



EDUCATION COMMITTEE NEW INQUIRY: 16-19 PARTICIPATION IN EDUCATION AND TRAINING

SUBMISSION OF EVIDENCE BY THE NATIONAL FOUNDATION FOR EDUCATIONAL RESEARCH

1. The National Foundation for Educational Research (NFER) welcomes the opportunity to submit evidence to the Education Committee's New Inquiry: 16-19 Participation in Education and Training and to contribute to policy thinking for this priority area of the Coalition Government. Key national statistics relating to categories of the 16-19 age group show how pertinent the New Inquiry is: 8.5 per cent of the 16-18 age group are young people not in education, employment or training (DfE, 2011) and 44.3 per cent of economically active 16-17 year olds who have left school are unable to find a job. These are the highest unemployment rates for 16-17 year olds since comparable records began in 1992 (ONS, 2011). It should also be noted that the Education Bill retains the intention of raising the participation age (RPA) legislation in 2013 (to age 17) and 2015 (to age 18) whilst removing the requirement to apply enforcement procedures on young people, parents and employers.
2. In addressing the three points of inquiry specified in the invitation document, this submission draws on available evidence including key publications from NFER's extensive research portfolio relating to young people's transition from school to further education, training and employment. Selected references are provided at the end of the submission.

What impact the Education Maintenance Allowance has had on the participation, attendance, achievement and welfare of young people and how effective will be the Discretionary Learner Support Fund in replacing it.

3. The Education Maintenance Allowance (EMA) was introduced in England in 2004 as a means-tested allowance to support young people's participation in full-time education. In academic year 2009-10 638,793 young people aged 16-19 received EMAs at a total cost of £553 million. Depending on the level of household income, young people receive weekly EMA payments of £30, £20 or £10. EMA recipients receive bonuses for remaining on their learning programme, making good progress and achieving against their learning goals.
4. There are several evaluations of EMAs which show that the incentives they provide have had some impact on young people's behaviour. In his review of these evaluations, Fletcher (2009) stated that EMAs 'have proved successful at raising and sustaining participation. The research evidence is not only clear but is of high quality – this is one of the few initiatives where performance of the 'treatment' group can be clearly matched against that of a control group'. He notes that there is evidence that EMAs have been successful in engaging some of the most disadvantaged young people including young women, ethnic minorities and those from deprived communities. Chowdry and Emmerson (2010) reported that a 2007 study by the Institute of Fiscal Studies (IFS) found that 'the EMA significantly increased participation rates in post-16 education among young adults who were eligible to receive it. In particular, it increased the proportion of eligible 16-year-olds staying in education from 65% to 69%, and increased the proportion of eligible 17-year-olds in education from 54% to 61%'. In addition, Chowdry and Emmerson (2010) noted that subsequent IFS research found

that 'in areas where EMA was available, students as a whole were around 2 percentage points more likely to reach the thresholds for Levels 2 and 3 of the National Qualifications Framework; they also had A Level grades around 4 points higher (on the UCAS tariff) on average'. Fletcher (2009) concluded that EMAs have been successful in delivering their intended outcomes and have been effectively focused on the target group.

