that term, and she was concerned that should this provider prefer a more regular paying customer there may be danger that her child could lose his place.

Other than in the case of WfA, where funds are generally reimbursed to students for costs incurred, we did not come across any examples of an institution which asked students for any proof of spending where funds had been made available for a specific purpose such as the purchase of books, kit or equipment. Neither did we interview any students (other than WfA students) who had been required to provide receipts for their spend. Indeed it is notable that a few students also informed us that they were able to source cheaper equipment or kit than what was specified as the standard price of equipment or kit by their institution, and were able to retain the balance. This would include the purchase of appropriate clothing or uniform and retaining the small difference, often quoted at around £20 and occasionally up to £50.

### *11.5.4 Appeals*

Our fieldwork revealed that FCF appeals procedures are largely in place and many institutions made available to us their written appeals procedures which appeared to be fit for

purpose. However feedback suggests that little use is made of these appeals procedures, particularly across the FE sector: 'it's very rare for us to have appeals'. HEI interviewees were more likely to state that they had dealt with formal appeals, although several mentioned that they only received one or two a year. On this basis very few could comment upon the effectiveness of appeals procedures.

The students we interviewed were largely unsighted about their institution's appeals procedure despite having been given such information at the outset as this is a requirement of the FCF scheme. A small number (mostly at HE) had appealed against an initial decision – some because they had been refused funding and in other cases because the level of funding awarded had been lower than expected. In one of these cases where a student had appealed he had been successful – although he argued that sourcing information on the appeals procedure had been difficult. One common complaint (voiced by FE students) related to the short appeal timescales which were quoted as being within 14 days at a particular institution.

### **11.6 Monitoring and Reporting**

We came across examples of institutions who keep the minimum amount of monitoring data required for Welsh Government reporting purposes whilst others claimed to maintain electronic spreadsheets, which contained much more detail than was required by the Welsh Government. Many of the FEIs and HEIs which were interviewed stated that they prepared monthly management reports for internal reporting purposes and it was also quite common for the institutions to prepare annual summary reports which detailed 'who got what'.

A small number of institutions also reported that they carried out surveys of FCF recipients to provide feedback to them on student experiences of the fund. We were provided with copies of such results including the findings of such a survey at the University of Glamorgan where a large proportion of respondents noted that the award had been essential for them to remain at the University – indeed some 23 respondents had stated a comment along the lines of 'without the FCF award I would not have been able to continue with my studies'.

### **11.7 Sharing good practice**

It would appear that the FCF (both HE and FE) Advisory Groups are only one of the ways which FEI and HEI staff share good practice as other groups also fulfil much of this function. Indeed many of the FEI and HEI interviewees could not comment on either of these Advisory Groups as they had not attended any of their meetings.



At the HE level a very small number of interviewees who attended the HE FCF advisory group believed that this group had been fairly effective, although it had not met for some time. Indeed most interviewees from within this sector were more likely to draw upon the sharing of good practice which had been identified via other groups such as regional NASMA groups and other HEI led student support networks. Some specific sharing of good practice mentioned included one HEI interviewee who had been able to introduce changes to their appeals procedures on reflecting upon other HEI practices, another referred to the development of guidelines by the group on composite living allowances and another who had found the various networks of use when first appointed to her role. Indeed a small number of HEI interviewees referred to the value of being able to access such networks to address their isolation: 'it's hard when you're on your own ... isolated in the University ... to know whether you're doing the right thing with the money'.

Across the FE sector, interviewees referred to both the FCF FE Advisory Group and the FE Learner/Student Services Managers group as two networks which they frequently attended to share good practice. Feedback on the FCF FE Advisory Group tends to suggest that this group has been particularly useful in highlighting the differences in approach that FEIs take towards FCF and many interviewees were hopeful that the common guidelines that were being developed would help address these inconsistencies. A couple of interviewees also argued that they had been able to 'tweak' their own procedures as a result of discussing the practices of other FEIs at this group. However some interviewees questioned the value of the group in facilitating a direct dialogue with Welsh Government officials as it was felt that the feedback provided was rarely reflected in the annual schemes issued to the sector. Interestingly one interviewee suggested that both the FCF FE Advisory Group and the FE Managers group had become rather 'stale' of late, mostly because FCF had remained relatively unchanged in recent years.

## **12. WELSH GOVERNMENT FUNDING AND ADMINISTRATION**

### **12.1 Introduction**

In this section we discuss the Welsh Government's administration of the FCF Schemes and in particular present the feedback around the funding allocations to institutions (Section 12.2), timing of notifications (Section 12.3), preferences over annual or staged payments (Section 12.4) as well as the appropriateness of Welsh Government monitoring forms (Section 12.5).

### **12.2 Funding Allocations**

Institutions were generally unsighted about the funding formula used by the Welsh Government to allocate funds to individual institutions, particularly across the HE sector. Despite this, there was no particular desire from within the HE sector to revise funding allocations in that the vast majority thought they were getting their fair share of money. However there was a strong desire amongst HEI interviewees for the existing funding formula to be shared with the sector and made transparent.

On the other hand, a small number of FEI interviewees stated that they were familiar with the Welsh Government's method of calculating individual FEI allocations. Indeed these interviewees were also aware of previous discussions led by the Welsh Government to revise the formula and adopt a more scientific approach. However these discussions had not come to fruition as it was agreed that the likely impact of making changes could be devastating for some institutions' allocations.

