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Formative Evaluation of the National Scholarship Programme

Report to HEFCE by CFE and the Widening Participation Research Centre, Edge Hill University

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1| Executive Summary

Background to the evaluation

1.1 This report has been produced by CFE and The Widening Participation Research Centre, Edge Hill University, for the Higher Education Funding Council for England (HEFCE). It summarises the outcomes of evaluation activity undertaken between October 2011 and February 2012 during the scoping stage of the formative evaluation of the National Scholarship Programme (NSP).

1.2 The role of this formative evaluation is to help policy-makers, HEFCE and participating institutions develop a fuller understanding of 'what works best and why' in relation to the design and delivery of the NSP. The evaluation will also offer cumulative insights into the impact and influence that the NSP has on student decision-making, participation and retention amongst under-represented groups.

1.3 The evaluation is being conducted in a series of interlocking phases designed to capture longitudinal data from a range of stakeholders over the NSP's first three years of operation. This interim report, produced prior to the implementation of the NSP, draws upon evidence captured through a review of existing documentation and UK and international literature on student financial aid, scoping interviews with members of the NSP Steering Group, and an online survey of all participating institutions. It aims to:

➢   describe the ways in which institutions have set up the programme, considering whether institutions have been able to usefully incorporate the NSP into broader strategies for widening participation;

➢   provide an indication of the anticipated and the perceived impacts of the NSP, including possible benefits and early perceived impact on student choice; and

➢   consider the appropriateness of aligning the NSP with the new 16-19 bursary scheme and review the interaction between the two schemes.

Background to the NSP

1.4 Recent changes to HE funding and student support sit alongside, and are linked to, a wider suite of policy reforms which aim to reduce the current deficit and stimulate the economic recovery. Increasing young people's engagement in post-compulsory education and training, and supporting social mobility, are key strands of this activity. In this context, widening access and improving participation in higher education (HE) in England for those groups who have typically been underrepresented remain at the heart of current government policy and are central objectives of HEFCE's overarching mission.

1.5 The role of the NSP is to provide additional, direct financial support to specific students who meet eligibility criteria. NSP funds are intended to complement rather than replace existing awards, bursary programmes and WP activities.

Key findings and interim conclusions

1.6 In order to locate the evaluation of the NSP in a wider context, an initial search for literature about different types of national financial aid schemes was conducted, focusing on Australia, Canada, the United States and Scandinavia. These countries were selected because their schemes offer useful insights into the support mechanisms that have been adopted overseas and some key issues for consideration as the NSP evolves.

1.7 To date, our search has not revealed any schemes that are directly comparable to the NSP. Most systems incorporate a number of approaches that have been developed to address the financial needs of lower income students over time. The nature of this aid ranges from loans which need to be repaid, through grants based on academic performance or contributions to society, to needs-based bursaries. However, the initial review of international literature does raise a number of issues which will be further explored during the evaluation. These include the impact of scholarships on the retention and academic performance of students from lower socio-economic groups, as well as on access, and the relative effectiveness of schemes which offer a large number of low value awards and those which offer a smaller number of high value awards.

1.8 Institutions have the flexibility to develop their own approaches to the implementation and delivery of the NSP within specified parameters. At this relatively early stage there are no significant trends in the models and approaches being developed by HEIs and FECs.

1.9   There is little consistency in relation to the person responsible for the management of NSP and the department or departments involved in the delivery; although Student Services, Registry or the Senior Executive most commonly assume lead responsibility, a wide range of other departments, including finance, marketing and specialist WP units, are also likely to be involved.

1.10 The majority of institutions have elected to use their match funding contribution to offer additional scholarships to eligible students in their first year of study, rather than to increase the value of the award to individual students and spread the benefits over a number of years. Early indications suggest that this model has been adopted in order to maximise the number of recipients.

1.11 In most instances, demand for the NSP is anticipated to exceed supply. It is estimated that in approximately half of institutions, less than half of the students who meet national eligibility criteria are likely to receive a scholarship. In many cases local criteria are being developed by the learning provider. The extent and nature of these criteria vary considerably and are based on financial, academic and/or personal factors, often including matters such as family income, place of residence and prior academic achievement.

1.12 There is evidence that some institutions intend to use the NSP to encourage applicants to select their institution as 'first choice' and/or to choose specific subject areas. However, as prospective students will not receive a clear indication of whether their application for NSP assistance will be successful prior to entry, the extent to which eligibility will shape and influence student choice is a matter for further investigation.

1.13 Recipients of the NSP will be offered a mixture of benefits, including cash awards, fee waivers, subsidised or free accommodation, subsidised learning materials and/or help towards the cost of travel. Currently there are no significant trends in the composition of the packages available. The relative effectiveness of the different combinations of benefits will be examined in subsequent stages of the evaluation; however, the existing literature suggests that fee waivers are likely to be less effective than bursaries in the short term.

1.14 The models and associated institutional eligibility criteria currently being developed are heavily influenced by existing WP activities and strategies. The majority of institutions surveyed perceive that the NSP will add value to these approaches. However, the survey findings also indicate that the majority of institutions perceive that the introduction of the NSP will not necessarily encourage institutions to take greater responsibility for WP. In addition, there is some scepticism amongst certain stakeholders that the NSP will have a direct impact on social mobility.

1.15 Raising awareness of the NSP and other financial aid available is a key priority for the programme and integral to its success. Institutions will fulfil a key role in helping to market and promote the NSP to potential recipients through a range of media. However, at present, the provision of information is highly variable.

1.16 At present, there is consensus that the programme's primary aim is to provide a financial benefit to individual students from disadvantaged backgrounds as they enter HE. However, there is less clarity about how this aim might be realised and the specific objectives associated with the programme

1.17 The key strengths of the NSP are perceived to be: the national and compulsory status of the programme; that it will provide additional funding for disadvantaged students; that it will significantly help to reduce student debt; that it will support the achievement of WP objectives more generally; and that it has the potential to serve as an incentive for some students from under-represented groups to enter HE.

1.18 The NSP presents funders, institutions and students with a number of challenges associated with the promotion and implementation of the programme, as well as monitoring and measuring its impact.

1.19 A number of ways in which the design and implementation of the NSP could be improved have been identified based on institutional and stakeholders' initial perceptions of the programme. These include relaxing the rules on the composition of the scholarship and the restrictions on cash bursaries in particular, and reviewing the institutional allocation process to take account of the size of institutional WP cohorts. Further measures to standardise and simplify elements of the programme would also be welcomed.

Areas for further exploration and consideration

1.20 Three key themes will be explored in more depth as the evaluation progress:

➢ the extent to which institutional approaches to implementation will support the achievement of national aims and objectives for the NSP;

➢ the extent to which the NSP influences student choice and decision making; and

➢ the extent to which the NSP has the potential to impact on student retention and achievement, as well as social mobility and access.

1.21 In addressing these themes we will provide insights into the following issues:

➢ How effective is the NSP in widening participation, access and social mobility amongst disadvantaged groups?

➢ To what extent is finance a barrier to access for potential recipients of the NSP?

➢ To what extent does the possibility of receiving the NSP influence a student's choice of institution?

➢ How can approaches to the NSP be more closely aligned and integrated with existing WP strategies?

➢ What opportunities might exist for aligning the NSP and the 16-19 bursary scheme?

➢ Is there any evidence emerging from the evaluation to suggest whether fewer and higher awards are more effective than greater numbers of awards at minimum level?

➢ Which models and packages are most effective in providing support for students?

➢ Would a different mix of components affect students' decisions differently (e.g. if more cash were available or if components were spread across all three years)?

➢ What are students' perceptions of the fee waiver option?

2| Introduction

This section provides an introduction to the evaluation and summarises the objectives and progress to date

2.1 This report has been produced by CFE and The Widening Participation Research Centre, Edge Hill University, for the Higher Education Funding Council for England (HEFCE). It summarises the outcomes of evaluation activity undertaken between October 2011 and February 2012 during the scoping stage of the formative evaluation of the National Scholarship Programme (NSP).

The National Scholarship Programme (NSP)

2.2 The National Scholarship Programme, announced in October 2010, forms the final strand in the 'Fairness Premium', aimed at targeting funding at disadvantaged children and young people. The main objective of the NSP is to benefit students from disadvantaged backgrounds as they enter higher education (HE). The Government's contribution to the programme is £50 million in academic year 2012-13, £100 million in 2013-14 and £150 million in 2014-15.

2.3 In April 2011, HEFCE issued guidance[1] on the operation, management, funding, monitoring and review of the NSP for 2012-13. This document articulated the purpose of the NSP, the parameters for delivery and the requirements for institutions intending to charge fees above, as well as at or below, a threshold of £6,000 per year.

2.4 All participating institutions can select from a 'menu' of options when deciding on the composition of their scholarships. These are:

➢ a fee waiver or fee discount;

➢ a free foundation year;

➢ discounted accommodation or other similar institutional service; and/or

➢ a financial scholarship/bursary, capped as a cash award at £1,000.

2.5 Each eligible full-time student will receive a direct benefit to the value of not less than £3,000, with a pro rata amount delivered to part-time students studying a minimum of 25 per cent intensity of the full-time equivalent. Those institutions intending to charge fees above £6,000 per year for any of their full-time courses or a fee of above £4,500 for their part-time courses will be expected to contribute at least 100 per cent(that is, a contribution to the value of at least £3,000 for full-time students, pro rata for part-time). Institutions intending to charge £6,000 or less for their full-time fees and £4,500 or less for their part-time fees will be expected to contribute at least 50 per cent (that is, a contribution to the value of at least £1,500 for full-time students, pro rata for part-time[2].

2.6 Institutions intending to charge fees of more than £6,000 were required to submit an Access Agreement to the Office for Fair Access (OFFA). This document details how the institution intends to deliver the NSP, including any locally imposed eligibility criteria. Those intending to charge £6,000 or less were required to submit this information in an addendum to their Widening Participation Strategic Assessment (WPSA).

2.7 Institutions may choose to:

➢ top up the scholarship awarded to individual students to increase the total award they receive;

➢ use their match funding to offer additional £3,000 (or pro rata) scholarships to other eligible students; or

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[1] HEFCE (2011) *National Scholarship Programme 2012-13: Guidance for Institutions.* Bristol: HEFCE

[2] Some institutions have elected to match fund the Government contribution by more than the required amount in order to extend the NSP to a greater number of eligible students and/or top up the value of the award.

> adopt a mixed-model approach which utilises a portion of the institutional match funding to increase the value of individual awards and a portion to increase the number of scholarships available.

2.8 The matched contribution can be delivered in full during the first year of study or spread over subsequent years in equal or disproportionate amounts.

Background to the evaluation

2.9 The role of this formative evaluation is to help policy-makers, HEFCE and participating institutions develop a fuller understanding of 'what works best and why' in relation to the design and delivery of the NSP. The evaluation will also offer insights into the impact and influence that the NSP has on student decision-making, participation and retention, particularly amongst under-represented groups.

Aims and objectives

2.10 The key aims of the evaluation are:

> to review and report on the set-up, implementation and operation of the NSP in order to identify which models of delivery are most effective and recommend operational changes to optimise the benefits of the NSP for students, institutions and funders;

> to conduct a longer term, formative evaluation that delivers qualitative and quantitative evidence of the operation and effectiveness of the programme during its first three years (2012-2015);

> to assess whether the NSP is achieving its aims and objectives, including the extent to which it is integrated with broader institutional strategies for widening access and participation; and

> to provide an understanding of the potential for the NSP to add value to or enhance social mobility by contributing to improved access, retention and progression.

Evaluation activity undertaken to date

2.11 The evaluation will be conducted in a series of interlocking phases designed to capture longitudinal data from a range of stakeholders over the NSP's first three years of operation. An overview of key activities within each stage of the evaluation is set out in Appendix 1.

2.12 The evaluation activities completed to date can be summarised as follows:

> a review of existing evidence on the NSP, including: all institutional Access Agreements submitted to OFFA; all submitted addendums to the WPSA; full programme guidance issued by HEFCE (including the national eligibility criteria); and the provisional allocations circular letter;

> a review of the new 16-19 bursary scheme which is replacing the Education Maintenance Allowance in September 2012;

> an initial review of international approaches to financing HE, focusing in particular on financial aid designed to target and support individuals from disadvantaged backgrounds;

> a review of 50 participating institutions' websites to assess compliance with HEFCE guidance on the provision of information regarding the NSP;

> design of interview topic guides as well as completion and analysis of six scoping interviews with members of the NSP Steering Group chaired by David Willets, Minister of State for Universities and Science. (A list of organisations interviewed can be found in Appendix 4 |); and

> the design, development, dissemination, management and analysis of an online survey of all participating institutions, to ascertain up-to-date information on planned approaches to implementing and managing the NSP as well as initial perspectives on the programme.

The online survey

2.13 Using data provided by OFFA and HEFCE, CFE identified the person with lead responsibility for managing the NSP in each participating institution. This individual was sent a briefing document which outlined the aims and objectives of the evaluation and asked for their co-operation with the online survey. We designed and piloted the online survey with a small number of institutions. The survey was refined on the basis of feedback from HEFCE and the institutions and then disseminated to all contacts via email in November 2011.

2.14 The survey predominately comprised closed questions which required respondents to provide information on current widening participation (WP) activities, and their plans for the implementation and delivery of the NSP, from a list of possible answers. However, in order to capture respondents' perceptions of specified aspects of the NSP, a 7-point Likert scale was used. This statistical information was supplemented with qualitative data gathered from a small number of open response questions which enabled respondents to provide their views on the NSP in their own words. The quantifiable data has been analysed statistically in SPSS[3] and is reported in Chapter 5|. The open response data has been coded thematically and is reported alongside findings from interviews with the NSP Steering Group in Chapter 6|.

Respondent profile

2.15 A total of 104 useable questionnaires were submitted, representing a response rate of 52 per cent. 75.0 per cent are from Higher Education Institutions (HEIs); the remainder are from Further Education Colleges (FECs) participating in the programme. We received survey responses from 63 per cent of eligible HEIs, and 35 per cent of eligible FECs.

2.16 Respondents are based in institutions located within all nine English regions, with the highest concentration in London (22.1 per cent). An overview of the institutional profile of respondents to the online survey is outlined in Appendix 3 |. Figure 1 demonstrates that a third of survey responses are from institutions classified as Post-1992 by HEFCE (35.6 per cent), compared with a quarter designated as Pre-1992 (25.0 per cent) and 12 per cent from specialist institutions.
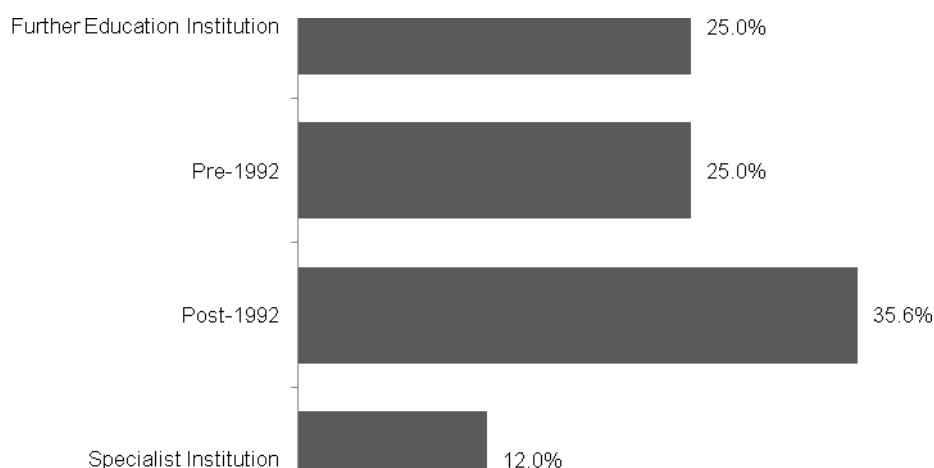

Figure 1: Respondent profile by type of institution (base = 104)

2.17 Where possible, the survey data has been supplemented for non-respondents with information taken from their Access Agreements. Analysis that includes this data is clearly indicated in the text and where there is a base of more than 104.

