



Cynulliad National
Cenedlaethol Assembly for
Cymru Wales

Report of the Enterprise and Learning Committee on the Education Maintenance Allowance

Background

1. At the request of the National Assembly's Petitions Committee, the Enterprise and Learning Committee considered a petition on the Education Maintenance Allowance, worded as follows:

“We call upon the National Assembly for Wales to recognise young people over 16 years are considered to be adult by their parents and so their parents' income should not be taken into account when assessing eligibility for Education Maintenance Allowance. They should base it on an individual's income.”

2. The petition was raised by Catrin Anne Davies from Holywell, Flintshire and it collected (in one day) 272 signatures. A response to the Petitions Committee by the Minister for Children, Education, Lifelong Learning and Skills, is attached as Annex 1.
3. The Enterprise and Learning Committee's consideration also followed a request from Andrew RT Davies AM (then a Member of the Committee) for a scrutiny session with the Minister to discuss delays in Education Maintenance Allowance payments.
4. On 30 April 2009, at a formal hearing in the Senedd, we questioned the Minister for Children, Education, Lifelong Learning and Skills on the Welsh Assembly Government's policy on the Education Maintenance Allowance. The Minister's written memorandum is attached in Annex 2.
5. We first heard from the principal petitioner and from representatives of fforwm, the national organisation representing further education establishments in Wales. fforwm's written evidence is also attached in Annex 2; the link to the transcript of oral evidence is included as Annex 3.
6. We would like to thank all the witnesses for assisting us in our inquiry. We believe that the National Assembly's petitions system and the Committee's scrutiny gives the people of Wales an important opportunity to get their voice heard and in turn enables the Assembly to contribute to its goal of widening engagement in the democratic process – particularly in involving young people. We wish to record our particular appreciation for the

evidence provided by the principal petitioner and our thanks for her perseverance in participating in the petitions process.

7. The report that follows summarises the main issues discussed and proposes recommendations which if accepted by Welsh Ministers, will benefit some of the most vulnerable in our society.

The Education Maintenance Allowance

8. The Education Maintenance Allowance was introduced in Wales in 2004. The scheme was intended to play a significant role in widening access to further education by encouraging more young people from low income households to stay in school or go to college.
9. The Education Maintenance Allowance was rolled out over three years to include 16 year-olds in 2004; 16 and 17 year-olds in 2005; and 16, 17, and 18 year-olds in 2006.¹
10. Under the scheme, full-time learners aged 16 to 18 are able to receive £10, £20 or £30 a week during term time depending on their household income. They can also receive additional bonuses of £100 if specific targets in respect of progress and behaviour are met.² Over 133,000 young people have had allowances approved since 2004.³ Figures indicate that the bulk of Education Maintenance spending is being directed at those from the poorest families.⁴
11. We heard that the Education Maintenance Allowance has had a significant impact on student performance: in the case of Coleg Sir Gâr, it has been found to increase course attendance and successful completion by six per cent.⁵

The petitioner's case

12. Inevitably with a means-tested system, we heard that there are tensions between those who receive the Allowance and those who do not. For some young people who are not eligible for the Allowance, their parents may choose not to provide any financial support either. We heard from the principal petitioner how she, like many young people from her college, has a job as well as studying full-time. In the petitioner's case, she has two jobs, working 40 hours a week to pay her rent at home, her 'phone bills and the cost of running a car.⁶ She therefore argued that eligibility for the Education Maintenance Allowance should be based on her own income, and not that of her parents.