More mixed views were conveyed by the FEI sector as to whether they were receiving their 'fair share' of funding. Approximately half of the FEIs were satisfied with their allocations but a number of institutions argued that they should be getting 'considerably more than the allocation we're currently receiving' as they did not think their current allocation reflected student numbers and/or the nature of deprivation that they faced. Furthermore some expressed concerns that the current formula did not reflect recent changes in developing a tertiary system whereby a few FEIs have experienced an increase in the number of sixth form students.

It was not felt that the formulae for calculating funds was particularly responsive to changes in either FE/HE circumstances or student numbers and this argument was often evidenced by the fact that funding levels were generally maintained year on year (other than for widespread cuts to the HE sector most recently). In addition interviewees pointed out that it could in theory take two years for annual allocations to reflect any increases in demand reflected in the institution's actual FCF return – for example the Welsh Government could only consider the data returned by institutions for the 2011/12 academic year in their planning for the 2013/14 academic year.

### **12.3 Timing of notifications**

It was generally accepted that Welsh Government scheme details and the notification of annual allocations to both the FE and HE sector are issued late in the day, with several of those interviewed noting that they had received this information during the month of August over the last few years. However it should be noted that HEIs have been informally advised by the Welsh Government that they should expect little or no change to the schemes before the end of the summer term concerned. For the HE sector, whilst the late notification does not pose major issues for the majority of institutions a small number did stress that it impacts significantly upon their planning for the year ahead. Indeed most HEIs acknowledged that the late notification had bearing upon the operation of the scheme including the advice given to students. Furthermore several HEIs stated that they plan in the dark hoping that no major changes will appear to the scheme and that their allocations will remain the same. The main impact of information being made available late is that institutions have to 'rush' certain planning elements like revising their own institutional policy to reflect the scheme and preparing their spending profile for the coming year in advance of the academic year starting. One commented 'everything is last minute and rushed' as a result. Some HEI interviewees called for the scheme and annual allocations to be made available from May at the latest to enable HEIs to plan effectively and improve their communication to prospective students.

For the FE sector, the late timings of the scheme and allocations seem to pose more of a problem – many FEI interviewees noted that their biggest concern is around dealing with significant changes to their allocations at short notice (although in reality there have been no such changes in recent years and as in the case of the HE sector the Welsh Government advise FEIs that they should not expect any such changes before the end of the summer term concerned). Several such interviewees noted that they plan their FCF allocations on the basis of previous years' funding in the expectation that the Welsh Government will

maintain the 'status quo' – indeed it was argued that late notification has a significant impact upon particular groups who require access to funds immediately at the start of term, such as those requiring childcare support, in that they are unable to provide them with a decision until Welsh Government funding has been confirmed.

A few institutions also noted that Welsh Government funds were somewhat late in being transferred into institutions' account during 2012/13 although it is understood that this was largely due to the requirement for institutions to sign and return an acknowledgement form to the Welsh Government accepting the terms and conditions of the grant. In the main FEIs and HEIs are able to deal with these 'cash flow' issues but interviewees would welcome prompt payment of funds at the start of the academic year rather than in the second or third week of term.

#### **12.4 Annual payment or staged payment**

Those consulted saw little point in the FCF grant being paid out in staged payments over the course of the academic year. Several interviewees added that this would only add to the administrative burden for both institutions and the Welsh Government and could potentially increase the insecurity for institutions and student recipients. We were informed that the Welsh Government had piloted such a model in the past and that this approach had not proved successful. Several FEIs also pointed out that as the bulk of their funds were committed during the first semester there seemed little point in holding back small funding amounts for the remaining academic year.

#### **12.5 Annual Monitoring Forms**

Overall the monitoring and reporting requirements placed upon the institutions were not thought to be particularly onerous or disproportionate and most interviewees found these to be acceptable. Indeed the comment made by one FEI interviewee summed the view of others:

'it's a big task at the time but we've got it sussed now and the information they ask for is valid.'

Some comments were made around areas to improve, and these included the need for monitoring forms and requirements to be made available at the start of the academic year and returned sooner to the Welsh Government after the academic year has come to an end. This would help institutions to ensure that they were collecting all the information necessary for reporting during the year as opposed to finding out that they did not have specific data

after the year end. Some also suggested a need for better alignment between the monitoring requirements set by the Welsh Government and the categories included in the scheme. Other small issues were raised by individual interviewees and these included the problem of recording the fact that an HEI might distribute an award in two instalments even though it was for one single award yet the Welsh Government's monitoring processes meant that they have to report each instalment as a separate award. Finally a few questioned the value of the provisions headings adopted in the monitoring returns in that they do not provide a meaningful impression of what FCF achieves.

## **13. FINDINGS: IMPACT OF FCF**

### **13.1 Introduction**

This section discusses the difference that FCF funding has upon student enrolment (Section 13.2) and retention (Section 13.3) within the FE and HE sectors as well as present the evidence on activities which would have happened anyway in the absence of support (Section 13.4). A discussion specifically on WfA has been covered in Chapter 10 above.

### **13.2 Difference the FCF is making to student enrolment**

Our fieldwork with both FEIs/HEIs and students revealed that the availability of the FCF is a much more important factor amongst FE students than it is for HE students in terms of impacting upon their decision to enrol for their course. This is perhaps unsurprising given FEIs focus on communicating the fund's availability to potential students and using FCF to enable those who want to enrol at the college to do so. One FEI interviewee admitted that 'we get huge numbers coming to the college for the money – people are quite open about that' be that for EMA, ALG (FE) or FCF support.