Report objectives

2.18 The objective of the review of the set-up and operation of the NSP is to inform the future development of the programme. This interim report, produced prior to the implementation of the NSP, aims to:

➢ describe the ways in which institutions have set up the programme, considering whether institutions have been able to usefully incorporate the NSP into broader strategies for widening participation;

➢ provide an indication of the perceived impact of the NSP, including perceived benefits and perceived impact on student choice; and

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[3] Statistical Package for Social Sciences

➢ consider the appropriateness of aligning the NSP with the new 16-19 bursary scheme and review the interaction between the two schemes.

Structure of the report

2.19 The rest of this report is structured as follows:

➢ **Background to the NSP:** This section explores the background to the programme in the context of current HE policy.

➢ **Financial aid – International Perspectives:** In this section, we present a review of international approaches to financial aid designed to target and support disadvantaged individuals.

➢ **Key findings**: This section presents key analysis of the quantitative data, examining existing WP activities or services in place, approaches to implementing and managing the NSP, models of delivery and the communication/promotion of NSP.

➢ **Perceptions of the NSP:** This section explores perceptions of the NSP from the perspectives of individuals responsible for managing the NSP in participating institutions, as well as members of the NSP Steering Group. It includes perceptions of the impact that the NSP has had on institutions and WP, as well as the programme's strengths, opportunities, challenges and areas for development moving forwards.

➢ **Interim conclusions and next steps:** This section identifies the interim conclusions that can be drawn from the evaluation activity to date and summarises areas for further exploration.

3| Background to the NSP

This section explores the background to the NSP in the context of current HE policy and wider literature on widening participation

Widening participation in changing times

3.1 Widening access and improving participation in HE in England have been policy priorities for over a decade; they remain at the heart of current government policy to improve social mobility[4] and central objectives of HEFCE's overarching mission. Individuals from certain social groups and communities have been under-represented in HE for a number of years. The aim of WP is to increase the proportion of people from these groups who enter HE by ensuring that all those with the ability to benefit have the opportunity to access HE, irrespective of family income. Considerable resources have been invested in a range of activities and initiatives designed to support WP objectives. This includes helping under-represented groups to overcome barriers to access, achievement and success by raising aspirations and educational attainment.

3.2 Previous research[5] has highlighted the complexity of the drivers of participation as well as the limited evidence on what works to improve access to, and success in, HE for students from under-represented groups[6]. Both financial and socio-cultural factors shape students' (and prospective students') decisions, and there is some evidence to suggest that financial barriers can deter students from some socio-economic and cultural backgrounds from aspiring and progressing to HE[7]. However, the relative significance and impact of financial and other factors on participation remains a matter for debate[8].

3.3 Nevertheless, recent data highlights that significant progress in WP has been achieved[9], supported by additional investment in programmes such as Aimhigher and the Education Maintenance Allowance (EMA). Although funding for the former has now ended, its legacy continues through institutional activity, which should be informed by learning from national programmes. Furthermore, HEFCE continue to provide additional funding to help institutions recruit, retain and support the academic achievements of students from low participation neighbourhoods as well as students with disabilities.

3.4 In addition, Access Agreements require institutions to provide details of how a proportion of fee income will be used to widen access and improve retention and success. The EMA is being replaced in September 2012 by the 16-19 bursary scheme which is designed to support the most vulnerable young people in education in this age group. However the total fund available is much smaller than for the predecessor initiative and individual institutions have greater autonomy over its implementation.

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[4] BIS (2011) *Higher Education: Students at the Heart of the System*. London: BIS

[5] Gorard, S., Smith, E., May, H., Thomas, L., Adnett, N. and Slack, K. (2006) *Review of widening participation research: addressing the barriers to participation in higher education*. Bristol: HEFCE

[6] Ibid and HEFCE (2006) *Widening participation: A review by HEFCE.* Bristol: HEFCE

[7] Van Dyke, R., Little, B. and Callender, C. (2005) *Survey of higher education students' attitudes to debt and term-time working and their impact on attainment*. HEFCE, Bristol. Callender, C., and Jackson, J. (2008) 'Does the Fear of Debt Constrain Choice of University and Subject of Study?' Studies in Higher Education. 33 (4), pp.405-429

[8] See Stevenson, J. and Lang, M. (2010) *Social class and higher education: a synthesis of research.* York: Higher Education Academy. Thomas, L. and Quinn, J. (2006) *First Generation Entrants in Higher Education: An international analysis.* Maidenhead: Society for Research in Higher Education and Open University Press

[9] HEFCE (2010) *Trends in young participation in higher education: core results for England.* Bristol: HEFCE

The new fees regime and the National Scholarship Programme

3.5   The new fees regime will see responsibility for funding HE shift further from the taxpayer to graduates through higher tuition fees and increased student loans. The introduction of the new tuition fee arrangements in 2012-13 raises a number of questions and concerns, including the extent to which this change in policy aligns with the desire to continue to widen participation among students from lower socio-economic backgrounds. Although under the revised student loans system students will pay nothing until after they have graduated and are earning a threshold wage, such a large increase in fee levels – almost triple the current maximum –may result in larger debts. This may act as a disincentive for some students and those from under-represented and disadvantaged backgrounds in particular. This creates new challenges for HEIs when designing and targeting outreach interventions and packages of student financial support.

3.6   To ensure that institutions' WP work adapts and responds to the new funding regime, OFFA required all institutions proposing to charge annual fees of over £6,000 per year for full-time courses to produce an Access Agreement. The new scope for the Access Agreement now requires institutions to also include part-time students where they intend to charge over the basic fee of £4,500 for new entrants in both 2012-13 and 2013-14. The focus of the Access Agreements also extends from pre-entry access interventions and bursaries to allow spending on interventions to improve retention and success across targeted students' lifecycles. OFFA recognises that different institutions are facing different issues and challenges in relation to improving the retention, achievement and progression of students from different socio-economic backgrounds. OFFA has, therefore, encouraged institutions to adopt an evidence-based approach to the development of their Access Agreements, the identification of key priorities, and the allocation of resources.

3.7   The role of the NSP is to provide additional, direct financial support to specific students who meet particular eligibility criteria. NSP funds are, therefore, intended to complement rather than replace existing awards, bursary programmes and other WP activities. Although the 123 HEIs and 76 FECs participating must provide match funding with resources derived from fee income, we noted earlier that they also have the flexibility to impose additional eligibility criteria and to design a package of support to suit the individual circumstances of the institution.

Current policy context

New controls for student distribution and allocation

3.8   HEFCE have been asked to implement, as part of the Government's reforms to HE, two new controls for student number distribution and allocation. The "core and margin" model, announced in the recent HE White Paper[10], will result in increased competition for redistributed student numbers. The core allocation for 2012-13 has been reduced by 20,000 places. This has been achieved by top-slicing the allocation for each institution. Those institutions with average fees of £7,500 or less are eligible to bid for a proportion of these redistributed student numbers.

3.9   Early indications suggest that this policy has influenced the way in which HEIs have approached their tuition fee pricing strategies. To date 24 HEIs have sought to reduce their average fee in order to be eligible to bid for redistributed student numbers and, as a result, have submitted revised Access Agreements to OFFA. This reduction has been most commonly achieved by increasing fee waivers and reducing cash bursaries.[11] Critics (including the National Union of Students; Martin Lewis, Money Saving Expert leading the Independent Student Finance Task Force; and Simon Hughes, Advocate for Access to Education) argue that this could have a detrimental and disproportionate impact on the poorest students because they maintain that fee waivers have been shown to be less effective than outreach or bursaries when supporting this group to overcome barriers to participation.

3.10 A further component of the new student number distribution arrangements is the loosening of controls over the number of students achieving a minimum A-level grade of AAB (or equivalent) that institutions are allowed to recruit. In practice, institutions will be permitted to recruit as many students in this category as they wish. It is possible that this, combined with the core and margin model outlined above, could lead to

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[10] BIS (2011) *Higher Education: Students at the Heart of the System*. London. BIS

[11] According to figures from OFFA the strategy adopted by the 24 HEIs has led to an additional £37.4 million going into fee waivers and a cut of £13.8 million to bursary and scholarship funding

an unprecedented – potentially volatile – re-distribution of student numbers. Institutions with lower entry requirements that are not able to attract large numbers of high achieving students and/or that fail to secure sufficient redistributed student numbers to offset those lost as a result of the top-slicing, could see a substantial drop in student numbers, and therefore, funding. Conversely, those that successfully bid for a larger slice of the margin allocation and/or that are able to increase the number of places for AAB (or equivalent) students, could benefit from substantial growth.

3.11 The recent letter from the Secretary of State and Minister for Universities & Science to the Chair of HEFCE[12] suggests that the Government remains committed to a policy of competition as the mechanism for student number distribution and allocation. However, as further details emerge, the impact of this approach will need to be carefully monitored to prevent over recruitment and burgeoning costs for student support. The extent to which it drives institutional behaviour and the impact this has on the participation of under-represented groups will also need to be assessed.

Links to wider policy

3.12 The changes to HE funding and student support sit alongside, and are linked to, a wider suite of policy reforms which aim to reduce the current deficit and stimulate the economic recovery. Increasing young people's engagement in post-compulsory education and training, and supporting social mobility are key strands of this activity.

3.13 Given the ongoing rise in youth unemployment, the Government has recently established the Youth Contract to support the participation of 16 to 24 year olds in education, training and work over the next three years. The investment, in the region of £1 billion, focuses on creating wage incentives, work experience and internship opportunities for young people[13]. Local authorities have a statutory duty to support young people to participate and will have a key role in helping to deliver the programme, working with providers to target those young people who most need support and ensure this provision fits closely with the wider local offer.

3.14 The Government has also launched a wide ranging social mobility strategy entitled, '*Opening Doors, Breaking Barriers*'[14]. Whilst the strategy focuses on birth through to adulthood, access to and participation in HE features prominently. Attainment at 16 is cited as important in helping young people to realise their future potential in HE or elsewhere, and the NSP is explicitly flagged up as an important source of support for students from disadvantaged backgrounds. It also cites that universities wishing to charge more than £6,000 in tuition fees will have to demonstrate what more they will do to attract students from disadvantaged backgrounds. The importance of careers advice was also noted, with a commitment made to establish an all-age careers service for England by April 2012.[15]

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[12] Dated 25th January 2012

[13] http://www.dwp.gov.uk/youth-contract/

[14] http://www.dpm.cabinetoffice.gov.uk/sites/default/files_dpm/resources/opening-doors-breaking-barriers.pdf

[15] All-age services are already in operation in Scotland, Wales and Northern Ireland.

4| Financial aid: international perspectives

In this section we review a selection of different types of international approaches to student finance, focusing in particular on financial aid designed to target and support individuals from disadvantaged backgrounds.

Initial findings

4.1   As part of the evaluation, we are reviewing international approaches to student finance, focusing in particular on the provision of financial aid for disadvantaged students. In this report, we present the preliminary findings from an initial search for literature about different types of national bursary and scholarship schemes, focusing on Australia, Canada, the United States and Scandinavia. These schemes cannot be compared 'like for like' given their varied approaches and contexts; as such, they are intended to offer insights into other support mechanisms adopted overseas. The search terms used to conduct this literature review, and further suggested terms, are outlined in Appendix 2 |

4.2   To date, our search has not revealed any schemes which are directly comparable to the NSP. Indeed, Carson[16] observes: "there has been little research conducted about scholarships administered to students in financial need from an Australian or international perspective" and more specifically, that "little research has actually been conducted to review the relief these scholarships give to students and their families". However, our search has revealed that most national systems incorporate a patchwork of approaches that have been developed to address the financial needs of lower income students over time. These examples have been selected because they present useful comparisons, as well as contrasts and insights to the UK's system and approach to funding HE. One of the key features of the NSP is that it is a concessionary award with a finite budget; whilst this is true of some other national financial aid schemes, it does not apply to others which are needs based. We plan to extend our understanding of other national approaches to financial aid, and use this to inform future analysis of the implementation and development of the NSP.

Definition of terms

4.3   Carson[17] notes that the terms 'bursary' and 'scholarship' are often misused and/or used to mean different things. It is, therefore, helpful to use the international literature to provide guidance and understanding about the range of terms and the ways in which they are deployed. Table 1 (overleaf) outlines our understanding of the key types of financial aid that can be made available to students as well as the different forms of eligibility criteria.

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[16] Carson, T. (2010) *Overcoming student hardship at Swinburne University, Australia: an insight into the impact of equity scholarships on financially disadvantaged university students.* Widening Participation & Lifelong Learning 12 (3)

[17] *ibid*

Financial aid	Description
Fee waiver:	A reduction in the cost of fees usually paid directly to the university or higher education institution.
Bursary, scholarship or grant:	A financial award usually paid directly to students to support the cost of their education which does not have to be paid back (unless, in some cases, students do not complete the course). Bursaries, scholarships and grants are usually offered if students meet certain conditions.
Loan:	Students borrow money often from the Government, and pay it back after graduation. A loan may have a subsidised or a market rate of interest and income-contingent loans mean that students/graduate are only eligible to pay them back when they are earning sufficient income. This protects them from repaying their loan during periods of illness, family formation, unemployment or low income.
Tax credit:	Tax credits are payments from the government. Individuals responsible for at least one child or young person may qualify for Child Tax Credit or Working Tax Credit, if on a low income.
Eligibility criteria	**Description**
Need-based:	These awards are based on the income of the student or student's family.
Merit-based:	These awards are based on a student's academic, artistic, athletic or other abilities prior to entry to the institution.
Equity-based:	These awards are allocated in accordance with meeting equity criteria, and are not related to academic merit. They may be similar to need-based awards, but may incorporate a wider range of equity indicators beyond income.
Performance-based:	These awards are being piloted in the US, and are paid in response to academic performance in HE, rather than relying on past performance prior to entry to the institution.
Student-specific:	These are scholarships where applicants must initially qualify by gender, race, religion, family and medical history, or many other student-specific factors. For example, students in Canada may qualify for a number of aboriginal scholarships. The Gates Millennium Scholars program is another minority scholarship funded by Bill and Melinda Gates for excellent African American, American Indian, Asian Pacific Islander American and Latino students who will be enrolling in college.
Career-specific:	These are scholarships awarded to students planning to pursue a specific field of study, such as education or nursing.
Community contribution or remarkable citizenship:	The federal government and provinces in Canada can award bursaries on the basis of contribution to the community or remarkable citizenship.
Institution-specific:	These awards are offered by individual colleges and universities in line with their own criteria, (e.g. a bursary, scholarship or a fee waiver).

Table 1: Types of financial aid available to students and eligibility criteria.

International Overviews

Australia

4.4 Students in Australia have been contributing to the cost of their HE since 1989, when the Higher Education Contribution Scheme (HECS) was introduced. This involves students either paying upfront, or having an income contingent loan which they pay back after graduation at a percentage of income earned over a period of years, once earning above the required salary. Income contingent loans smooth consumption and reduce the risk to borrowers if they are unable to earn sufficient income to pay back the loan[18] (Chapman 2006).