¹ Minister's written evidence, Annex 2, para 2

² Fforwm's written evidence, Annex 2, para 3

³ Minister's comments, Record of Proceedings column 108, 30 April 2009

⁴ Fforwm's written evidence, Annex 2, para 8

⁵ Fforwm's comments, Record of Proceedings column 34, 30 April 2009

⁶ Record of Proceedings column 46, 30 April 2009

13. We explored this option with other witnesses. fforwm argued that if learners were assumed to be 'adult' at 16 and the Education Maintenance Allowance were means tested on their personal income, virtually all young people would be eligible to receive the Allowance at the full rate of £30 a week, which would cost some £57 million a year. Yet extending the Education Maintenance Allowance as a universal benefit would be difficult to manage as well as bureaucratic. Assuming the pot of money is finite (currently £27.9 million a year) the average payment would fall significantly to just £13 a week. It would mean that many deserving learners from poor homes would be deprived of the opportunity to receive full financial support. fforwm therefore believed the Allowance should be directed as far as possible towards those most in need.⁷ Currently, 89 per cent of students are receiving £30, and it was argued that anything less than that could have an adverse impact on their performance.⁸ Such an approach would also be at odds with the means-testing approach used by the Welsh Government in calculating the level of Assembly Learning Grants for students aged over 18.
14. **We have sympathy for the petitioner's personal circumstances where her parents do not support her financially in continuing with her studies, and we applaud her positive attempts to change the system by petitioning the National Assembly. Yet we also acknowledge that given the limited resources available, the Education Maintenance Allowance should be focused on those students who come from the lowest income households. We do not therefore support the call for the Allowance to be spread thinly across the board but targeted effectively where it can make the greatest difference.**
15. However, we anticipate that as a result of the current economic climate, more people are likely to claim jobseekers' allowance and unemployment benefit, which will have a knock-on effect on the profile of those students applying for the Education Maintenance Allowance. **We recommend that the Welsh Government allocate sufficient resources to respond to the likely additional demands on the system – both in terms of the numbers of students applying for the Allowance and the additional pressures on the budget available.**

Improvements to the scheme

16. It was brought to our attention that there are some anomalies with the Education Maintenance Allowance scheme as it stands.⁹ Some households may receive additional income that is not factored into the calculation for eligibility for the Allowance; there also appeared to be a need for greater flexibility in the case of households with twins where the household income is not divided between the two children, which seems to us to be unfair.¹⁰ **We conclude that attempts should be made to**

⁷ Record of Proceedings column 14, 30 April 2009

⁸ Record of Proceedings, column 30, 30 April 2009

⁹ Record of Proceedings, column 32, 30 April 2009

¹⁰ Record of Proceedings, column 119, 30 April 2009

redress anomalies in the calculation of household income to remove any unfairness in the system.

17. We heard from the Minister that while there are advantages to the Welsh scheme compared with other countries of the UK (such as annually increasing the level of qualifying income) she thought it worthwhile to look at the case of Scotland where the government there is currently consulting on changes to the education maintenance scheme. For example, Scotland is contemplating whether to continue with the £20 and the £10 payments on the grounds that they seem to have less of an impact on households with the relevant income levels, and to use that part of the scheme funding in different ways in order to encourage participation in education and training or to reward good educational performance or commitment.
18. The Minister also thought there was a strong case here for considering ways to target particular occupational areas and was prepared to discuss some options with Welsh Government officials at the next stage of the evaluation.¹¹ **We welcome the improvements that have been made to the Education Maintenance Allowance scheme and would urge the Welsh Government to carry out a thorough evaluation so that it can use its powers of intervention to achieve even greater benefits for student achievements in target subjects.**

Delays in payments

19. We were concerned to learn that in October 2008 many students experienced delays in their Education Maintenance payments which seriously affected their ability to continue with their studies.¹² While some colleges provided students with loans through the financial contingency fund, anecdotal evidence suggests that some students had to abandon their courses altogether.
20. We heard from the Welsh Government that there were two reasons for the delay in processing the payments: the introduction of administrative changes to the processing system, and the knock-on effect of the wider problems encountered in England as a result of the change in delivery agent whose website and helpline crashed as the changeover occurred.¹³ **We welcome the Minister's comment that unacceptable delays in Education Maintenance Allowance payments "will not happen again"¹⁴ and we trust that systems have been put in place to ensure that students' studies are never put in jeopardy as a result of administrative failure.**

¹¹ Record of Proceedings column 120, 30 April 2009

¹² Fforwm's written evidence, Annex 3, para 4

¹³ Record of Proceedings columns 105 and 111

¹⁴ Record of Proceedings column 113

Conclusions

21. Student poverty and the barriers it causes to accessing further education has always been a prominent issue.¹⁵ We therefore regard the Education Maintenance Allowance as essential in making a difference to young people's ability to access what is generally held to be their right. It is an investment in Wales's educational capital.
22. We were struck, however, by the lack of rigorous monitoring and evaluation of the scheme's achievements to date. There appears to be anecdotal evidence of its impacts, but **we recommend that a more thorough review be carried out into the effects of the Education Maintenance Allowance on the educational performance and attainment of Wales's young people.**
23. While we were not able to support the argument of the petition to calculate the Education Maintenance Allowance on students' individual earnings as opposed to household income, **we do commend the principal petitioner in lobbying the National Assembly and we congratulate her for using the petitions process. We believe this is an excellent example of how young people can engage in the democratic process.**