Whilst most FEIs were unable to quantify the impact of FCF upon student enrolment trends, one did suggest that if it wasn't for FCF:

'90% of students [in receipt of FCF] wouldn't have started the course in the first place'.

Feedback from many of FEI students interviewed suggests that FCF has a critical part to play in their decisions to enrol on a course and the following comments echo those heard across many focus groups:

'Without this funding I wouldn't be able to come and study ... I wouldn't have started the course if I didn't get the fund'. [41 year old woman at FEI with two children in receipt of FCF for childcare support]

'I wouldn't be here without FCF'. [18 year old FE student who had received FCF for multiple purposes including free meals, travel and equipment support]

Many FE students stressed the importance of finding out that they were able to access FCF funding upfront as this provided them with greater security when they enrolled for study. One

FEI interviewee also reinforced this adding that ‘people want to know’ at the point of enrolment whether they ‘are going to get childcare, going to get transport, going to get this and that’.

Whilst clearly many students would not have enrolled at FE without FCF, it is also true that many of the FEI students interviewed acknowledged that they had enrolled on their course in the hope that they would be able to access support via FCF. Some of these were eager to point out that they had to struggle during the initial few weeks of term as they did not know whether they would get the support. By way of example one student informed us that she had applied for a bus pass via the FCF but had found it difficult to fund the travel costs during the initial two weeks of term until her application was approved. She noted that:

‘Mum has had to pay for this [for the last two weeks] but she’s just had a baby ... I don’t know how we’d have coped [without FCF], I’d have struggled to pay for it really’.

Others were prepared to admit that whilst they had put in place arrangements for various provisions such as childcare or travel prior to enrolling, the availability of the FCF meant that some financial pressures could be alleviated and in the case of one student who was interviewed proper childcare arrangements could be put into place:

‘my Nain was going to look after my little one for me whilst I went to college, but when I came here I found out that I could get help with childcare ... so I put her in childcare because it was easier, because my Nain’s getting old now’. [FE student]

Student feedback revealed that the availability of funding for particular provisions such as that of childcare, accommodation and equipment tends to have a significant bearing upon the student’s decision to enrol for a course at an FEI. Access to other provisions such as bus passes and lunch vouchers were deemed to be more critical for staying and completing courses. Focus group participants with children were generally the most eager to stress that there would have been no way that they could have done the course had it not been for FCF, largely because the sums of funding received were much greater. Similarly, although lower in number, those who had their accommodation costs met by FCF were also likely to stress that they could not have otherwise afforded their rent costs and would not therefore have been able to enrol.

We also of course came across students whose decision to enrol at a FE college was made regardless of the FCF, and these included students who were unaware of the funds prior to enrolling. One 19 year old business administration student who currently received a travel allowance for train journeys stated that: ‘last year I walked [to college] and I would have had to do that this year’ had it not been for the FCF support.

In contrast to the situation across the FE sector, hardly any HE students informed us that their decision to enrol at the University had been dependent upon them receiving FCF support, although a couple had researched its availability and were hopeful of being able to access it.

### 13.3 Difference FCF is making to student retention

#### 13.3.1 FE Sector

Five FEIs provided data to demonstrate that the withdrawal rate for FCF recipients was indeed lower than their institutional student withdrawal rate, though in another five the opposite appears to be the case. Where such data could be made available the findings are presented in Table 30 below:

Table 30: Student Withdrawal Rates

	FCF recipient withdrawal rate %	General withdrawal rate %
Coleg Morgannwg	19.5	25
Merthyr Tydfil College	7	18
Bridgend College	10	11
Gower College Swansea	21 (M) 24 (F)	11
Cardiff and Vale College	12	10
Coleg Gwent	0.33	10
Grŵp Llandrillo Menai	7.89	8.72
Neath Port Talbot College	16.6	8.5
WEA South	4.06	4
YMCA	0.9	0.5

Source: Data supplied by individual institutions

Feedback from FEI interviewees and students tends to suggest that funding for childcare, travel and lunch vouchers are the most important in retaining students at the college. Indeed



one FEI interviewee commented that it's those 'students who don't get the childcare [who] quite often leave'. The provision of travel allowances, bus passes or train passes was viewed as being critical in ensuring the regular attendance of students which then leads to a better chance of completing a course and obtaining decent qualifications. Many students said that getting FCF had reduced the pressures on them and, as a result, they felt able to concentrate on their studies. Comments made by students included:

'I don't have to worry about getting here every day now. My Dad started dropping me off and picking me up but then he started asking for money to pay for petrol.'

'the travel would have been too expensive to have continued.'

'it just makes sure that we can come here every day every week.'

When asked whether they would have withdrawn from their studies had they not received FCF funds a mixed picture emerged across the FE sector. Some were particularly vocal in that they thought this would be the likely case:

'If I didn't get the funding, me or my partner would have had to quit our courses.'

'I would have left if I hadn't got it ... I was thinking about it ... but now I've got the money I can carry on.'

Others argued that it would have been more likely that they would have faced compromises in having to make difficult decisions about what to prioritise:

'Something would have to go ... food or bills probably.'

'I couldn't afford to pay my electric bill last month ... I'm always playing catch-up'.

### *13.3.1 HE Sector*

Feedback from HEI interviewees suggests that the availability of FCF funding does impact positively upon student retention as FCF funds are made available at a time of financial hardship and eases the pressure and worries amongst students. Our fieldwork with FCF recipients shows that whilst several HE students were considering leaving their studies when they applied for FCF support, withdrawing was very much their option of last resort.