4.5 When tuition fees were increased in 2005-06 the Higher Education Loans Programme (HELP) was introduced. Similar to the UK student loans system, HELP offers interest free loans to the home student population, which are paid directly to the institution to cover tuition fees and paid back after graduation through the taxation system, at a rate determined by their income level.

4.6 Full-fee paying students (i.e. those not in receipt of a Commonwealth supported place) are also eligible for FEE-HELP loans so they do not have to pay their fees upfront; instead they are charged a 20% loan fee on top of the amount borrowed. OS-HELP was also introduced as a loan scheme to assist some undergraduate domestic students to undertake some (but not all) of their course of study overseas.

Strengths

➢ This is a national scheme so students can determine how much they need to borrow (up to a maximum level of $100,000[19] for medicine and $80,000[20] for other subjects over a seven-year period) in advance of taking up a place and irrespective of the university they attend.

➢ Students are charged different fees in relation to institution attended and make different contributions related to the subject studied.

➢ Students do not have to pay when they access HE, but they repay after graduation through the taxation system. They are protected against changes in income through illness, unemployment and low income.

➢ HELP is supplemented by institutional bursaries and scholarships which can be merit and/or need based. Small-scale institutional studies[21,22&23] have found that equity scholarships improve the retention and academic performance of students from targeted groups, particularly lower socio-economic groups. Being in receipt of a bursary allows students to engage more in their academic work as they do not have to undertake as much paid work.[24&25]

➢ Shallcross et al.[26] (drawing on a three-year study at Griffith University) also found that the bursaries impact on retention and achievement. However, they also acknowledge the range of other challenges these eligible students face, and therefore argue that scholarships should be part of the solution to improving the access, retention and success of students from lower socio-economic groups: "*While the*

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[18] Chapman, B. (2006) *Income Contingent Loans for Higher Education: International Reforms'* Handbook of the Economics of Education, vol. 2 , pp. 1435-1503. Elsevier

[19] Equates to £68,176.80 as of February 16th 2012

[20] Equates to £54,526.61 as of February 16th 2012

[21] Aitken, D., Skuja, E. and Schapper C. (2004) *Do Scholarships Help? Preliminary Results of a Case Study of Students in Scholarship Programmes at Monash University, 1997-2001*. Widening Participation and Lifelong Learning 6(1)

[22] Shallcross, L., van Acker, E. and Curran, G. (2009) *A Step Out of Poverty: Aspirations, Retention, and Transformation.* Paper presented at the 2009 EUPHEA conference, Sydney

[23] Carson, T. (2010) *Overcoming student hardship at Swinburne University, Australia: an insight into the impact of equity scholarships on financially disadvantaged university students*. Widening Participation & Lifelong Learning 12 (3)

[24] Aitken, D., Skuja, E. and Schapper C. (2004) *Do Scholarships Help? Preliminary Results of a Case Study of Students in Scholarship Programmes*. Monash University, 1997-2001. Widening Participation and Lifelong Learning 6(1)

[25] Carson, T. (2010) *Overcoming student hardship at Swinburne University, Australia: an insight into the impact of equity scholarships on financially disadvantaged university students*. Widening Participation & Lifelong Learning 12 (3)

[26] Shallcross, L., van Acker, E. and Curran, G. (2009) *A Step Out of Poverty: Aspirations, Retention, and Transformation.* Paper presented at the 2009 EUPHEA conference, Sydney

study found that equity scholarships facilitate retention and contribute to widening participation, the study also identified that equity outreach programs and student support services were fundamental to building cultural and social capital to facilitate transformation for students from low socio-economic backgrounds".

Limitations

➢ HELP is not directly comparable to NSP as it is a loan rather than a bursary or scholarship. With the exception of the OS-HELP the loan is not paid directly to the student, but to the institution for their fees. In addition, it does not provide help with living costs.

➢ Students are dependent on receiving or winning other institutional bursaries (or employment) to cover living costs.

➢ It is unclear whether HECS and its successors inhibit participation. According to Chapman and Ryan[27] the percentage of participants from lower socio economic groups has not fallen since the introduction of, or recent changes to HECS and aspiration within these groups has not altered. However James et al.[28] point to the fact that targets for low socio-economic groups are not being met. This is explained by some critics as a tendency for Australian students to turn away from university because of their financial situation – being impoverished is a deterrent to attending university, particularly when combined with the idea of having HECS debt at the end of their course.[29]

Canada

4.7 Post-secondary students in Canada pay tuition fees directly to their institution, with fees varying depending upon the type of institution (e.g. community college or university) at which the student chooses to enrol. The Canadian system of financial support is highly fragmented, and includes institutional, provincial and federal support, as well as financial awards from private foundations, charities and community organisations. Federal support is provided in the form of grants and bursaries. For example, Canada Study Grants (introduced in 2008 in place of the Canadian Millennium Scholarship Foundation) are awarded by the federal government to students who meet at least one of the following criteria for each year that they are in post-secondary education on a qualifying course: low-income family; middle income family; permanent disability; with a dependent child; and some part-time studies. (Eligibility thresholds for the low- and middle-income grants are adjusted to reflect the cost of living in each province and territory for different family sizes.)

4.8 This programme has been criticised because the grants are now smaller than those previously awarded by the Millennium Scholarship Foundation (the average student award decreased from about $3,000[30] per year to about $1,250[31] per year), although they are awarded to more students; 250,000 as opposed to 100,000 students. Students do not apply directly to the federal government for a grant, but rather to the province in which they reside. Unlike the NSP, which allows institutions to introduce additional eligibility criteria, provinces cannot set tighter assessment criteria, although they are able to grant more generous aid limits. In addition, the federal and provincial governments provide bursaries to students in financial need on the basis of academic excellence or acts of remarkable citizenship. However, Canadian students must fund their remainder of their study through loans and employment.

4.9 Student loans are provided by the Canada Student Loans Programme (CSLP) in eligible provinces; however, provincial systems of aid under the CSLP differ. While all provinces use administrative criteria developed annually for CSLP, these are maximum allowances. As such, individual provinces can set more stringent criteria and offer less than the maximum loans to students. As the Canadian government splits the burden of providing subsidised student loans with provincial aid organizations, it is not uncommon for Canadian students to hold simultaneous student loans from multiple lenders, each of whom has contributed a small amount to cover the cost of attending college.

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[27] Chapman, B. and Ryan, C. (2003) *The Access Implications of Income-Contingent Charges for Higher Education: Lessons from Australia. Discussion Paper 436* Canberra: Centre for Economic Policy Research

[28] James, R., Baldwin, G., Coates, H, Krause, K. and McInnis, C. (2003*) Analysis of Equity Groups in Higher Education 1991-2002* Melbourne. Centre for the Study of Higher Education, The University of Melbourne

[29] The Senate (2004) *A hand up not a hand out: Renewing the fight against poverty*, Canberra: Senate Community Affairs References Committee, Parliament House

[30] Equates to £1,906.25 as of February 16th 2012

[31] Equates to £794.27 as of February 16th 2012

4.10 In addition to loan subsidisation, the government also provides Canadian colleges and universities with matching funds to subsidise a small number of on-campus jobs for students, often supporting full-time university staff to handle day-to-day tasks. Colleges and universities determine the number of work/study positions that they will fund each year, then the financial aid office can pre-qualify students to apply for work/study positions. Nevertheless, students report that the number of eligible students usually outstrips the pool of available jobs within the first few weeks of the school year.

4.11 Quebec, the Northwest Territories and Nunavut offer their own student financial aid programmes and do not participate in the Canada Student Grants Programme or the CSLP. Instead, they receive annual compensation from the federal government to support their own financial aid packages.

Strengths

➤ There are various sources of funding which provide financial support as well as opportunities for students to apply for bursaries and student loans.

➤ Grants have clear eligibility criteria, although the amount received depends on the student's home province (however, most students study locally).

➤ Academic performance and community work are recognised and rewarded with financial aid in some places.

➤ Additional funding is also injected into institutions to fund part-time work for students, whilst at the same time helping the operations side of the institution.

Limitations

➤ Higher tuition fees: decreased public funding for HEIs means an increase in tuition fees. Reduced federal funding for provinces has reduced institutional funding and resulted in significant increases in tuition fees and student financial need.

➤ Debt burden: according to the Canadian Federation of Students the debt load held by students after graduation represents a heavy burden. Although a few provinces are introducing a loan rebate programme to ease this burden, the trend seems to lean towards giving more loans than grants (i.e. converting non-repayable assistance in the main to loan programmes). High debt loans for needy students remain a subject of controversy as debts of \$30,000-\$40,000[32] in 4-5 years are expected to become common.

➤ Neglected groups: critics maintain that many disadvantaged groups (e.g. native people, single parents, children of lower-income families) are not served well by the existing student aid programs. They argue that financial pressures, the reluctance of low-income families to assume loan commitments, and inadequate information combine to restrict aid accessibility for certain groups of Canadians.

➤ Tight criteria: Provinces complained that exceptional situations could not be recognized since the 'appeal process' was not open to students/families any more. Finally Ottawa agreed to give discretionary power to provinces.

➤ Fragmentation: Although the system is fragmented and complicated, the Canada Study Grants Programme and CSLP have been introduced to create a less fragmented system.

United States of America

4.12 In the US, HE student financial support is composed of[33]:

➤ family contribution;

➤ federal assistance including means-tested Pell Grants, loans and education tax credits;

➤ state financial aid, which may include need-based grants, merit-based scholarships, loans and/or subsidised provision;

➤ institutional financial aid, which may include need-based and merit-based support in the form of grants or loans, discounted fees, and other forms of support such as campus employment; and

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[32] Equates to approximately £19,000 - £25,400 as of February 16th 2012

[33] Allen, L., Solomon, L., Storan, J. and Thomas, L (2005) *Higher Education in the USA, Student fees, financial aid and access.* Ormskirk: Action on Access

➢ private sector loans and other forms of private borrowing such as credit-card debt.

4.13 Each student intending to study in HE must complete a Federal Needs Analysis form each year. This is used to determine the level of expected family contribution and eligibility for a federal Pell Grant (see below). The same information is used by states and institutions. Once the need of a student has been calculated, the financial aid office at the student's institution prepares a financial aid package to meet as much of this need as possible, through federal grants and loans (if eligible) plus work-study and institutional grants. Financial aid (excluding private loans) is paid directly to the institution and, once institutional costs have been deducted, it is passed on to students. Currently about 70 per cent of American college students receive some sort of financial aid in this manner, a proportion that has increased over time as college costs have risen.

4.14 At the federal level the principal grant is the Pell Grant. This is a means-tested grant for undergraduate students from low-income and middle-income families and, unlike a loan, it does not have to be repaid. Currently, the maximum amount that eligible students can receive for the 2011-12 academic year is $5,550[34]; the amount awarded is calculated based on financial need, school costs and study status (full or part time). The Pell Grant can be distributed in two main ways; either the school can apply Pell Grant funds to school costs or pay students directly (or combine the two). Students are informed how much the award will be and how/when it will be paid, but funds must be disbursed at least once per term (semester, trimester or quarter). Increasingly, however, the bulk of federal support is provided through loans, both subsidised and unsubsidised, and through tax credits, which are available to middle income, as well as to low-income families.

4.15 At state level, almost all states in the US have means-tested financial assistance programmes; however, state financial aid schemes vary widely. Furthermore, states can select the type of aid they wish to provide and thus prioritise which students they support. This tends to be influenced by a range of factors including history, politics and current economic needs. Few states, however, have a clear philosophy or goal for their financial aid programme.

4.16 Institutions make autonomous decisions about fees and financial aid, which may be informed by institutional income/endowments and by the academic and social profile of the student population that they are trying to create. Some institutions may discount their tuition by as much as 30 per cent to attract specific students desirable to their institution. However, merit-based awards are thought to disadvantage some of the most deserving students[35&36]. Some institutions are piloting scholarships that are performance-based in that the payments are contingent upon meeting academic benchmarks once students are in HE. These scholarships do not place weight on past grades, and Ohio in particular is hoping they will better serve the needs of low-income students.[37]

Strengths

➢ Financial aid consists of many elements; however bureaucracy is limited as only one form needs to be completed by students; it is used by the federal government, state governments and institutions.

➢ Institutions work with students to create a personalised financial aid package to help them cover the costs of attending HE.

Limitations

➢ Given that federal aid (particularly Pell Grants, subsidised loans and tax credits) are available to middle income as well as low income families, funding is spread thinly across income groups rather than targeted towards lower socio-economic groups[38]. This is borne out by tables showing the percentage of family income needed to fund a college education where by far the highest percentage is borne by the lowest income groups.

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[34] Equates to £3,529.35 as of February 16th 2012

[35] Heller, D.E. (2006) *Merit aid and college access.* Madison: Wisconsin Center for the Advancement of Postsecondary Education, University of Wisconsin

[36] Vincent, F. (2005) *No merit in these scholarships.* Washington DC. Education Policy Institute

[37] Cha, P. And Patel, R. (2010), *Rewarding Progress, Reducing Debt: Early Results from the Performance-Based Scholarship Demonstration in Ohio.* MDRC, October 2010

[38] College Board, 2004, *Trends in Student Aid.* Washington DC; College Board, 2003, Trends in College Pricing. Washington DC

➢ In addition, this means that grants are too small to enable poorer students that are suitably qualified from attending.[39]

➢ The amount and form of available state support varies significantly and individual students may negotiate very different support packages Other than the Pell Grant there appears to be no expectation that there will be equitable and transparent support arrangements in place for all students.

➢ The sheer numbers of students requiring financial assistance of some kind has massively increased. This has resulted in a shift from grants to loans, which has put pressure on families to contribute more, as loans have become the principal tool for access.

➢ Reliance on loans has influenced decisions about programme studied: "*Increased reliance on borrowing to fund a college education appears to be influencing the discipline areas that are being studied. In the US, the average lifetime earnings of a HE graduate, as opposed to a high school graduate, are $1 million greater. Students are therefore opting to study subjects that are most likely to reap high rewards in the labour market*".[40]

Scandinavia

4.17 The Scandinavian countries (Norway, Sweden and Denmark) are characterised by not charging tuition fees for HE but providing financial aid that is available to cover living costs.

➢ Financial support in Norway is initially provided as a full loan; however, upon successful completion of modules, around 40 percent of the loan is converted into a grant. This is provided that certain conditions are met, including: the student passes all exams on schedule; has an annual income below NOK 145,400[41]; and has a net worth less than NOK 287,643[42]. This is based on the student's own financial status and is not affected by their parents' income or net worth. In addition, students receive financial support for tuition fees while studying abroad and receive a travel grant that should enable students to return home once each semester. This system is aimed at making higher education available to everyone, regardless of their place of residence within Norway, age, sex, economic status and social status.

➢ Higher education in Sweden has been free for Swedish, EU/EEA and Swiss citizens since 2011. Sweden allocates 1.7 per cent of GDP to HE and research, which is divided between research and doctoral programmes[43]. Students receive financial aid from the Swedish National Board of Student Aid (CSN), which is a government agency under the Ministry of Education and Research. Financial aid is provided for studying, in the form of grants and loans. Every student is entitled to 12 semesters of allowances (grants) and loans, equating to £127 per week for those studying full time.