¹⁵ Fforwm's written evidence, Annex 2, para 8

Summary of Recommendations

- 1. We have sympathy for the petitioner’s personal circumstances where her parents do not support her financially in continuing with her studies, and we applaud her positive attempts to change the system by petitioning the National Assembly. Yet we also acknowledge that given the limited resources available, the Education Maintenance Allowance should be focused on those students who come from the lowest income households. We do not therefore support the call for the Allowance to be spread thinly across the board but targeted effectively where it can make the greatest difference. (para 14)**
- 2. We recommend that the Welsh Government allocate sufficient resources to respond to the likely additional demands on the system – both in terms of the numbers of students applying for the Allowance and the additional pressures on the budget available. (para 15)**
- 3. We conclude that attempts should be made to redress anomalies in the calculation of household income to remove any unfairness in the system. (para 16)**
- 4. We welcome the improvements that have been made to the Education Maintenance Allowance scheme and would urge the Welsh Government to carry out a thorough evaluation so that it can use its powers of intervention to achieve even greater benefits for student achievements in target subjects. (para 18)**
- 5. We welcome the Minister’s comment that unacceptable delays in Education Maintenance Allowance payments “will not happen again” and we trust that systems have been put in place to ensure that students’ studies are never put in jeopardy as a result of administrative failure. (para 20)**
- 6. We recommend that a more thorough review be carried out into the effects of the Education Maintenance Allowance on the educational performance and attainment of Wales’s young people. (para 22)**
- 7. We commend the principal petitioner in lobbying the National Assembly and we congratulate her for using the petitions process. We believe this is an excellent example of how young people can engage in the democratic process. (para 23)**

Annex 1 – Educational Maintenance Allowance

Response to the Petitions Committee by the Minister for Children, Education, Lifelong Learning and Skills

Jane Hutt ACIAM
Y Gweinidog dros Blant, Addysg, Dysgu Gydol Oes a Sgiliau
Minister for Children, Education, Lifelong Learning and Skills



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

Eich cyf/Your ref PET-03-202
Ein cyf/Our ref JH/00464/09

Val Lloyd AM
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6 April 2009

Deo Val

8 APR 2009
GDS

Thank you for your letter of 24 March 2009 regarding the petition calling upon the National Assembly for Wales to recognise young people over 16 years as independent when assessing eligibility for the Education Maintenance Allowance (EMA)

Firstly, I would like say how pleased I was to hear of this petition, I am always encouraged when young people participate in the democratic process and applaud the young people from Deeside for using our petitions service to express their views on the EMA.

The EMA Wales scheme was introduced to encourage young people from modest to low income families to remain in education after their compulsory schooling. Wales like the United Kingdom in general has had a very low participation rate in post 16 education and the EMA was designed to address the problem of retaining those young people in the education environment. The use of household income levels to determine eligibility is not unique to EMA and is used widely across government.

I do not generally expect 16 year olds in education to be, or encouraged to be financially independent; however where they are independent they are automatically entitled to the full allowance of EMA. Determining the independence of a young person living within the household would be extremely difficult to substantiate and would have wider complex contradictions with other household/family benefits such as tax credits, income support and child benefits. Therefore I believe we have the right balance in place by combining prudent measures of income assessment with a system that is consistent and familiar for families.

I understand that many young people who do not qualify for the EMA Incentive are disappointed. In many cases it is their first direct experience of means testing to determine eligibility for government support. We have just recently completed a first stage evaluation of the EMA scheme and are now considering its findings to determine the impact it has had in Wales and whether we can make improvements to the scheme in the future.

Sincerely,

Bae Caerdydd • Cardiff Bay
Caerdydd • Cardiff
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Annex 2 – Written memoranda

Fforwm:

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=125949&ds=5/2009>

Welsh Assembly Government:

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=125899&ds=5/2009>

Annex 3 – Transcript of Oral Evidence

<http://www.assemblywales.org/bus-home/bus-committees/bus-committees-third1/bus-committees-third-els-home/bus-committees-third-els-agendas.htm?act=dis&id=127482&ds=5/2009>