It is somewhat surprising however, how little data HEIs collect on the withdrawal rate of FCF recipients compared to all students and as part of our fieldwork we were only able to access withdrawal rate data for FCF recipients compared to the general withdrawal rate for students at three institutions. In all of these three cases the FCF recipient withdrawal rate was lower than that of the general withdrawal rate (5% compared with 8% at the University of Glamorgan; 1.8% compared with 5% at Cardiff Metropolitan University and 2% compared with 7% at UoW, Newport).

We were also notified that some HEIs carry out surveys of FCF applicants to obtain such data. In one such institution, for example, some 70% of FCF supported students agreed that the availability of the fund had affected their decision to remain at the institution and it was a common theme running through our student focus groups.

It is striking that HE students' experience, which in the main point to dire financial hardship, are extremely varied. Many of the students interviewed highlighted the stress that their financial circumstances caused and the following examples provide an indication of the way FCF has made a difference:

'I was very stressed, very worried ... I didn't know how I was going to manage ... I couldn't contemplate leaving the course, but I couldn't see how I could carry on ... the help I got and the money meant that I could carry on.'

'It [FCF] relieved the stress ... I'm not worrying that I'm missing lectures because I can't afford to get in.'

Two HE students summed up several others' feelings by commenting that:

'none of us are talking about massive quantities, but it makes a difference.'

'[the funds received is] surprisingly enough to get by.'

Other students provided practical examples of how FCF had made a real difference to their circumstances, including:

'it paid the first month's childcare fees at the nursery for me ... which was an absolute godsend ... the Student Loans Company messed up and they didn't actually send out payments until the first of the month, which is the date that the nursery need payment.'

### **13.4 Other factors which impact on withdrawal of students**

It would appear that financial factors form only one element of why students withdraw from their courses and whilst students who had applied for FCF tended to attach more weight to financial issues, representatives from HEIs and FEIs took a more balanced view. The majority of those interviewed suggested that the other main factors which impact upon the withdrawal of students include:

- Academic related issues such as dissatisfaction with the course or institution as well as academic difficulties;
- Personal changes relating to family circumstances;
- Health related issues.

Other than financial assistance via the FCF, a key message to emerge during our fieldwork related to the strength of advisory and support offered by student support services. There is no doubt that both students and staff attach value to these services in helping to maintain good retention rates. Amongst the comments made by students were:

'When you come here for support, they're very fair, they listen to your circumstances ... I've been treated really well ... I've never felt awful about my situation.'

'You're not on the phone to someone you don't know ... they know my background ... that consistency is brilliant.'

'They're there to fix your problems they don't just advise you ... they go onto the Student Loan Company directly in front of you ... they tell you exactly what's going on because they know the system.'

Indeed the support around financial budgeting was deemed to be equally as important as the funding itself in many cases, although it is questionable whether students would have responded to financial budgeting support had it not been for FCF functioning as a trigger in identifying the need for such help.

### **13.5 Evidence of Deadweight**

Despite the overwhelming evidence gathered to show that the FCF is making a real difference to enrolment numbers at FE and retention across both FE and HE the feedback also suggests some evidence of deadweight. Comments made by students illustrate this:

'I'd probably have done the course anyway ... my parents' financial situation isn't that great ... but my mum gives me money.'

'I'd have carried on anyway ... my parents wouldn't have been able to help ... their financial situation is a bit grim ... I might have had to walk or had to get a job.'

'I would have come ... It's only £20 and it helps me, but I could have just about managed to do it anyway, because I work as well.'

One second year FE student studying a health and social course at an FEI was prepared to admit that 'I would have done it anyway though' despite receiving free lunch, free bus pass and had received £100 towards the costs of equipment. This £100 had been used to cover the costs of two course books, each costing £25 and the student intended to spend the rest on stationery.

A small number of FE students also suggested that funds allocated for equipment, kit or books did get spent on other stuff. For example, two FE interviewees did admit that their allowances for equipment at the college shop had been too generous and that they would use the balance towards purchasing materials for their follow on University course:

'will get loads of stuff for university with the balance'.

Many non FCF recipients who were interviewed told us that they were working on a part time basis to fund their learning and several suspected that they had not received support because they were over the household income threshold set by their FEI or could not demonstrate a deficit at their HEI. The following case is a prime example:

'I was unemployed for two years. I applied for ALG but was rejected because my Dad earns £200 more than the maximum limit, but we're a big family with six kids ... I live at home, but my parents only give me my lodgings. I don't have any money. I need money to go on trips and buy a hoody for my course. I spent my savings on my kit. I've been told that if I don't go on at least two trips I'll fail the course. It's stressful.' [21 year old Hair and Beauty student whose application for FCF was rejected]

A small number of students informed us that their application had been rejected because they did not meet the residency requirements set by FCF. Two such students studying at the same FE college had moved here to study from abroad. The fact that they had been unable to secure FCF meant that they had to work very long hours in jobs to support themselves. As a result they argued the lack of sleep meant that they were less able to concentrate on their studies.

A few FEI students told us that they were expecting to receive FCF support, either because they had been informed during enrolment that they might be eligible or they had received it in the past, and that this had contributed to their decision to enrol. In two such cases, students had paid for course equipment and a CRB check and were disappointed to find out that they would not receive FCF funds to cover these costs. Both of these students added that whilst they considered withdrawing from the course the fact that they were 'several weeks into the course' meant that they had decided to stick with it.