➢ In Denmark, once they enter HE, students are entitled to a grant for a maximum of six years. As all university courses are five years, with the exception of medicine, students are able to take up to an additional year to complete their studies, or to change their major during their first year without economic consequences. Students may supplement their grant with a student loan that has to be repaid when the student has graduated; however if any part has not been repaid in fifteen years it is written off.

Strengths

➢ Students only need financial aid to pay for living costs, as tuition fees are paid for through taxation.

➢ In Denmark, students are entitled to grants and loans for a year longer than the length of programmes, allowing them to change programmes in the first year or take up to a year longer to complete.

➢ The partial conversion of loans into a grant in Norway encourages and rewards academic achievement.

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[39] Advisory Committee on Student Financial Assistance (2010) *The rising price of inequality: How inadequate grant aid limits college access and persistence.* Advisory Committee on Student Financial Assistance

[40] Spittle B., 2005, *USA report*, Chicago. DePaul University

[41] Equates to £15,979.46 as of February 16th 2012

[42] Equates to £31,611.97 as of February 16th 2012

[43] Swedish National Agency for Higher Education www.hsv.se/highereducationinsweden.4.28afa2dc11bdcdc557480002000.html

➤ In Norway (and Finland) a student's financial position is based on them as an individual, rather than on their family income, so avoiding an assumption that families will support young people.

Limitations

➤ There is concern in Norway that students receive no payments in June or July due to the summer holiday when regular classes are usually not in session. Student organisations have campaigned for, and most political parties have expressed a wish for, introducing payments in June as well. However, the total cost of this expansion is prohibitive.

Summary

4.18 Given the varied approaches and contexts of these different schemes, they cannot be compared 'like for like'; as such, they are intended to offer insights into other support mechanisms adopted overseas.

4.19 In each of the regions reviewed, financial aid is provided to students in HE. This aid varies from loans which need to be repaid, to grants based on merit, academic performance or contributions to society to need-based bursaries. Most loans are only required to be paid back once the student has graduated and is earning sufficient income to afford the repayments.

4.20 Those countries which have schemes with similar components to the NSP include Canada and the US. Canada's study grants are awarded to students who fall into similar categories to those identified by some UK institutions as target groups to receive the NSP through their additional eligibility criteria; for example, students from low income families, with a disability, or with dependent children. The US' Pell Grant, like the NSP, is means tested and aimed at supporting students from lower-income families. Again, like the NSP, institutions can allocate funds towards fees or award funds directly to students to help with living costs. Unlike the NSP, though, funds are spread across the year rather than awarded upfront. In addition, US state aid schemes are also means tested, and again can prioritise which students they wish to attract; this is similar to NSP participating institutions which can apply additional criteria to target certain types of students.

4.21 However, a number of the systems reviewed are very different to UK models. In Scandinavia, tuition fees are paid by the state. Moreover, in Norway, loans can turn into grants if performance is high, or income after graduation is low, whilst Danish students can receive funds for six years, and student loans are written off if unpaid after 15 years. Although certain aspects of the Canadian system resemble the UK, the Canadian grant system does not allow provinces to set stricter eligibility criteria. Interestingly though, the Canadian government also provides funding to institutions to help fund part-time jobs for students rather than giving additional funds to students directly; thus prioritising those who need the funds the most.

4.22 The literature reviewed does provide some interesting points for consideration. Contrary to some of the opinions shared later in this report regarding the impact that grants can have on disadvantaged students, some research has found that equity scholarships do in fact improve the retention and academic performance of students from lower socio-economic groups. Another issue debated later in this report is the level of award provided to each student; we read earlier that Canada changed its system to reduce the amount of funds awarded to students to ensure greater numbers of students would benefit from their funds available. Finally, it is interesting that some US institutions are piloting scholarships that are based on performance once at university rather than previous academic performance. As the evaluation progresses, additional practices and systems will be reviewed to determine if any other schemes exist which have interesting learning points for the NSP.

5| Key findings

In this section we present the key findings from our analysis of the institutional online survey. We examine the extent and nature of existing WP activities, approaches to the implementation, management and delivery of NSP, and the strategies in place to promote the programme to potential recipients.

Management of NSP

5.1 The online survey was completed by the person with lead responsibility for managing the NSP in their institution. The results demonstrate that responsibility for the management of the programme sits with a range of individuals located most commonly in Student Services (19.6 per cent), Registry (16.7 per cent) or the Senior Executive Team (14.7 per cent), but also in departments as diverse as Marketing, Admissions, Finance and dedicated units for WP (see Figure 2).
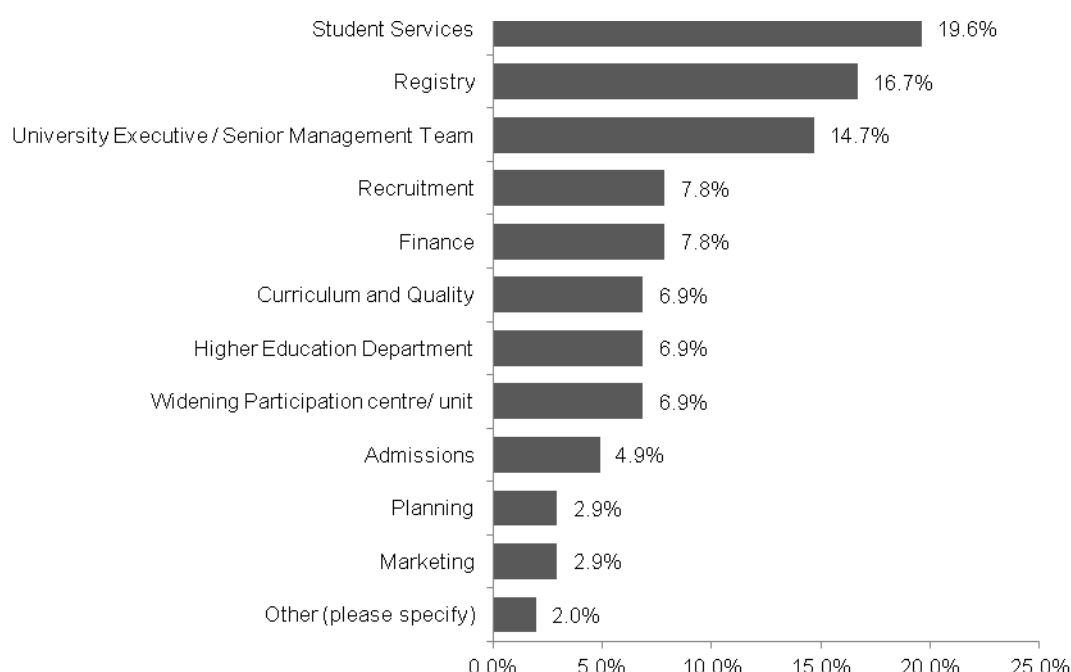

Figure 2: In which department do you work? (Base = 102)

5.2 Further analysis reveals that although responsibility for the management of the NSP lies with one individual or department, a number of departments within an institution are also likely to be involved in the delivery. Only four respondents (3.8 per cent) indicated that no other departments are involved in the management or delivery of the NSP in their institution. In the majority of other cases, Finance (77.9 per cent), Admissions (68.3 per cent), and/or Student Services (66.3 per cent) are most likely to be involved. In addition, Recruitment (49.0 per cent), and Registry (47.1 per cent) play an active role in just under half of institutions.

Existing widening participation activities

5.3 The NSP is designed to complement rather than replace existing measures in place in institutions to help widen participation amongst targeted groups. Therefore, survey respondents were asked to indicate

what financial and other activities they are currently engaged in to support learners who otherwise may experience barriers to participating in HE[44].

5.4 Almost all of institutions (98.0 per cent) that responded to the online survey already provide some form of financial support for students from disadvantaged backgrounds. The vast majority offer Bursaries (92.3 per cent), Access to Learning funding (87.5 per cent) and/or Disabled Student Allowance (82.7 per cent); two-thirds have an existing Scholarship scheme (64.4 per cent) and just over a quarter offer Fee Waivers (27.9 per cent) – a key component of many institutional NSP packages (see Figure 3 below).[45]
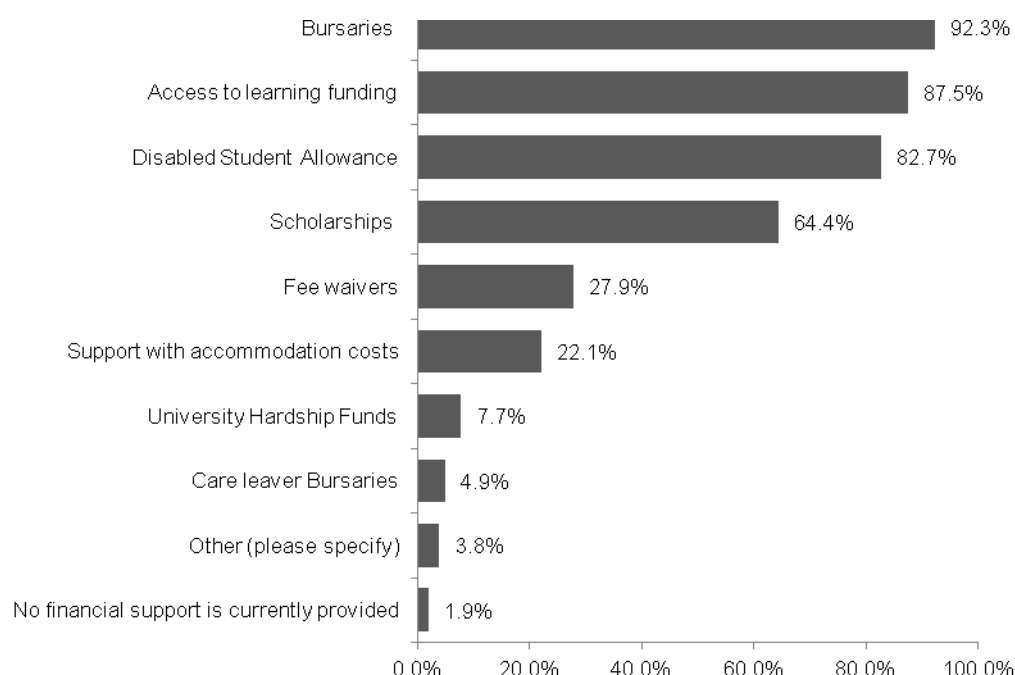

Figure 3: What financial support does your institution currently provide for students from disadvantaged backgrounds? (Multiple Choice, Base = 104)

5.5 The review of international approaches to financial support illustrates that most countries have a range of financial measures in place designed to assist students to fund their HE (see Chapter 3). The availability of financial support is often not, therefore, a key issue. However, how these measures are combined to form a comprehensive package of financial aid and the ease with which students are able to access it, can be problematic. Students often have to find out what they are eligible for and apply for each element separately; in addition, accessing some elements can negatively affect eligibility for others. This is a key consideration for institutions intending to offer NSP alongside other existing measures and the clarity of the information currently available for potential applicants is examined later in this chapter.

5.6 Existing literature from the UK and overseas demonstrates that economic disadvantage is not the only, or even the main reason why students do not access HE, or why they leave prematurely.[46] As a result, financial aid is only one strand in a suite of interventions designed to support access to, and success in, HE for disadvantaged groups. It is, therefore, not surprising that all responding institutions to the online survey report that they are also engaged in a range of non-finance related activities designed to support WP objectives (see Figure 4 below). Almost all undertake 'outreach activities in secondary

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[44] 'HE' is used in this context as an umbrella term to encompass 'HE in FE' provision delivered by FECs as well as that delivered by HEIs.

[45] Two further education colleges (1.9%) indicated in the survey that they do not offer any financial support.

[46] Shallcross, L., van Acker, E. and Curran, G. (2009) *A Step Out of Poverty: Aspirations, Retention, and Transformation.* Paper presented at the 2009 EUPHEA conference, Sydney

schools and colleges' (95.2 per cent)[47], offer 'pre-entry information, advice and guidance (IAG) for WP target groups' (93.3 per cent) and/or host 'campus visits' (89.4 per cent). Approximately two-thirds of respondents report that their institution undertakes 'outreach with adults in the community and/or workplace' (66.3 per cent)and/or 'master classes' (65.4 per cent); a similar proportion offer 'mentoring' (63.4 per cent) and/or have 'progression or compact agreements' in place (61.5 per cent).
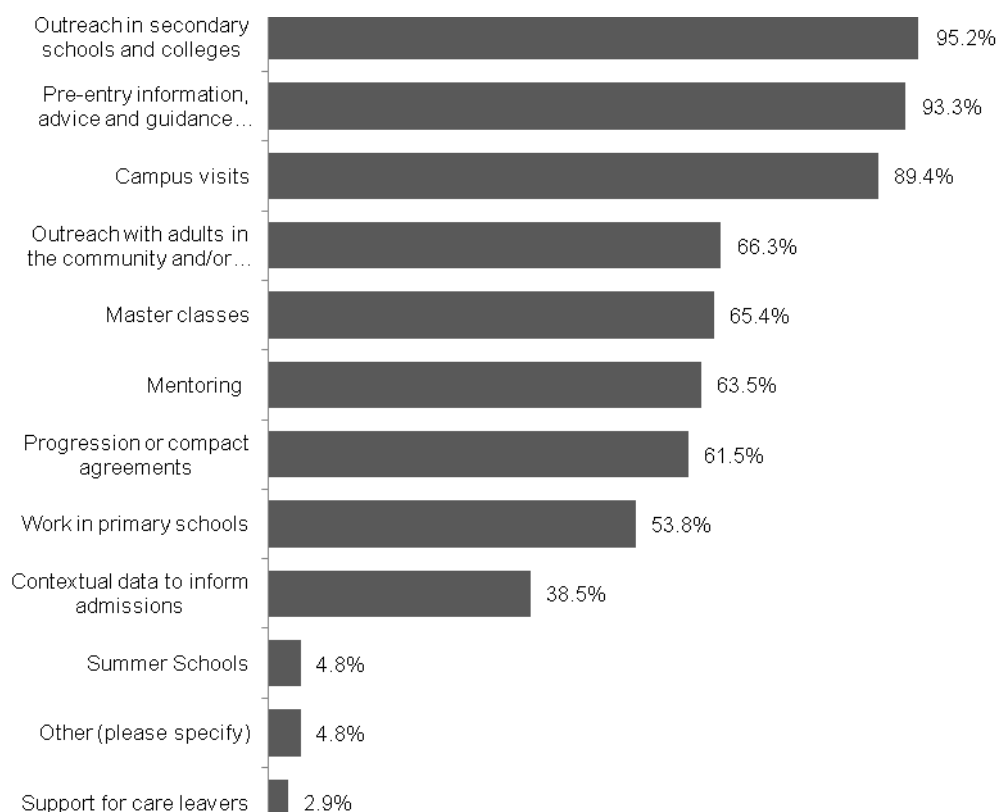

Figure 4: What other activities (excluding financial support) are in place within your institution to support WP among students from disadvantaged backgrounds (Multiple choice, Base = 104)

5.7   Further analysis reveals that there is a significant relationship between institutional status[48] and involvement in some activities including 'outreach work with adults in the community and/or workplace', 'progression or compact agreements', and 'mentoring'. Those engaged in outreach work with adults and progression or compact agreements are more likely to be based in a Post-1992 rather than a Pre-1992 or Specialist institution. In contrast, those engaged in mentoring are more likely to be based in a Pre-1992 institution.