5. Assessing the impact of the EMA requires consideration of whether some recipients would have taken their courses had they not received the payments. Although acknowledging that some EMA 'deadweight' exists ('65 out of every 69 individuals aged 16 who are eligible for the EMA would have stayed in education without the payment'), Chowdry and Emmerson (2010) asserted that the increase in participation that EMAs achieves, means that 'the costs of providing EMA were likely to be exceeded in the long run by the higher wages that its recipients would go on to enjoy in the future'. This is the case as higher wages will involve more tax revenue for the Exchequer.
6. Research carried out by the NFER, Spielhofer *et al.* (2010), on barriers to participation in education and training, found that only 12 per cent of a subset (838 EMA recipients) of the sample of young people they surveyed said that 'they would not have participated in the courses they are doing if they had not received an EMA'. This finding may be explained in part by young people's realisation of the value of education and training. For example, 94 per cent of all the 2029 young people surveyed (who had all completed compulsory education) agreed that it was important to achieve qualifications to get on in life. It is worth noting though that the research found that issues such as finance or transport can be experienced as either a barrier or constraint – a barrier stops them from doing a particular course, while a constraint causes difficulties but does not prevent them from participating. Thus, for many of these young people, not receiving the EMA may have been perceived as a constraint – it would not have stopped them from continuing in education or training, but would have caused some of them, for example, to spend more time working part-time and less time on their studies.
7. Spielhofer *et al.* (2010) suggested that there was a case for targeting financial support on vulnerable groups such as teenage parents, young people with Learning Difficulties and Disabilities (LDD), those who are not in education, employment or training (NEET) and those in jobs without training (JWT) because young people in these groups were more likely to experience finance as a barrier or constraint. For example, a quarter of the LDD group of young people interviewed who were receiving an EMA said that they would not have done their current course or training if they had not received this support.
8. The effectiveness of replacing EMAs by the Discretionary Learner Support Fund (DLSF) will depend partly on how it is implemented and partly on the extent to which young people are aware of, understand and can access it. The purpose of the DLSF – to provide some financial assistance for only the learners in greatest need of assistance - is different from EMAs which aimed to incentivise participation in learning nationally, using the same criteria of eligibility for all learners. The DLSF is a discretionary grant used to provide exceptional support for students aged 16-19 experiencing financial hardship to complete their course by providing contributions towards items such as books, equipment, tools, re-sit exam fees and travel to study. The annual cost of the DLSF, £26 million for 2010-2011, is considerably less than the comparable costs of the EMA (around £550 million per annum). The scope and scale of the DLSF indicate that it will support far fewer young people aged

16-19 than the EMA to benefit from further education, suggesting that in comparison the DLSF will provide a marginal measure of financial support.

9. As regards levels of awareness and understanding, the review of EMAs by Fletcher (2009) noted that 'all the evaluations show that they are well understood ...'. Research conducted by Spielhofer *et al.* (2010), found that 96 per cent of the young people surveyed were aware of what an EMA was and 43 per cent of those aware were receiving EMA funding. In contrast, fewer young people (11 per cent) were aware of hardship funds or discretionary support funds for continuing in education or training after Year 11 and, of those aware of the funds, only 12 per cent said that they were receiving money from such a fund. These findings suggest that there is a danger that, unless more widely publicised, only a small minority of young people are likely to be aware of the DLSF and how to access it. Another possible inhibitor concerns the rules of eligibility for accessing the DLSF - these are likely to vary at the local level which could result in confusion and few young people accessing education or training with the support from the DLSF.

What preparations are necessary, for providers and local authorities, for the gradual raising of the participation age to 18 years and what is their current state of readiness.

10. Raising the participation age (RPA) to 18 years will require local authorities to assess the adequacy of the local range of education and training provision in order that this will meet the needs of the additional young people staying in learning including their potential travel-to-learn patterns. This reflects the changing role for local authorities, announced in the Schools White Paper (DfE, 2010), which stated that 'local authorities will move over time to a strategic commissioning role, championing educational excellence' (see sections 5.42-5.44). The work that they undertook during 2009-10, in preparing for the 16-19 transfer, when they were expected to take on the responsibility from the Learning and Skills Council for planning and commissioning education and training for 16-19 year olds, has helped to prepare local authorities to support the implementation of the RPA.
11. Research by the NFER throws light on what preparations are necessary to underpin this change process. The preparations focus on the collaborative planning of learning provision, and the provision of appropriate information, advice and guidance (IAG) for young people. In their study of the 16-19 funding transfer, McCrone *et al.* (2009a) noted the importance of effective collaboration for the successful planning of provision. They found that collaboration between local authorities and education and training providers was critical to shaping the type and range of post-16 learning provision and that the pace of building and progressing collaborative relationships was noticeably reliant on pre-existing relationships. However, achieving effective collaboration is not without its challenges as many local authorities reported not having enough time and staff capacity to further develop collaborative relationships and the more rural local authorities found it a challenge to find time to travel to and attend meetings.
12. A gap was identified by McCrone *et al.* (2009a) in local authorities' and learning providers' understanding of the 16-19 education and training sector. While most of the local authorities interviewed considered that they had developed an understanding of the sector and some said that they had developed an appreciation of the complexities of both the further education system and the tasks involved in commissioning 16-19 provision, the providers interviewed did not generally share this view. They considered that local authorities lacked knowledge of the complex and diverse

provider and further education system, the educational and training needs of 16-19 year olds and the systems for funding post-16 learning provision.