## **14. THE FUTURE OF FCF**

### **14.1 Introduction**

In this section we discuss the feedback received during our fieldwork on the future of the FCF Schemes. In particular we focus upon the key questions posed in the Welsh Government evaluation specification around whether there is still a need for the fund (Section 14.2); whether it should be a discretionary or a statutory scheme (Section 14.3); whether the fund should be allocated to institutions as part of their core grant funding (Section 14.4) and whether the funds should be merged (Section 14.5). We also (in Section 14.6) discuss other key issues relating to the funds such as introducing a cap on the funds made available and asking students to make a contribution towards the costs covered.

### **14.2 Continued Need**

Stakeholders, FEI and HEI interviewees (including those in senior posts) and students interviewed gave a very strong view that the FCF should remain available across both HE and FE settings and should be ring-fenced from other funding. It was argued that the need for FCF would become even more pronounced in coming years as statutory funding had failed to increase in line with the costs of living. One FEI interviewee commented for example that ‘student finance hasn’t increased in ten years ... alarm bells should be ringing ... especially in relation to mature students who don’t have mum and dad to support them.’ It was also thought likely that the current changes to the benefits system and the introduction of the Universal Credit together with the continued impact of the economic downturn would further exacerbate the need for FCF. Many interviewees were eager to stress that there would be no alternative hardship or emergency funding available as an alternative to FCF if it were removed: ‘[I] would be very worried if we didn’t have it ... I wouldn’t know where to direct students then’.

### **14.3 Statutory or discretionary fund?**

All stakeholder and FEI/HEI interviewees argued that the FCF schemes should remain discretionary, with the comments of one echoing that of several: ‘it definitely shouldn’t become a statutory fund’. Some did recognise a few benefits of introducing a statutory approach (such as eliminating the current ‘postcode lottery’ effect of the schemes and the guaranteed provision of financial support in that funds would not run out) but these were not thought to be great enough to warrant such a change.

Many arguments were given to justify the continuation of a discretionary rather than statutory scheme, including the ability for institutions (particularly within HEIs) to make available the wrap-around support and guidance at the point of need: 'it's not just the money we give out, it's the entire support' which would be in danger of getting lost if funds were made available on a statutory basis. Furthermore, many interviewees argued that the current fund enables them to accommodate the diverse needs of students in a very flexible manner although it is clear that many FEIs adopt a blanket approach based on a household income:

'students have become more and more varied over recent years ... they're not traditional straight from school undergraduates ... they vary in terms of being postgraduate, distance learning, work-based learning ... it's much more complex.'

Several interviewees also argued that the introduction of a statutory scheme would result in greater wastage of public funding – for example in the FE sector the provision of funds is often dependent upon continued good attendance levels and it was thought that there might be a danger that some students would abuse the provision of funding via the statutory route.

A small number of interviewees argued that there may be scope to consider introducing elements of the fund via statutory provision, notably childcare and transport in the FE sector, although it was also recognised that there may be other ways of accommodating these requirements in a more consistent fashion outside of the schemes. The funding of FE childcare was mentioned in particular as it represented a disproportionate demand upon the FCF budgets (in terms of the size of individual awards made). Furthermore one HEI interviewee argued that there may be scope to better accommodate the needs of lower middle household income HE students via the statutory route as opposed using FCF to make up for current short comings. In this case, however, the issue was deemed to be more about the need to review the statutory provision for this particular group of students.

#### **14.4 The introduction of FCF within core grant funds?**

We did not encounter much support for FCF funds to be allocated to institutions as part of their core grant funding, primarily as interviewees from within the sector feared funds would be 'lost' within their institution and that there would be danger that the overall objectives of FCF would be compromised. The views of one interviewee echoed those of many others in that there would be a 'danger that it'll get swallowed up for other priorities'.

A small number of interviewees argued that if it came to it, their institution would be able to handle such a transition and receive FCF funds as part of their core funding adding that they may benefit from an earlier announcement of allocations and greater security year on year that funds would be available.

#### **14.5 The introduction of one FCF scheme?**

The majority of those interviewed could not comment upon this theme of merging the FCF HE and FE schemes and as their experience was confined to either the HE or FE sector they had no strong views either way. However the remaining few interviewees expressed a mixed view about merging the funds for HE and FE. Some institutions, particularly FEIs who administered both FCF FE and HE schemes, argued it would be advantageous to merge both schemes as it would provide them with a greater degree of flexibility to manage one pot of funding rather than two. For example, in one particular case an FEI interviewee argued that it would enable them to manage funds in a more holistic manner and for any HE level underspend to be allocated to FE demand (as opposed to returning it to the Welsh Government). However most interviewees accepted that the striking differences between the two schemes at present would make it very difficult to merge and manage.

#### **14.6 The introduction of a funding cap?**

Most interviewees agreed that in principle it would be acceptable (and indeed helpful) to introduce an indicative cap on the funding any one student could access as this would enable them to maintain their flexibility and discretion at a local level. Indeed most HEI interviewees noted that they still implement a £3,500 funding cap (as set out in previous Welsh Government guidance) but were glad to have the flexibility and local discretion to exceed this limit as and when it was required. Similarly many FEI interviewees thought that the introduction of a funding cap at FEIs was, in theory, acceptable but acknowledged the difficulties around its implementation. It was suggested that across the FE sector it may be better to introduce a cap on specific provisions such as equipment.