5.8   Overcoming barriers to access is just the first step in successfully widening participation amongst learners from disadvantaged backgrounds. Once on a programme, non-traditional learners may also require additional help and support to succeed, whether they are studying with an HEI or FEC on a full- or part-time basis. This support is sometimes financial in nature, but often involves the provision of services.

5.9   The majority of institutions[49] that provided a response to the online survey deliver at least one service or intervention designed to specifically assist learners from disadvantaged backgrounds to remain and achieve in HE. Approximately nine out of ten institutions provide targeted support with 'study skills' (90.4

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[47] Five survey respondents indicated that they do not undertake outreach activities in secondary schools or colleges. Of these, three were further education institutions, and two were higher education institutions.

[48] The legal status of universities and colleges is defined in their own instruments of governance, and varies between pre-1992 universities and post-1992 universities and colleges. http://www.lfhe.ac.uk

[49] Two respondents stated that there was no provision specifically targeted at disadvantaged groups at their institution and two did not know.

per cent), 'financial advice' (88.5 per cent), and/or 'career guidance' (87.5 per cent). Approximately two-fifths provide 'mentoring' (62.5 per cent) and/or 'IT or other specialist equipment' (56.7 per cent).

5.10 The survey findings demonstrate that there is already a considerable amount of activity going on in institutions to support the achievement of WP objectives. A key issue for this evaluation is, however, the extent to which the NSP will add value to this existing activity, or has the potential to duplicate, overlap or displace existing measures. Early indications suggest that although more than a third of those with responsibility for managing the NSP agree that *'the NSP will impact on the resources available for widening participation activities in their institution'* (36.5 per cent), two-fifths perceive that it will *'add value to existing support for students from disadvantaged backgrounds'* (59.2 per cent) and half are of the opinion that it will *'contribute towards the achievement of WP objectives'* (49.5 per cent). We will return to these issues in the next chapter of this report.

Implementing the NSP

5.11 We noted earlier in this report that HEFCE issued guidance[50] to institutions on the implementation of the NSP. This guidance affords institutions with a degree of flexibility to tailor their delivery model to local circumstances. However, those intending to charge fees of more than £6,000 per year are required to provide details of their proposed model in an 'Access Agreement' to OFFA.

5.12 Our initial analysis of the access agreements revealed that the level of detail supplied regarding the intended composition and models of delivery for the NSP varied considerably between institutions and was also subject to change. The online survey of participating institutions, therefore, asked respondents to provide details of their intended implementation model, including: the utilisation and allocation of the matched contribution; composition of the NSP package; and the development of additional eligibility criteria. Early indications of how institutional models of delivery are likely to change in the future were also captured.

Models of delivery

5.13 Institutions charging fees of more than £6,000 per year are required to match-fund their NSP allocation at the rate of 100 per cent; a 50 per cent contribution will be made by those charging £6,000 or less. However, institutions may choose whether they use their match contribution to increase the number of scholarships they offer to eligible students or to increase the value of the award to individual recipients, or provide a combination of the two.

5.14 US and Canadian literature describes models in these countries which target high value scholarships on a small number of students rather than awarding a relatively low value scholarship to a larger number of students.[51] In contrast, over half of institutions that provided a response to the online survey report that they intend to use their matched contribution to offer additional £3,000 (or pro rata) scholarships to eligible students (56.9 per cent); two fifths intend to use their institutional contribution to increase the value of the award to individual students (39.2 per cent). A small minority of respondents indicate that they intend to adopt a mixed approach (2.9 per cent) and one institution is still undecided.

5.15 Further analysis reveals that type of institution, or the number of allocations, do not determine the model adopted. The majority of both HEIs and FECs are intending to increase the number of NSP awards offered, rather than top up the value of individual awards. Similarly, there are no significant differences between the planned approaches of Pre- and Post-1992 universities. In contrast with the sample as a whole, three-quarters of institutions classified by HEFCE as 'Specialist' intend to use their matched contribution to increase the value of the NSP awards they offer.

5.16 Seven out of ten institutions (69.4 per cent) that do not currently offer scholarships to students from disadvantaged backgrounds plan to use their matched contribution to increase the number of NSP awards they offer compared with half (50.0 per cent) of those that have existing scholarship programmes in place. However, the relationship between NSP model adopted and the presence of an existing scholarship programme is not statistically significant.

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[50] HEFCE (2011) *National Scholarship Programme 2012-12: Guidance for Institutions.* Bristol: HEFCE

[51] College Board, (2003) *Trends in College Pricing.* Washington DC. The College Board

5.17 Finally, although there is no statistically significant relationship between the extent to which respondents agree that 'the NSP will impact on the resources available for WP activities within their institution' and the type of model adopted, the relationship between perceptions about the extent to which the 'NSP will add value to existing support for students from disadvantaged backgrounds' and NSP model is significant. Almost three-quarters of respondents (73.9 per cent) who do not agree that the NSP will add value to existing provision plan to use their matched contribution to increase the number of NSP awards offered compared with just over half (55.9 per cent) of those who perceive it will add value. Conversely, more than two-fifths of respondents (44.1 per cent) who agree that the NSP will add value to existing provision intend to increase the value of individual scholarships, compared with a quarter (26.1 per cent) of those who disagree.

Timing

5.18 Just over half of those responsible for the management of the NSP who provided a response report that their institution intends to allocate their full match funding contribution in the first year of study (57.3 per cent). Of those intending to distribute their contribution over more than one year, a greater proportion report that students will receive the benefit in amounts spread disproportionately across their years of study (24.0 per cent compared with 17.7 per cent that report their institution will distribute the award in equal instalments). We are not aware at present that payments made in subsequent years of study will be contingent on students meeting additional criteria or whether repayment or other penalties will be imposed in the event of early withdrawal. There are, however, interesting models in operation internationally that utilise bursary payment to reward progress, for example, in Norway[52] loans can be converted to bursaries to encourage and recognise academic achievement; in Ohio bursaries are allocated in response to performance.[53]

5.19 Further analysis reveals that there is no correlation between the model of implementation and the way in which the institution intends to distribute the NSP to learners; those that plan to top up the scholarship awarded to individual learners are just as likely to distribute the full award in the first year as those that intend to use their match contribution to offer additional scholarships to eligible students. A key issue for the evaluation moving forward will be the extent to which the total value and/or the way in which the award is distributed impacts on the recruitment and retention of students from disadvantaged groups.

Components of the NSP package

5.20 We noted earlier that participating institutions have the flexibility to tailor the package of NSP support available to students within specified parameters, including a cap on cash payments. Three-fifths of survey respondents (60.6 per cent) will offer NSP recipients a cash award of, in most cases (81.4 per cent) £1,000, with the balance paid 'in kind'. In the vast majority of institutions, this 'in kind' payment will be in the form of a 'fee waiver' (85.6 per cent), although it is interesting to note that five institutions that currently offer fee waivers as part of an existing package of support, do not plan to offer the same benefit to NSP recipients. Just over a third of institutions (35.6 per cent) will provide 'subsidised or free accommodation' as part of their package; approximately one in ten will offer 'subsidised learning materials' (9.6 per cent) and/or 'support with travel costs' (10.6 per cent).

[52] http://en.wikipedia.org/wiki/Higher_education_in_Norway

[53] Cha, P., and Patel, R. (2010), *Rewarding Progress, Reducing Debt: Early Results from the Performance-Based Scholarship Demonstration in Ohio.* MDRC, October 2010
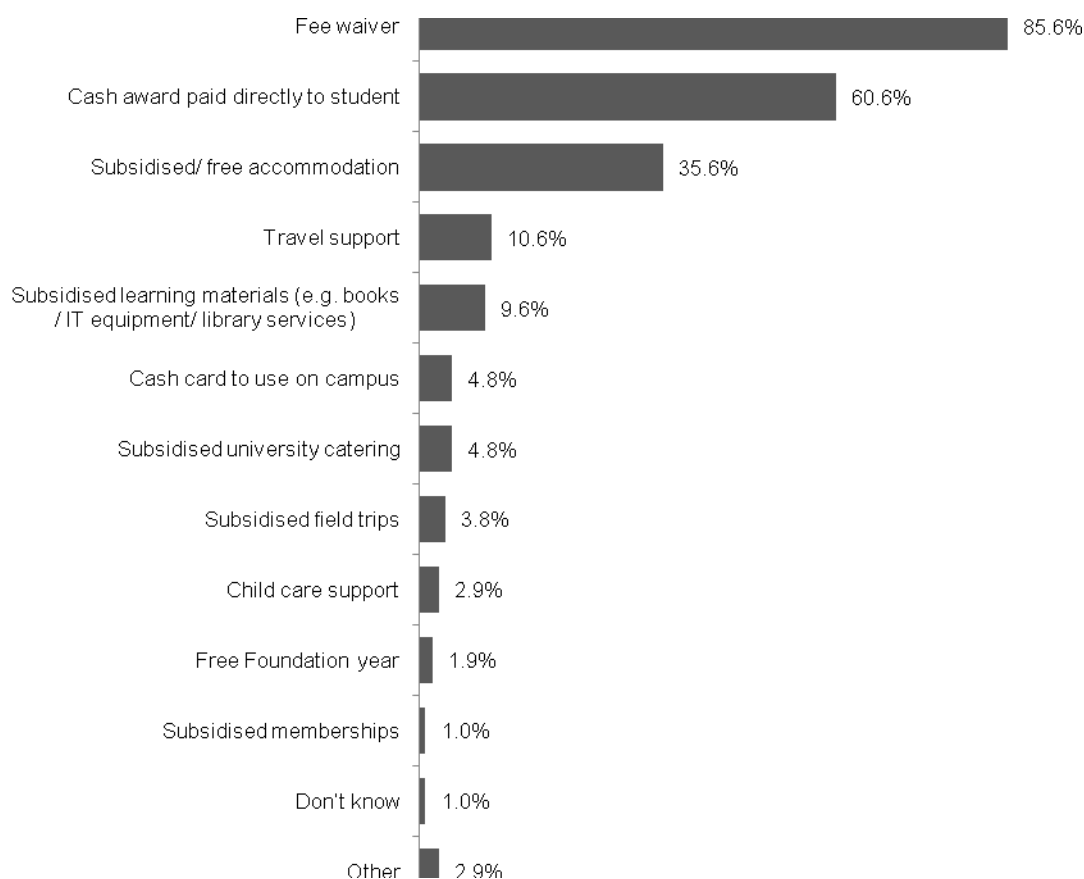
Fee waiver	85.6%
Cash award paid directly to student	60.6%
Subsidised/ free accommodation	35.6%
Travel support	10.6%
Subsidised learning materials (e.g. books / IT equipment/ library services)	9.6%
Cash card to use on campus	4.8%
Subsidised university catering	4.8%
Subsidised field trips	3.8%
Child care support	2.9%
Free Foundation year	1.9%
Subsidised memberships	1.0%
Don't know	1.0%
Other	2.9%

Figure 5: What are the key components of the NSP package available to students in your institution? (Multiple choice, Base = 104)

Eligibility

5.21 National eligibility criteria for the NSP have been set by the Government based on family income.[54] Students from families with an income of not greater than £25,000 per year will qualify[55]. However, the NSP will be awarded at the discretion of the providers; as demand is likely to exceed the number of NSP awards allocated to many institutions, the majority (84.1 per cent) report that they will be imposing additional criteria on applicants at the local level, which they are entitled to do under the guidance. This mirrors the system in operation in the US which also allows institutions determine their own models of and criteria for financial aid. However there are two advantages in the US system: the students make one application and the institution takes responsibility for creating a financial aid package for each student which may also include federal and state aid.

5.22 The survey findings signal a great deal of variation in the local criteria that will be imposed by different institutions. This ranges from financial factors such as additional criteria relating to family income (48.1 per cent), and entitlement to free school meals (6.2 per cent), through target groups including students from schools or colleges in deprived/low-participation areas (34.6 per cent), care leavers (38.3 per cent), students with disabilities (21.0 per cent) and first-generation entrants to HE (11.1 per cent), to academic criteria such as prior academic achievement (37.0 per cent). There is evidence that some institutions are also using the NSP to encourage applicants to select their institution as the student's first choice and/or to encourage applicants to choose specific subject areas.

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[54] See http://www.direct.gov.uk/en/EducationAndLearning/UniversityAndHigherEducation/StudentFinance

[55] Young full-time students have their income verified by the Student Loans Company (SLC) as part of their maintenance loan/maintenance grant application.
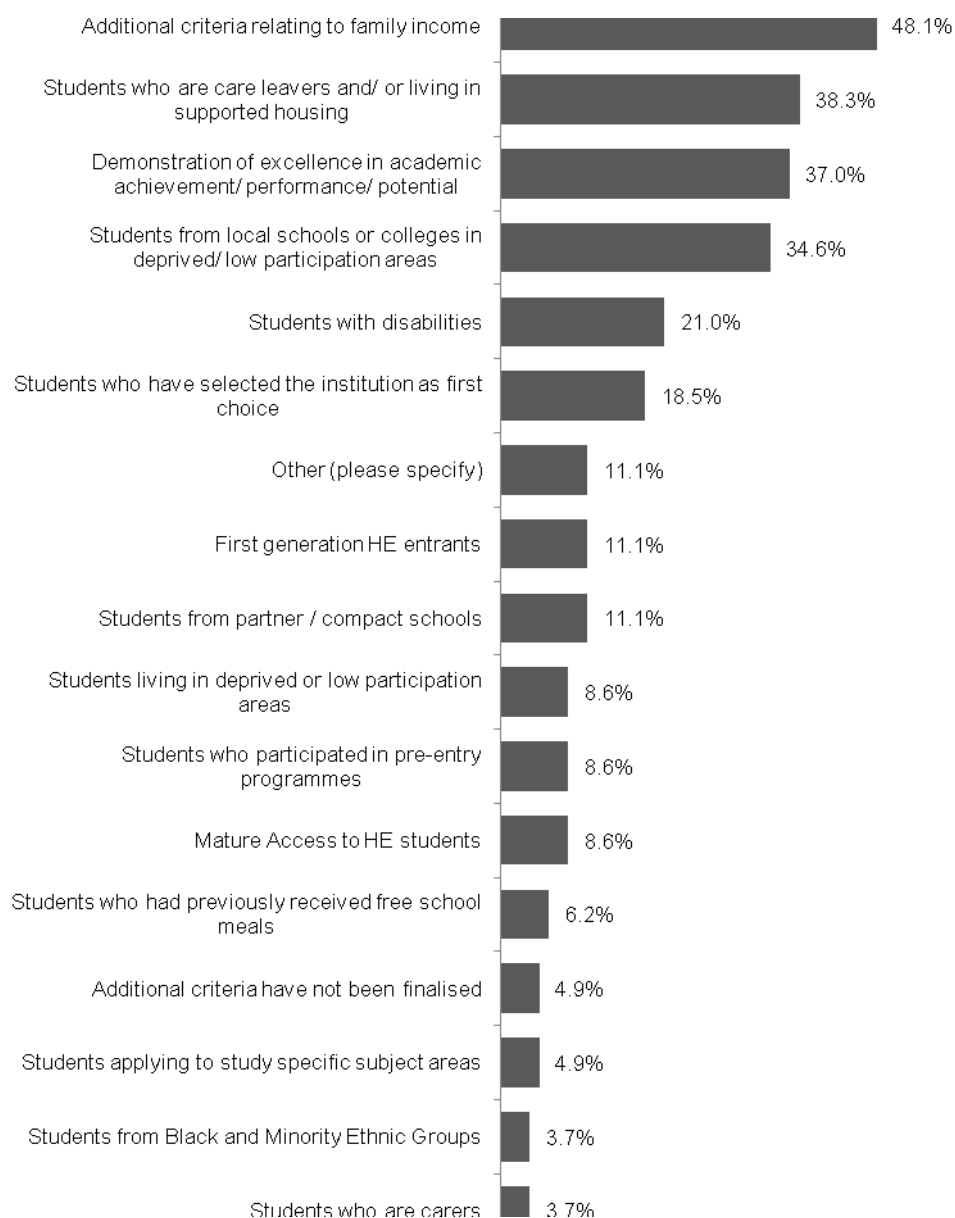
Figure 6: What do your institution's additional eligibility criteria for the NSP include? (Multiple choice, Base = 81)

5.23 Two-thirds of institutions (66.7 per cent) that intend to impose additional criteria on eligible applicants report that they conducted research to inform the development of their criteria. The reasons institutions gave for imposing additional criteria vary but are most commonly that the criteria either:

➢ align with the institutional strategy for WP (43.3 per cent);

➢ ensure the most financially disadvantaged students are targeted (37.0 per cent);

➢ align with the criteria used to determine entitlements to existing WP support (26.0 per cent); or

➢ ensure students from low-participation areas are targeted (26.0 per cent)

5.24 Of the 19 respondents who indicate that their institution has no plans to impose additional criteria on NSP applicants, 11 report that additional criteria are unnecessary because the Government's criteria are sufficient. A further seven explicitly state that a strategic decision has been taken at their institution to offer the award to all students who qualify. Only one respondent indicated that additional criteria are not required because demand for NSP is not expected to exceed the institution's allocation. The issue of

whether supply is sufficient to meet demand will continue to be monitored throughout the evaluation in both subsequent online surveys and during case study visits.