13. Collaborative good practice was identified in another study by McCrone *et al.* (2009b) which found that collaborative working where all partners contributed to planning was reported to have enhanced the range and quality of provision available and improved transition support for learners. Colleges valued being involved in planning provision and the sense of equality in their partnership with local authorities. Other key features viewed as necessary to secure a positive impact on young people included: regular formal and informal communication, strategic buy-in, a joined-up structure, shared vision, and a commitment to raising the educational standards for young people.
14. The second main RPA preparation focus concerns the provision of appropriate IAG for 16-19 learners. The responsibility for strategic planning and provision of high-quality and impartial IAG lies with local authorities. The Coalition Government announced in May 2010 plans to cut the current year's Area-Based Grant from which Connexions services are funded which means local authorities are having to make difficult decisions about the future of Connexions' services, some of which are being scaled down.
15. An NFER study by McCrone *et al.* (2010) of the 'fitness for purpose' of the IAG services provided to young people aged 14-19, based on a national survey of Heads of Connexions and local authority strategic managers, reported that two-thirds of respondents expressed confidence that, since the transfer of Connexions services to local authorities in 2008, local authority managers possess the knowledge and understanding to commission quality IAG services that meet local needs. The study also found that IAG services were widely considered to contribute to raising learners' aspirations and learners were seen to be provided with support from a range of IAG providers and/or partners who understood their roles and responsibilities. The study reported that, although around two-thirds (67 per cent) of respondents were confident that appropriate IAG strategies were in place to help retain young people in education or training in response to the RPA, about a quarter of respondents (24 per cent) were 'not very' or 'not at all confident', indicating that there was room for improvement in their areas. The research found higher levels of confidence in relation to strategies and support for young people who were NEET: 90 per cent were confident that appropriate IAG support was in place for those at risk of becoming NEET. While a majority of respondents (88 per cent) were confident that appropriate IAG support was in place for young people with LDD who might be at risk of becoming NEET post-16, fewer (43 per cent) were confident that appropriate learning provision was available for this group which indicates that this is an area for further development.

What impact raising the participation age will have on areas such as academic achievement, access to vocational education and training, student attendance and behaviour, and alternative provision.

16. An NFER study of increasing participation by Spielhofer *et al.* (2009) found that nearly half (58) of the 120 young people they interviewed were largely positive about the policy of RPA. They thought it would encourage young people to make more positive choices at 16, require schools and colleges to give young people who had failed at school a second chance, and force providers to develop courses suitable to all young people's needs, levels of learning and preferred learning styles. They emphasised that the success of the policy would depend on there being sufficient non-classroom based provision that would engage those disaffected by school and seeking opportunities for more

practical learning. Just over a quarter (31) expressed negative views of RPA, saying that it would infringe their freedom and that they could not see the benefit of increased participation.

17. An NFER review found that there was very little direct evidence of the impact on young people of raising the compulsory age of participation in education or training beyond the age of 16. The impacts identified in the literature related to voluntary participation in post-16 education or training, or compulsory participation in education only. Spielhofer *et al.* (2007) concluded that the young people most likely to be affected were those who, in the absence of RPA, would probably have been NEET or in JWT. They stated that: 'Given the characteristics of these young people (few or no qualifications, and often a negative experience of school), it seems likely that - when participation to 18 becomes compulsory – most will move into jobs *with* training, vocational courses or courses leading to qualifications at level 2 or below'.
18. Spielhofer *et al.* (2007) identify the main benefit of RPA for young people as increased earning power linked to their acquisition of more qualifications and their greater likelihood of staying in employment. Since the review was conducted the employment prospects of the 16-24 age group have declined substantially which means that more young people are likely to decide to stay in post-16 education and training and that the demand for vocational courses and apprenticeships is likely to increase. Evidence of other impacts was more limited and less robust.
19. There were several RPA-related challenges identified by Spielhofer *et al.* (2009). These included providing a range of post-14 and post-16 pathways which are suitable to young people, high-quality guidance and support, viable work-based options and good alternative provision which will engage participants. In their study of effective alternative provision, Kendall *et al.* (2007) identify the key features including identifying gaps in provision and developing a cohesive approach through networks of providers and agencies. A successful implementation of RPA will involve scoping alternative provision, reviewing its adequacy and appropriateness, and evaluating the effectiveness of delivery partnerships.

(2729 words)

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