#### **14.7 Financial contribution from student**

In light of the pressures placed upon both the FCF funds in recent years, many FEI interviewees noted that they had introduced policies which require students to make a financial contribution of some sort to various provisions: they therefore took the view that stipulating such a requirement in any future Welsh Government scheme should not pose too many issues. Likewise in the HE sector it was argued that students have to show that they have drawn upon all possible resources, including their own income be that in the form of



part time work income or overdraft facilities, before an award is made. However a small number of interviewees expressed nervousness about this and FEI interviewees in particular commented that they had students who would just not be able to afford to make such a contribution. One such interviewee argued 'we want to focus on meeting a need. We don't want to have a half-way house where we half meet a need'.

Similarly students conveyed mixed views with some pointing out that they already had to make such a contribution whilst others believed that the requirement to make a financial contribution, say to travel or childcare, would have been virtually impossible.

#### **14.8 Use of FCF to subsidise childcare facilities?**

Only a small number of interviewees thought that FCF should be used to subsidise their own childcare facilities in the future as this simply extended the current policy at their institutions. Without the FCF funds underpinning the cost of these facilities it was clear that they would cease to exist. The vast majority disagreed however and argued that FCF ought not to give preference to an institution's childcare facility over the choice of the student. Indeed in their experience it was clear that FEI and HEI policies have moved away from supporting loss-making childcare facilities in recent years and it should not be appropriate to expect FCF to sustain them. Furthermore it was argued that whilst it was appropriate to use public funding to support a failing market it was not appropriate to use it to support a failing business establishment.

#### **14.9 The impact of the new student fee structure upon FCF**

In the main, interviewees did not think that the introduction of a new student fee structure would impact significantly upon the administration of FCF in that student fees are not taken into consideration when calculating whether they are eligible for support: 'we don't consider fees when we calculate a student's need for FCF'.

Despite this several interviewees noted that the new fee structure might deter individuals coming to university, particularly through the clearing process, as they would be required to contribute a large proportion of fees upfront at the beginning of their course. Naturally this may result in a greater demand for FCF to provide larger loans to students who receive late tuition loan payments.

## 15. CONCLUSIONS AND RECOMMENDATIONS

### 15.1 Conclusions

In concluding, we return to consider the overall objectives of the evaluation which are focused on the effectiveness and impact of the FCF and specifically consider whether the FCF should become a statutory, rather than discretionary scheme and whether FCF schemes should be amalgamated.

We are of the view that there is a clear rationale for providing discretionary financial support to both FE and HE students at particular times of need during their studies and that the overall objectives of the FCF scheme complements the funding available via statutory means in most part. However there is evidence to suggest that FCF is being used to 'plug' particular gaps within statutory provision particularly across the HE sector such as in the case of childcare provision and for NHS students. There is also evidence to show that the FCF is being used to iron out inconsistencies in the support available to students in FE settings compared to those in school sixth forms, most notably, the use of the FCF to meet students' travel costs and, though to a lesser extent, to provide them with lunch vouchers.

Indeed, it is striking that in the FE sector, FCF is generally used not to meet 'emergency needs' but rather in a systemic way to meet certain foreseeable costs associated with studying for certain categories of students (generally related to household income). This does not mean that the FCF is not 'fit for purpose': indeed, the evidence from the evaluation suggests that it is an important tool in enabling the recruitment and retention of individuals who might otherwise be excluded from educational opportunities. However its operation does seem to parallel quite closely schemes such as EMA and ALG (FE) and arguably does not fit particularly well with the Welsh Government scheme that FCF should not be used 'to support students who fall within a particular income band without consideration of that individual student's need'.

At the same time, we believe that there is strength in the argument that the funding is most appropriately distributed locally by each institution: this enables institutions to respond to the specific circumstances facing their student body (e.g. with regard to transport) and to ensure timely and personal processing of claims (and in some cases, advice and guidance to go with it.) Moreover, in the case of the HE FCF, support is quite closely tailored to individual needs and circumstances.

Across the HE sector we do not believe that the FCF should become a statutory scheme as the benefits of providing financial support (often for smaller amounts) at the point of need is one of the scheme's key attributes. However we do believe that there would be more effective ways of funding some of the provisions currently accommodated via the FCF across the FE sector which would take into account the gradual shift towards a tertiary system in areas. This would include exploring alternative methods of funding the costs of FE student transport (either via statutory or other structural funding) as local authority policies have a direct bearing upon the use of FCF for this purpose.

We also believe that there may be more effective methods of accommodating the costs for childcare at FE given that demand for childcare financial support has increased in recent years. Funding for childcare now appears to be placing a disproportionate demand (even out-stripping funding in some cases) at the FE level and this may be at the expense of meeting other funding needs. Indeed several FEIs are currently exploring options for achieving a better balance between supporting the needs of students with childcare commitments on the one hand and the needs of other students on the other. At the FE level this is one area that may benefit from being accommodated via statutory provision (in the same way as for HE students) although the financial implications of doing so would be significantly greater than on a discretionary basis.

The evidence from our fieldwork clearly shows that the two schemes being operated under the banner of FCF are distinct: indeed, the differences between the schemes for HE and FE are greater than their similarities. The approach taken across FE is largely based upon the up-front funding for students to cover predefined provisions based upon means-testing; whilst in HE the fund is mainly available to existing HE students who demonstrate a financial deficit. As a result we do not believe that an amalgamation of the schemes would be feasible and any advantages of doing so would be outweighed by the disadvantages.