Meeting demand

5.25 As advised by the Department for Business, Innovation and Skills, funds for the NSP have been broadly allocated according to the FTE[56] numbers of HEFCE-fundable, home and EU entrants at each institution. Consequently, the amount each institution receives through the NSP is in direct proportion to the numbers of such students enrolled on its programmes; however, it does not take account of the proportion of the student population within individual institutions that may be eligible to apply. As a result of the diversity in the student population, there is likely to be a disconnect between the number of eligible students and those who actually receive the NSP award.

5.26 In order to begin to assess the extent to which the allocated number of NSP awards is sufficient to meet demand from eligible students at an institutional level, the survey explored what proportion of an institution's eligible students, according to the national criteria, will receive it. The findings indicate that in half of institutions (49.5 per cent) less than half of eligible students will receive the NSP; this is in contrast to one in ten institutions where more than three-quarters of students are likely to receive it (10.7 per cent). However, it should also be noted that in almost a third of cases, the respondent was unsure what proportion of the eligible population would be likely to receive the NSP (32.0 per cent).
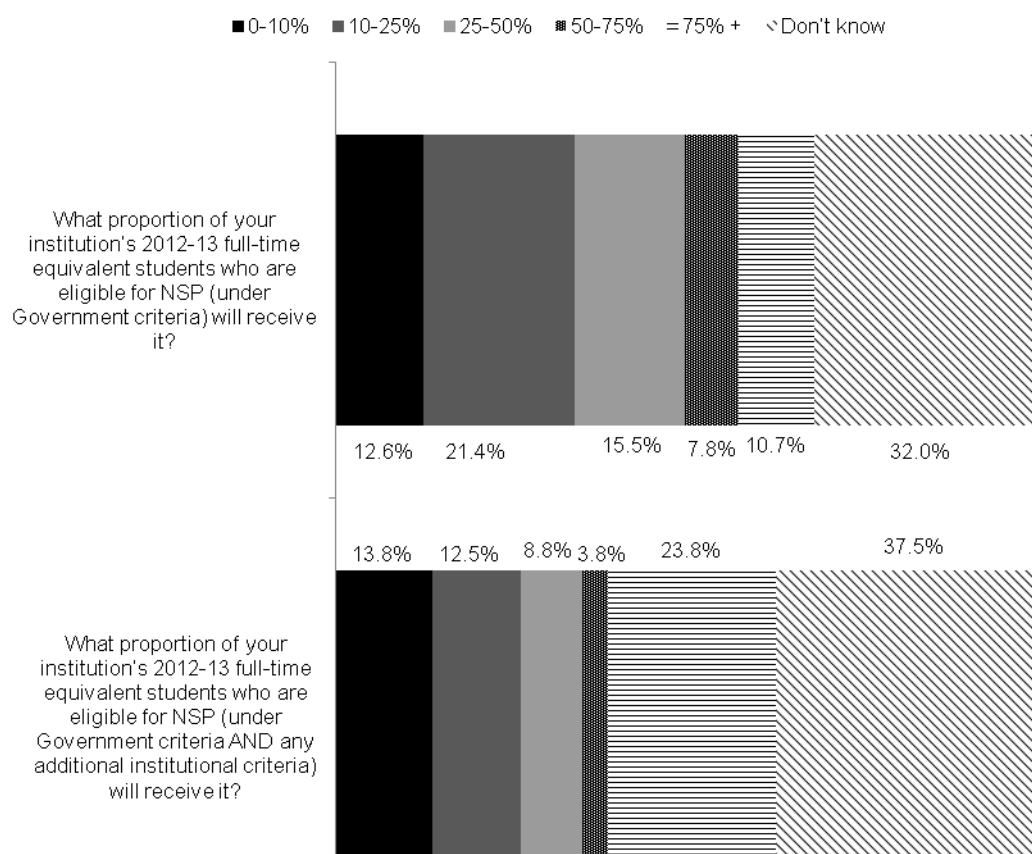

Figure 7: What proportion of your institution's 2012-13 FTE students who are eligible for NSP (under Government criteria) will receive it? (Base 81)

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[56] Full-time equivalent

Plans for the future

5.27 Finally, respondents were asked to state the ways in which their institution's model is likely to change in the future. Perhaps unsurprisingly at this early stage, approximately a third of respondents are unsure how their model might change (31.7 per cent) and a minority indicate that they will not decide until the initial impact of the programme is known. However, only 13.5 per cent of respondents are confident that their model will not change, suggesting that the majority of institutions will adapt their model in some way, such as:

➢ adapt the model so it more closely aligns with the institution's WP strategy (15.4 per cent);

➢ introduce *additional* eligibility criteria (13.5 per cent); and/or

➢ introduce *different* criteria to those in place currently (11.5 per cent).

5.28 The international literature provides evidence of some interesting alternative approaches to providing student financial support, including loans that convert to bursaries, performance-based scholarships and subsidised campus-based employment. It would be useful to explore the potential to adopt and/or adapt some of these approaches (and others) in the context of the NSP's implementation and evaluate the impact of these different models on retention and achievement as well as access to HE for disadvantaged groups.

Marketing and promotion of NSP

5.29 Raising awareness of the NSP amongst potential applicants to HE is a key priority for the programme. Our survey findings suggest that the majority of institutions are promoting the NSP in one or more ways; however, seven respondents (6.7 per cent) state that they are not currently promoting the programme at their institution, with one institution stating that they will *"avoid highlighting it unless we have to, to minimise confusion"*.

5.30 HEFCE has issued guidance[57] on the information that institutions should make available about the NSP. It states that "*institutions must ensure that information regarding the operation of and the criteria for the NSP is readily available to eligible students and published on each institution's website*". This information should include:

➢ the total number of scholarships the institution intends to award;

➢ the total value of each scholarship;

➢ the number of years each scholarship will be awarded for;

➢ the national and institutional eligibility criteria;

➢ the application process for full- and part-time applicants;

➢ how the scholarship will be awarded; and

➢ how the NSP relates to and interacts with the rest of the institution's student support arrangements.

5.31 The survey findings demonstrate that most, but not all, institutions are complying with the guidance and using their website to promote NSP. A total of 90 respondents (86.5 per cent) report that they are currently using this method to communicate to potential applicants about the NSP; a further nine respondents state that they intend to use this medium in the future.

Analysis of institutional websites

5.32 As part of our evaluation of institutional activities to promote the NSP, we visited a sample of 50 institutional websites in order to analyse the ways in which the NSP is currently being marketed to potential students. This sample of institutions includes representatives from all regions, all types of institutional status[58] and from all quartiles based on institutional allocations[59].

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[57] HEFCE (2011) *National Scholarship Programme 2012-13: Guidance for Institutions*, Bristol: HEFCE, page 8, paragraph 49

[58] Pre-1992, post-1992, and specialist institutions as well as further education colleges

[59] Allocations of 10-25; 26-102; 103-170; and 171+ as well as an additional group with allocations of less than 9

5.33 The information available on the NSP on each institution's website was measured against the key criteria outlined in HEFCE's guidance (see above). In order to assess *'how the NSP relates to and interacts with the rest of the institution's student support arrangements'* we first searched the websites for information on whether receipt of the NSP impacts on student eligibility for other types of support. We then noted whether the information on the NSP was located on the same page or in the same section as the information about other institutional or course-related bursaries, scholarships and/or awards for which applicants to NSP might be eligible. The key findings from this analysis are shown in Figure 8.
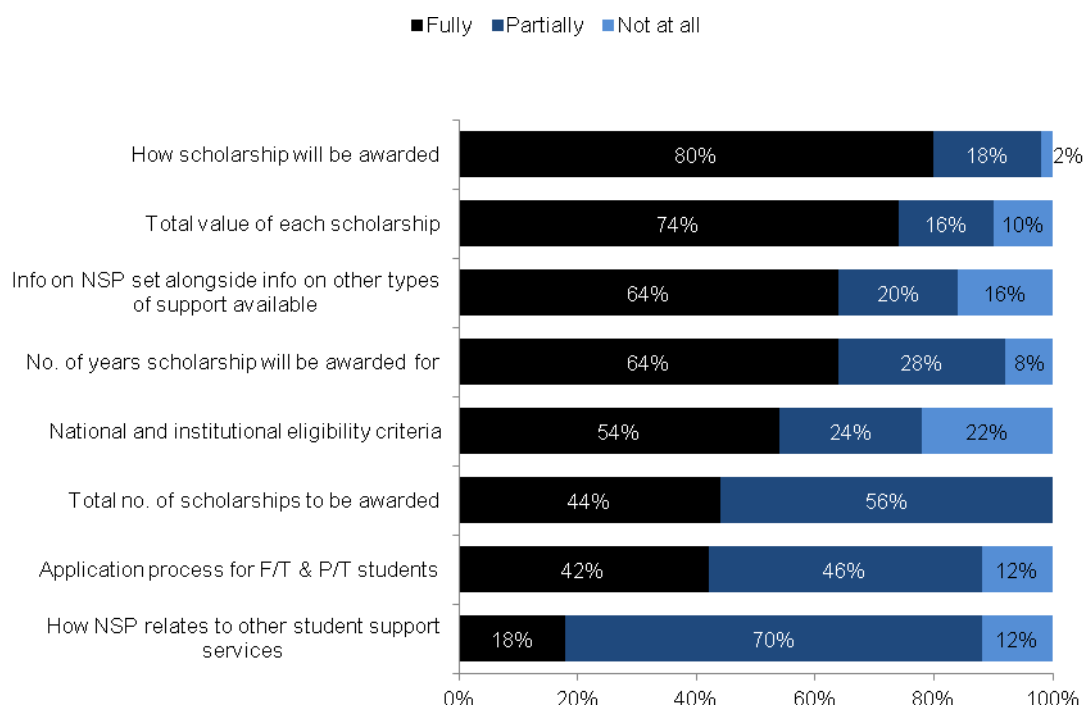

Figure 8: The extent to which institutional websites provide information on specified aspects of the NSP and wider package of financial support

5.34 An important aspect of our analysis was to establish whether the information was present as well as how quick and easy it was to find. In 70 per cent of cases, it required less than five minutes to find the relevant information, with most institutions locating the information on the NSP in their section on student fees. However, for 30 per cent of institutions, it was not possible to locate the required information after ten minutes of searching directly on their website. Locating the information required the use of a popular search engine. This suggests that further guidance may be required that relates specifically to the location and/or prominence of information on the NSP on institutional websites. However, any guidance issued must be sensitive to and take account of the other information requirements imposed on institutions and the need for institutions to manage student demand for and expectations of the financial support available.

5.35 Although nine out of ten websites viewed provide at least partial information on the value of their scholarships, this is often comprised of a range of values rather than specific amounts; most institutions state that the actual award will depend on students' circumstances. This makes it difficult for students wishing to make a decision about which institution to apply to, based on the type and level of support they are likely to receive. Although further guidance would help to improve information for prospective applicants, it is important to recognise the difficulties this may cause for those institutions where demand for the NSP is anticipated to exceed the resources available and where additional eligibility criteria need to be applied. We will explore institutional approaches to promoting the NSP, including the challenges faced, during our case study visits to gain further insights.

5.36 Mature students as well as those studying part time at a minimum of 25 per cent intensity are also entitled to apply for the NSP if they meet the national eligibility criteria. However, no reference is made to part-time students on the majority of institutional websites and any differences in eligibility for full- and part-time students are unclear. Only two institutions explained the effect that being part-time would have

on the level and nature of the award and little reference was made to the NSP and how it relates to mature applicants across the board.

5.37 At least three of the websites we reviewed have their own application form that prospective students need to complete if they wish to be considered for the NSP. While this means more work for the individual, there is at least a clear sense of process. On the majority of sites there is a suggestion that students will be told whether they are eligible (either by the university or Student Finance England) or that the scholarship will simply be awarded to them, implying no further action is required. In contrast, some institutions include only a brief statement about the NSP with virtually no information about how to apply. Finally, in most cases, some information about the source of the NSP funds is included on the institutional websites. However, the level of information and the way in which it is presented differs considerably.

5.38 Overall, the information presented on institutional websites regarding the NSP and other sources of student support is highly variable. However, we identified a few institutions which provide comprehensive information and clear signposting for potential applicants[60], concise instructions on how to make an application[61], and informative 'FAQs'[62]. Those websites which we found to be most helpful for potential students possess a high number of the following characteristics.

5.39 The website:

➢   is easy to navigate in order to locate information about the NSP and other aspects of student financial support;

➢   describes the purpose of the NSP and how it is funded;

➢   outlines the number of scholarships that will be made available by that institution;

➢   provides details on *when* the package will be awarded *(i.e. first year only, or across all three years);*

➢   describes *how* the package will be awarded (*i.e. fee waiver, cash bursary, vouchers)*;

➢   includes information on core eligibility criteria and any additional criteria;

➢   makes specific reference to part-time and mature students' eligibility;

➢   outlines what action (if any) the potential student needs to take to find out more information and/or apply for a scholarship;

➢   provides clear instructions on how and when to apply (possibly including an application form online);

➢   clarifies whether potential students can apply for other types of financial support *(such as bursaries and fee waivers)* offered by the institution, and what these include;

➢   includes links to guidance on the NSP; and

➢   provides a point of contact or contact details at the institution that potential students can approach with any questions and/or provides an FAQ section, listing answers to possible questions that a potential student might have.

5.40 In contrast, there remains a significant number of websites that provide little, and in some cases no, information on the NSP. The information contained within college websites is, on the whole, less comprehensive than that which is provided by HEIs. This is perhaps unsurprising as the majority of colleges participating in the programme have a relatively small allocation. The weaknesses in both the extent and nature of the information currently provided by institutions provide further evidence to suggest that additional guidance from HEFCE is required, along with action by some institutions to improve the type and accessibility of information they provide.

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[60] See http://bucks.ac.uk/en/money/bursaries_scholarships/national_scholarship_programme/

[61] See:
http://www.anglia.ac.uk/ruskin/en/home/student_essentials/student_finance/fundingguide2012/undergradft/national_scholarship.html

[62] See: http://www.sunderland.ac.uk/ug/feesandfunding/sunderlandscholarships/national/

Other forms of marketing and communication

5.41 Institutions are currently engaged in a range of other activities designed to promote the NSP to potential applicants. Marketing materials, such as prospectuses and flyers which contain information about the NSP, along with presentations at open days, are the most common methods of communication used by approximately three-quarters of institutions (74.0 per cent and 75.0 per cent respectively). However, while the majority of institutions are raising awareness of NSP through these methods, a substantial minority are not. Given that prospectuses are a key source of information for prospective students seeking to progress into HE and one of a number of influences on the decision about what and where to study, this seems like a missed opportunity.

5.42 Figure 9 demonstrates that institutions are also engaging, or plan to engage in 'careers fairs', 'collaboration with schools and colleges' and/or 'student ambassador/mentoring schemes' to raise awareness. A substantial minority are also harnessing new technologies such as text, email and social media to disseminate information. The survey findings suggest that the number of institutions engaged in promotional activity is set to increase, as those who are not currently utilising some modes of communication at present indicate that they intend to do so in the future.
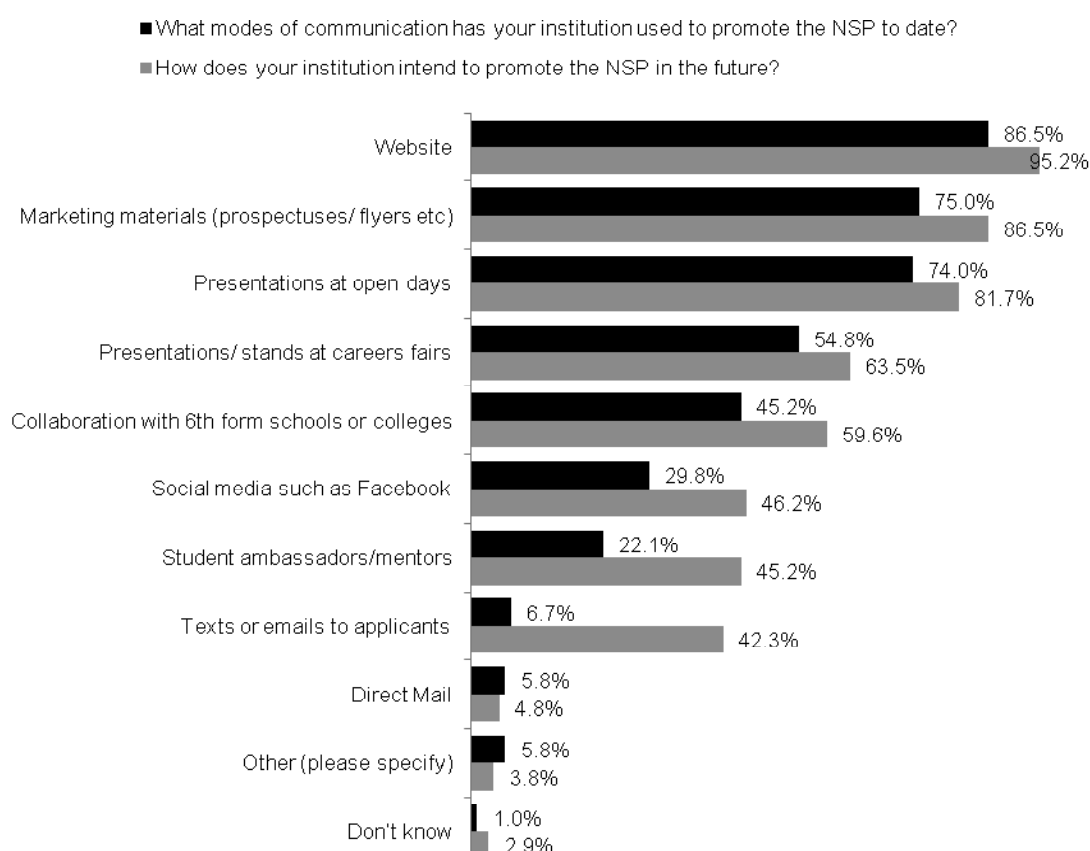

Figure 9: What modes of communication has your institution used to promote the NSP to date, and how does your institution intend to promote the NSP in the future? (Multiple choice, Base = 104)

5.43 Research evidence suggests that ensuring students only need to provide information once on their or their family's financial circumstances, irrespective of which university they attend, would help streamline the process. In addition, a national application form (as in the US) used by each HEI to calculate and allocate funding would also help to raise the profile of the student financial support available through the NSP and other sources.

Summary

5.44 Overall, at this relatively early stage in the implementation of the NSP, it is difficult to identify any significant trends in the models and approaches to the management and delivery of the programme being developed by HEIs and FECs. There is little consistency between institutions both in relation to the person

responsible for the management of NSP and the department or departments involved in the delivery; although Student Services, Registry or the Senior Executive most commonly assume lead responsibility, a wide range of other departments, including finance, marketing and specialist WP units, are also likely to be involved.

5.45 Where and with whom lead responsibility for the NSP lies within an institution could have implications for the level of strategic buy-in to the programme, as well as the extent to which it is integrated with other financial and support services designed to widen access and improve the recruitment, retention and achievement of students from disadvantaged groups. Indeed the models and associated eligibility criteria currently being developed by some institutions for the NSP are heavily influenced by existing WP activities and strategies; the majority of respondents also perceive that the NSP will add value to them. In addition, some of the institutions that anticipate their model will evolve in the future, report that any changes in approach are likely to be designed to ensure the NSP is more closely aligned with institutional strategies for WP.

5.46 Institutions have the flexibility to develop their own approaches to implementation and delivery within specified parameters. Despite international evidence to the contrary, the majority of institutions have elected to use their match funding contribution to offer additional scholarships to eligible students in their first year of study, rather than to increase the value of the award to individual students and spread the benefits over a number of years. Early indications suggest that this model has been adopted in order to maximise the number of recipients; indeed there is evidence to suggest that a strategic decision has been taken in a small number of institutions to award *all* eligible students a scholarship which means over matching the government requirement of 100 per cent for institutions charging more than £6000 for full time courses and £4500 for part time courses.

5.47 However, in most instances demand is anticipated to exceed supply and, as a result, less than half of eligible students are likely to receive a scholarship in approximately half of institutions. In order to determine which students qualify, local criteria will be applied at the discretion of the learning provider. Again, the extent and nature of these criteria vary considerably and are based on financial, academic and/or personal factors including family income, place of residence and prior academic achievement. There is also evidence that some institutions intend to use the NSP to encourage applicants to select their institution as 'first choice' and/or to choose specific subject areas. However, as prospective students will not receive a clear indication of whether their application for NSP will be successful prior to entry, the extent to which eligibility will shape and influence student choice is a matter for further investigation.

5.48 Finally, raising awareness of the NSP and other financial aid available is a key priority for the programme and integral to its success. The important role institutions fulfil in helping to effectively market and promote the NSP to potential recipients through a range of media, including prospectuses, events and the internet, is recognised by policy-makers. As a result, HEFCE has issued guidance to institutions on the information that should be available on their websites. However, the provision of information is highly variable, and in some cases non-existent. Action is required from both HEFCE and institutions to address these weaknesses and ensure potential applicants have the information they need to make informed choices.

6| Perceptions of the NSP

This section explores perceptions of the NSP from the perspective of the individuals responsible for NSP in participating institutions and members of the NSP Steering Group.

Objectives of the NSP

6.1 Interviews with selected members of the NSP Steering Group revealed fairly diverse perceptions of the programme's objectives. Some members perceived that its key aims are to widen access to HE by targeting funding at those students who otherwise may experience financial barriers to learning and to help support recruitment and retention. They also believed that the programme would help to mitigate the impact of rising tuition fees which, it was felt, may discourage disadvantaged students from considering HE at all.

6.2 "*The purpose of it is to help those that are less likely to go to university but they have the intellectual capacity and skills and qualifications to get to university and they shouldn't be put off by a lack of funding*".

6.3 However, other members of the group perceive that the introduction of the NSP has been driven by political imperatives including the need to alleviate the strain on the public purse by transferring greater responsibility for funding HE to students, as the primary beneficiaries and to offset the impact of controversial reforms which have resulted in fees tripling to £9,000 in some cases.

6.4 Finally, some members of the group commented that ambiguity over the NSP's core objectives could be in part because they have evolved since its inception from a programme focused on getting disadvantaged students into top universities to one which now calls for wider access to HE overall.

6.5 Respondents to the online survey also provided varied views on the objectives of the programme. Three-fifths of respondents (59.6 per cent) agreed that the NSP will ensure funding is targeted towards disadvantaged students but only a fifth (22.1 per cent) agreed that the NSP will help to improve social mobility amongst these groups. Furthermore, of the individuals who have lead responsibility for the NSP within their institution, only a fifth agree that the NSP will encourage institutions to take greater responsibility for WP.

Design of the NSP

6.6 A number of the NSP Steering Group acknowledged that the speed at which the programme was developed limited the opportunity to learn from past and international experience of effective WP strategies and the role that financial aid fulfils in overcoming barriers to entry for students in lower socio-economic and other disadvantaged groups. Indeed, much of the existing research suggests that finance is not the major barrier to participation but rather personal and cultural factors have the most significant influence.[63] While the framework for the NSP, including some criteria, had been agreed prior to the NSP Steering Group's formation, other components were determined through discussion with different stakeholders. However, this inevitably led to compromises being made. For example, some individuals advocated fee waivers while some were in favour of larger cash bursaries; others expressed a preference for greater investment in existing outreach activities. Overall, the NSP Steering Group felt the process had progressed rapidly, influenced by the need to get something in place soon after the HE reforms were announced.

Eligibility criteria

6.7 We noted earlier that the income threshold for students qualifying for the NSP has been set at national level, but that institutions are permitted to impose additional, locally-defined eligibility criteria on applicants and determine the composition of the package available. The NSP Steering Group recognised the importance of institutional autonomy to tailor their offer to meet the needs of their particular student population and to determine how best to utilise the limited resources available. However, they also

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[63] Gorard, et al (2006), *Review of Widening Participation Research: addressing the barriers to participation in Higher Education,* Bristol: HEFCE

acknowledged the difficulties this engenders when marketing and promoting the programme at a national (and local) level, as well as for advising students on the package of support available and their potential eligibility prior to entering HE.

6.8   None of the group expressed any strong preferences for the type of package that might be most suitable for students. Moreover, they felt that the roll out of the NSP over three years presents a good opportunity for institutions to trial different models and identify what support is most effective and attractive to their students. However, some initial concerns were expressed over the effectiveness of fee waivers and the impact they are likely to have on students' decision to progress into HE; questions were also raised about whether cash handouts would be wisely spent.

6.9   We noted in the previous chapter that a variety of models are being adopted by participating institutions which will result in some students receiving a one off scholarship of £6,000, others being awarded the minimum of £3,000 and a further group who, despite meeting national criteria, will miss out all together. Given the variety of approaches being implemented and the complexity of assessing and verifying a wide range of eligibility criteria, it is perhaps not surprising that only a third of survey respondents (33.7 per cent) agree that the NSP model chosen will be simple to administer. In addition, opinions are divided as to whether the package of support will attract students to apply to the institution: 37.5 per cent agree that it will have an influence and 35.6 per cent disagree; the remainder are uncertain (17.3 per cent) or undecided (9.6 per cent).

Impact on HEIs and their WP strategies

6.10 Perceptions among the NSP Steering Group about the extent to which the NSP will align with existing institutional WP strategies varied. Some perceived that institutions which have long-established WP strategies may find it more difficult to incorporate the NSP into their plans at this stage, especially if the scholarship element is quite small in comparison to their overall WP spend. Concerns regarding the integration of the NSP with wider WP strategies and activities appear to be, at least in part, reflected in the survey findings. We noted earlier that approximately two-fifths of institutions (43.3 per cent) have aligned their NSP package with their existing strategy for WP. The ways in which this has been achieved will be explored during the case study visits. However, in the majority of cases, the NSP package is not currently aligned with existing WP strategies, implying that there could be a disconnect. Despite these concerns, there was a general consensus amongst the NSP Steering Group that most institutions are committed to WP and will welcome the opportunity to enhance their activities through the NSP:

6.11 "*Having spoken with several universities at all sorts of different levels they take that responsibility quite seriously. They seek wherever possible to get a better mix of students from a wider social-economic grouping than they might have done in the past*".

6.12 In the majority of institutions, therefore, the NSP will form one strand in a suite of measures designed to widen access and participation amongst disadvantaged groups. The NSP Steering Group recognised that many institutions will, as a result, face the challenge of distinguishing what support different cohorts of students are eligible for, particularly as the proportion of students who qualify for the NSP is likely to be smaller than the cohort targeted by WP strategies more generally. There is evidence that one solution being implemented by some institutions is targeting the NSP, through the use of additional eligibility criteria, at particular sub-groups (e.g. care leavers).

6.13 "*Was the NSP meant to do something specific in that? Well, probably not, but if it ends up, you know, targeting particular groups of that nature, then there's some merits in it*".

6.14 More than a third of survey respondents (36.5 per cent) agree that the NSP will impact on resources available for WP in their institution. The extent of this impact, and whether it is perceived to be positive or negative, will be explored further in subsequent stages of this evaluation. Given that both HEFCE and OFFA have the flexibility to reduce the level of match funding where this is required to protect investment in outreach, insights on impact to HEIs' resources will no doubt be important to them also.

6.15 Early indications from HEIs suggest that its implementation will require management information systems (MIS) and data collection processes to be adapted in approximately two-thirds of institutions (65.0 per cent and 63.5 per cent respectively) which all have resource implications. In the absence of additional funding for these activities, no additional staff will be taken on in the majority of institutions (70.0 per cent); instead most (69.2 per cent) agree that existing staff will take on additional responsibilities in order to deliver the NSP.

6.16 Despite these issues and challenges, two-thirds of survey respondents (59.6 per cent) agree that the NSP will add value to existing support for students from disadvantaged backgrounds in their institution. And half (49.5 per cent) agree that the NSP will contribute towards the achievement of their WP objectives.

Impact on WP generally

6.17 In order to capture perceptions of the extent to which the NSP will impact on WP objectives more generally, survey respondents were asked to rate their agreement with a series of statements on a seven-point scale. Figure 10 demonstrates that although, on average, those with responsibility for the NSP in participating institutions agree that the programme will ensure funding is targeted towards disadvantaged students (mean = 4.8), there is general disagreement that the NSP will: encourage institutions to take greater responsibility for WP; improve social mobility, participation, retention and achievement amongst disadvantaged groups; and encourage students to consider HE who would not have otherwise applied.