Furthermore one of the striking findings of this evaluation is the significant differences adopted by individual institutions in terms of their FCF policies (particularly across the FE sector) and whilst we appreciate that these policies often reflect both local circumstances and demand, it is somewhat surprising to find so many inconsistencies from one institution to the next in the way that they implement a pan-Wales scheme. Arguably this results in inequities and a 'postcode lottery'. We therefore conclude that there would be significant merits for encouraging institutions to move towards a more common approach, particularly in

terms of how a student is assessed for eligibility purposes (e.g. adopting household income assessments across the FE sector which is based on a common threshold and establishing guidelines around which students do or do not qualify for support as defined by EMA/ALG status or part time and full time status) and the student experience of applying for funds more generally. We also believe that there would be merit for all FEIs to align funding with good student attendance, as is the practice for the distribution of EMA funding. Finally we also conclude that there is a need to address some of the wider and fundamental differences across local authority policies on the transport provision for 16-18 year olds as these have a significant bearing upon the use of FCF for transport costs across FEIs.

We also believe that there would be value for the Welsh Government to provide greater transparency around the methodology it adopts for awarding funding to individual institutions and undertaking a fundamental review of this as it does not at present take into consideration some of the key changes taking place across the sector in terms of mergers or changes to student numbers at each institution. In doing so, the Welsh Government should ensure that it provides institutions with adequate time to accommodate any changes to their allocations as it is likely have a profound impact upon some institutions. Furthermore we also believe that there would be advantages for the sector to receive both their annual notifications and annual scheme details earlier in the year, by at least May, but we do not think it necessary that payments to institutions be made more frequently than once a year. Finally we believe that minor improvements could be made to the monitoring and reporting requirements set by the Welsh Government both in terms of content (i.e. that they better reflect the guidance issued to institutions) and timings (in that institutions are provided with the reporting templates much earlier in the year).

In terms of the guidance being issued by the Welsh Government the feedback from within the sector suggests that the current scheme on priority groups and residency requirements appear to be sensible and acceptable – and as such we do not think that they require changing, other than exploring the possibility of including carers as an additional priority group. We concur with the view of the vast majority of interviewees that the scheme should not restrict FCF to Welsh domiciled students as this would not be in keeping with providing an equitable provision to students studying in Wales.

In terms of the guidance around *what provisions* should be funded then we believe that the Welsh Government should provide a clearer indication to awarding institutions on how these provisions should be prioritised but accept the fact that institutions need to be able to

maintain their discretion so as to accommodate significant local variations in terms of local authority policies and other factors such as accommodation and childcare costs.

We believe that the flexibility that the Welsh Government scheme currently offers in terms of how institutions should administer the schemes should be maintained. However, we believe that institutions ought to draw upon effective and good practice from within the sector to improve their administration and this evaluation has identified many such approaches during our fieldwork. In particular it would be good practice for institutions (particularly FEIs) to fund actual rather than notional or estimated costs as well as stipulating that it would be *desirable* (but not essential) for FCF students receiving funding to make a contribution towards the costs as this would simply reflect the current practices adopted by institutions.

We are of the view that it is appropriate that an administrative fee be made available to institutions towards the costs incurred in administering the FCF schemes as the schemes are resource-intensive to manage. The current level of funding (capped at 3% or £525 whichever is the highest) is far from adequate to cover the costs associated with the scheme's management but is valued by institutions as a small contribution towards the actual costs of managing the scheme and so should be maintained. Despite the current level of funding being inadequate we do not think it should be increased as this would only serve to reduce the funds distributed to students in need of financial support.

Turning to discuss the use of FCF by NHS funded students it is clear that this group places a disproportionate demand upon the scheme's funding at HE level, and that demand has increased since changes to statutory provision were made at the beginning of 2012/13. We concur with the view of the majority of those interviewed that this group of students ought to continue to be able to access FCF but suggest that the sector engages with the National Leadership and Innovation Agency for Healthcare (NLIAH) within the NHS sector to discuss whether any shortcomings in NHS financial support for its students could be better addressed via statutory provision, in particular aligning the rules on childcare support with the CCG. Representatives from the NLIAH indicated that they would be prepared to engage in such a discussion during our evaluation fieldwork.

As far as WfA is concerned the rationale for making funding directly available to WfA Centres is less clear and the funds made available are currently too generous when assessed against student demand. We are not convinced of the need to ring-fence funds for this particular group of students however we do believe that they ought to have access to

FCF support should they satisfy the scheme's requirements. In this sense it may be beneficial to explore whether the needs of WfA students could be accommodated via their host institutions' FCF monies (as indeed other FE students studying at some HEIs do so) or alternatively to adopt a more centralised approach so that student demand can be better accommodated.

The marketing and promotional activities deployed by institutions appear to be appropriate but there is scope for adopting a more consistent application process whereby institutions, for example, adopt more standardised application forms and require similar evidence to be submitted by students. Indeed in the case of the FE sector there is scope to ease the application burden placed upon students who may have already submitted similar evidence for other funds, notably the EMA and ALG (FE), as is the current practice in some institutions. There is scope for a small number of FEIs and HEIs to improve their handling of applications so as to shorten the decision making timescales and improve communication to students.

Finally, we conclude that the FCF is largely fit for purpose across both the FE and HE sectors, albeit in very different ways, in that funding is used by institutions to meet the objectives set out by the Welsh Government. Our evaluation fieldwork has shown that the funds do impact positively upon student participation and retention. In the case of the FE sector the fund is making a difference to the enrolment, attendance and retention of students and the feedback from both FEI interviewees and students provides evidence of this. At HE, the evidence points to FCF being an effective tool in retaining students and where evidence was available HEIs could demonstrate that FCF recipient withdrawal rates were lower than their general withdrawal rates. However it is clear, more so at HE, that the provision of financial advice and guidance is equally as important to the student as the funding itself and many students who were interviewed admitted that withdrawing from their course was very much an option of last resort.

Despite the overwhelming evidence gathered to show that the FCF is making a difference there is no doubt that a small amount of deadweight is generated via the schemes. Furthermore a number of students, particularly within the FE sector, are highly aware that funding is available prior to enrolling on their course and so it often difficult to distinguish what impact FCF has had upon their ability to enrol and complete their courses.

## 15.2 Recommendations

We make 16 recommendations in all and these focus on the key changes required.

**Recommendation 1:** We recommend that the Welsh Government continue to fund the FCF schemes across both the HE and FE sector, while recognising via its scheme that its current use within FEIs is focused on meeting foreseeable needs for specific groups of students rather than on emergencies. Funding should continue to be made available directly to individual institutions to administer on a discretionary basis.

**Recommendation 2:** We recommend that the Welsh Government communicates the underlying methodology for making funding available to individual institutions and modifies it as might be necessary to better reflect anticipated future student numbers, student demographics, rurality and deprivation levels served by each institution. Any potential changes to institutional allocations should be thoroughly consulted on with the institutions because they might have implications on the overall number of students an institution can recruit. Any changes to the amounts finally agreed need to be announced sufficiently in advance to enable the institutions to adjust accordingly. The Welsh Government also needs to ensure that the methodology can accommodate future mergers between universities, colleges and the expansion of tertiary post 16 education models.

**Recommendation 3:** We recommend that the Welsh Government maintains two distinctive FCF Schemes for the HE and FE sector and that these should not be amalgamated.

**Recommendation 4:** We recommend that the Welsh Government issues more timely notifications of both annual FCF scheme circulars and financial allocations to FEIs and HEIs, ideally by May of each year.

**Recommendation 5:** We recommend that the Welsh Government continues to off-set some of the costs incurred by FEIs and HEI in administering the FCF schemes and that the current fee rates be maintained.

**Recommendation 6:** We recommend that in the long-term the Welsh Government in conjunction with its partners explores alternative means of funding travel provisions for 16-18 year olds where this is currently being paid for via the FCF FE Scheme.

**Recommendation 7:** We believe that in the long term childcare costs incurred by FE students would be better accommodated via statutory provision as is the case with HE students. In the meantime we recommend that the FE sector work collaboratively to adopt a more consistent approach to awarding childcare funding with a view of ensuring that the needs of other FE students are not put at a disadvantage due to increasing demand for childcare costs.

**Recommendation 8:** We recommend that the Welsh Government maintains the priority groups identified within the scheme but provides greater clarity on some of these. We also recommend that the Welsh Government considers including 'carers' as a new priority group.

**Recommendation 9:** We recommend that the Welsh Government, in discussion with FEIs and HEIs, considers whether the needs of franchised HE students studying at FEIs would be better accommodated locally at the FEI itself and if so, funded accordingly.

**Recommendation 10:** We recommend that the Welsh Government stipulates in its FCF scheme that all HEIs and FEIs should be represented on the FCF HE and FE Advisory Groups and that actions proposed and agreed at these groups be adopted more generally across the sector.

**Recommendation 11:** We recommend that FEIs collaborate via the FCF Advisory Group as well as NASMA where relevant, with the support of the Welsh Government, to work together in developing a more consistent approach towards FCF especially in terms of assessing student eligibility and application processes. Likewise we recommend that HEIs collaborate in the same manner to achieve a more consistent approach to the FCF scheme, accepting that local circumstances and individual institutional budgets will have bearing upon this outcome.

**Recommendation 12:** We recommend that the sector engages with the NLIAH to discuss how the financial support requirements of NHS funded students could be better accommodated either via statutory provision or via the NLIAH making an appropriate contribution towards the FCF budgets at individual institutional level so as to ease the pressure upon FCF to meet these requirements.

**Recommendation 13:** We recommend that the current model of providing ring-fenced funding to individual WfA Centres be withdrawn and that the needs of these students be met



either via their host institution's FCF monies or via a less generously funded centralised approach. We believe that the WfA Centres should collectively decide on which option would best serve their student needs.

**Recommendation 14:** We recommend that institutions move towards adopting current good practice by stipulating that it would be *desirable* for FCF recipients to make a contribution towards the costs being funded via FCF as this would reflect the fact that most, but not all, HEIs currently administer FCF funds on the basis that students make an implicit contribution already. Likewise across the FE sector some FEIs have recently introduced such a policy in light of increasing financial pressures upon their FCF budgets. In a similar manner we recommend that institutions adopt a practice of funding actual rather than notional or estimated costs of provisions where this is practical to do so.

**Recommendation 15:** We recommend that the Welsh Government encourages FEIs and HEIs via the two Advisory Groups to adopt an indicative maximum level of funding per student via the FCF scheme.

**Recommendation 16:** We recommend that HEIs should not routinely fund the 15% part of the costs that CCG requires students to make them to make but rather make such as contribution where there is a clear financial deficit in an applicant's budget.