■ 1 - 3 (Disagree)　■ 4 (Neither agree nor disagree)　■ 5 - 7 (Agree)　□ Don't know

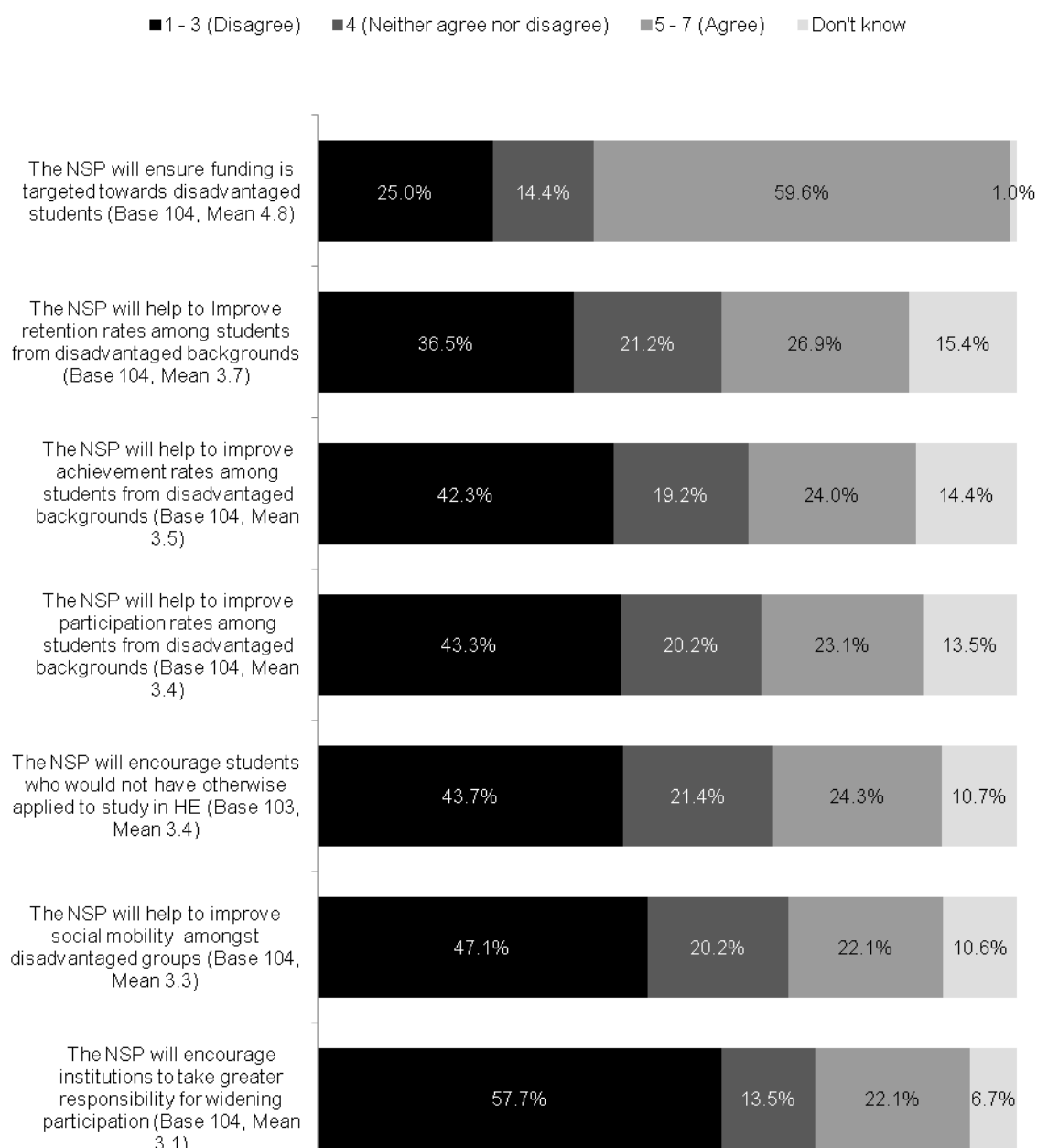| Statement	1-3 (Disagree)	4 (Neither)	5-7 (Agree)	Don't know
The NSP will ensure funding is targeted towards disadvantaged students (Base 104, Mean 4.8)	25.0%	14.4%	59.6%	1.0%
The NSP will help to Improve retention rates among students from disadvantaged backgrounds (Base 104, Mean 3.7)	36.5%	21.2%	26.9%	15.4%
The NSP will help to improve achievement rates among students from disadvantaged backgrounds (Base 104, Mean 3.5)	42.3%	19.2%	24.0%	14.4%
The NSP will help to improve participation rates among students from disadvantaged backgrounds (Base 104, Mean 3.4)	43.3%	20.2%	23.1%	13.5%
The NSP will encourage students who would not have otherwise applied to study in HE (Base 103, Mean 3.4)	43.7%	21.4%	24.3%	10.7%
The NSP will help to improve social mobility amongst disadvantaged groups (Base 104, Mean 3.3)	47.1%	20.2%	22.1%	10.6%
The NSP will encourage institutions to take greater responsibility for widening participation (Base 104, Mean 3.1)	57.7%	13.5%	22.1%	6.7%

Figure 10: On a scale of 1-7 (where 1=do not agree at all and 7=strongly agree), to what extent do you agree with the following statements about the impact the NSP will have on widening participation more generally?

6.18 Many of the NSP Steering Group members share these perceptions of the NSP. Overall, interviewees reported that the NSP is unlikely to have a significant impact on students' decisions to progress into HE because they will not know if they will receive the NSP until late in the application process. One NSP Steering Group member commented that in order to have a real influence, students need access to information while they are at school:

6.19 *"Young people doing their Year 9/Year 10 options at school need to know that going to university is a real option for them, and there's help and assistance to get them there. If you don't involve the schools and the colleges through their Student Services department, or their pastoral systems, then these young people have made their decisions and they're never going to go to the top universities..."*

6.20 Many HEIs and FECs are already involved in outreach activities into schools and colleges which target, amongst others, groups of students that are currently under-represented in HE. Entitlements to free school meals and/or the 16-19 bursary are clear indicators of social disadvantage and a signal that an individual may also be eligible for the NSP in the future, if their family circumstances remain relatively unchanged. However, it is not currently possible to use eligibility for these school-based benefits as a proxy for eligibility for the NSP because of the presence of institutional as well as national criteria. Opportunities for greater synergy between the two schemes will be explored further throughout this evaluation.

6.21 Although on average survey respondents disagree that the NSP will encourage students to apply to a particular institution (mean = 3.9), almost two-fifths (37.5 per cent) agree that it will have an influence. This view was shared by a minority of NSP Steering Group members who suggested that the NSP could influence which institutions an individual applies for if the potential package is attractive to them and they perceive that they will have a better chance of receiving the NSP at one institution rather than another.

6.22 *"...might there be a difference in the NSP in the situation you described, where people think, 'Well, okay, rather than going to a post-'92 down the road, will it make a difference for me to go to, you know, a 1994 or a Russell Group institution a bit further away?' Maybe, maybe, I'm not sure."*

6.23 However, this is dependent on potential students understanding the differences between the packages and criteria at different institutions and being able and motivated to make an assessment of the likelihood that they will qualify. We noted earlier that the information students need in order to make a decision of this nature is often not available, rendering this kind of judgement difficult, if not impossible, to make. *"I just don't think it figures on their radar because it's so complicated, the whole student finance thing is so complicated, it's another element completely".*

6.24 In addition, one member of the NSP Steering Group referred to previous research conducted by OFFA[64] which suggests that financial payments have little impact on encouraging students from disadvantaged backgrounds to progress into HE. This is borne out in the international literature which finds more evidence that financial support aids retention and success rather than increasing access.[65] For this interviewee, WP is about much more than financial aid; it is about raising aspirations through outreach into schools and the community.

6.25 *"They [the Government] should be focusing on attracting the 360,000 students who get the appropriate GCSEs to go to uni who then don't.... the £150m should be invested into school outreach programmes instead".*

6.26 In general NSP Steering Group members perceived that the NSP was more likely to have a positive impact on retention and achievement rather than access, reporting that the resources would help students with the costs associated with HE increasingly the likelihood that they would be retained and achieve.

6.27 *"If it simply means that they see no difference other than the figure on their student loan statement is slightly lower, I can't think that it will have very much of an effect. If it does mean that they can live slightly better... that that they won't be under quite the same pressure to take part-time work or to live a long way from the institution or to live in squalid accommodation, all of that could have a positive effect".*

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[64] OFFA (2010) *What more can be done to widen access to highly selective universities?* Bristol: OFFA

[65] Aitken, D., Skuja, E. and Schapper C. (2004) *Do Scholarships Help? Preliminary Results of a Case Study of Students in Scholarship Programmes. Monash University, 1997-2001.* Widening Participation and Lifelong Learning 6(1)

6.28 However, we noted earlier that the majority of institutions will make the full award in the student's first year. While this may ensure students are retained in year one, the impact on retention and achievement in subsequent years of study will need to be closely monitored.

6.29 In addition, interviewees perceived that financial support alone would not be sufficient to improve retention and achievement. To be effective, it must form part of a wider package of measures, including pastoral care, which helps students to overcome potential cultural and personal barriers. However, it was also recognised that this is a sensitive and difficult area for institutions to address.

Strengths and opportunities

6.30 Survey respondents were asked to indicate what they perceived to be the key strengths of the NSP at this stage in its development. The main strengths identified were that the NSP will provide additional funding for disadvantaged students; that it will significantly help to reduce student debt; and that it supports WP objectives more generally. Although respondents overall were less certain that the programme will encourage disadvantaged students to progress into HE, numerous respondents commented that it has the possibility to serve as an incentive to some potential students, and that this is also a key strength.

6.31 NSP Steering Group members largely shared these views, commenting that the NSP will enable some learners to go to university who otherwise would have been prevented by financial barriers. For others, it will provide the opportunity to study at the institution of their choice, wherever it is located, rather than having to compromise on a local institution because it is closer to home and enables them to cut down on accommodation and living expenses.

6.32 Other key strengths identified by survey respondents include that the programme is national and compulsory. This view was also shared by the NSP Steering Group members who reported that the NSP will help to drive behaviour across the sector, including in those institutions that do not currently have a strong track record in WP, and ensure that all institutions charging similar fees commit to WP activities.

6.33 In addition, the majority of stakeholders consulted also welcomed the additional funding and resources for widening participation that the programme brings; in many cases helping institutions to strengthen existing activity. The autonomy afforded to institutions to tailor their NSP packages to local circumstances was also welcomed.

6.34 *"For the institution again it's more money that they can spend on hopefully recruiting and retaining students if they're under-represented at their institutions. So again the fact that there's more money behind those aims again is a good thing and it's an opportunity for them to do something to alter the make-up of their student population"*.

6.35 The implementation of the NSP provides institutions with an opportunity to critically review their current activities in relation to their student cohort in order to develop a better understanding of the reasons why students choose to study with them and the barriers they face. As a result, institutions will be able to better determine what encourages disadvantaged students to engage in HE; especially in institutions where the cohort of WP students is currently low.

6.36 We noted earlier that as a result of the speed with which the programme was developed, it had not been possible to optimise the learning from past and international experience during the process. NSP Steering Group members perceive that by building on existing evidence and work at an institutional level, the evaluation will enable funders to develop a better understanding of the packages of support that most effectively support disadvantaged students. A formative assessment of the programme will generate an evidence base which, in conjunction with existing literature, will help to identify what works best and why. This will inform future iterations of the programme. *"They need to be liaising with universities to find out what works for them, and ensuring that those initiatives that were proven to be successful are encouraged and replicated"*.

Challenges

Institutional perspectives

6.37 Despite having identified numerous strengths of the programme, respondents to the survey also highlighted a number of challenges with the NSP as it stands. This is not unusual as most new programmes are subject to scrutiny as people adapt to change and the introduction of a new concept. A

number of themes stood out as the most predominant challenges that institutions are currently facing, or anticipate facing moving forwards.

➢ **Communication:** Effectively communicating, marketing or promoting their NSP to potential students alongside current WP offers; providing clear and helpful IAG on financial aid available; responding to student queries given the scheme is operated differently within each institution; ensuring that the message reaches those students who are eligible but hardest to reach to encourage them to apply; and managing student perceptions of eligibility and entitlement.

➢ **Selecting and verifying eligibility criteria:** Selecting appropriate eligibility criteria to ensure that allocations are fair and equitable and reach the most disadvantaged students; calculating the eligibility and entitlement for part-time students; and determining how awards can be reallocated if eligible students do not take up their place; verifying whether home and EU students are eligible for the NSP – especially where additional eligibility criteria apply.

6.38 "The notion is that somebody on free school meals in institution x would stand a very good chance of getting an NSP incentive... but in another institution it would be a lottery, and that's the reality of the NSP. There is every chance... that a person in exactly the same kind of economic and social conditions... is sitting next to somebody, you know, and one of them has got it and the other one hasn't."

➢ **Implementation:** Coping with the implementation phase and extra demands placed on resources. This includes: amending processes; introducing new systems (e.g. to determine household income earlier in the recruitment year); training and upskilling staff to ensure they fully understand the NSP and how to manage applications and queries; and undertaking additional administration, including data collection and monitoring.

➢ **Measuring the impact:** Numerous institutions believe it may be challenging to capture accurate and sensible management information to monitor and ultimately measure the impact of the NSP within their institution, and more widely.

6.39 Complex or lack of information has also proved challenging for many institutions, and moving forwards many respondents outlined concerns about their ability to accurately predict the numbers of eligible students who will apply to study at their institution. As such, they may face challenges in allocating future financial investments.

NSP Steering Group members' perspectives

Challenges for funders:

6.40 The NSP Steering Group recognised that funders continue to face the challenge of allocating a relatively small pot of funds to an incredibly large number of eligible students: "*once you actually realise the extent of widening participation in HE, or you realise the extent of the kind of level of widening participation that could exist if all of those people with those kinds of entitlements decided to apply, then that money doesn't go very far very quickly*". There were also concerns that the speed with which the programme was developed may mean some eligible students could miss out if information is not communicated quickly and effectively enough, or if coverage of the programme in the media more generally is negative.

6.41 "*When you give the top universities all the places, then there'll be all these stories about young people from disadvantaged backgrounds who can't afford to go to their local college to do a degree, but who could go to Oxford. But they can't because they've got caring needs at home because they've got a disabled parent, or a single parent mother, or whatever it is*".

6.42 Given the wide variations in offers between institutions, it was felt by some members of the NSP Steering Group that communicating the benefits and advantages of the programme may be difficult to do at a 'national' level. Some members raised concerns that IAG providers may struggle to provide advice to potential HE students, and as such, promotion will have to be very localised.

Challenges for institutions:

6.43 The challenges which the Steering Group felt are facing institutions surround policy, timing and integration. First, policy reform may impact institutional approaches to WP. Above all, it was noted that policy developments may encourage, or even require, institutions to develop an offer that differs from existing provisions which experience has proven to be effective. For example, some institutions may feel they have to provide waivers even though bursaries or other measures have proven to be more effective

in the past. In addition, institutions have had to develop their models quickly and with only limited information.

6.44 "I think when the idea first came along as well it was such a busy time for HE policy that it felt a bit frantic. There was just people deciding how to respond to the new fees regime and where to set their fees, how they were going to spend their OFFA money, you know, what will happen to their HEFCE money. Then this National Scholarship Programme thing came along as well and it all felt a bit like lots of things were being put into the pot and no-one really had any idea about where they should all settle".

6.45 Concerns were also raised that institutions will have limited time to assess which students are eligible for the funding and at a time in the academic year when staff are already under increased pressure. As for integration, some members of the Group felt that institutions may need support to determine the most equitable way to allocate funding and align it with their wider WP strategies.

Challenges for students:

6.46 The main challenge identified for potential recipients is access. Accessing the funding is dependent on student awareness of both the existence of NSP and the national and local eligibility criteria. We noted previously that information on the NSP is highly variable and as a result of the complex array of local eligibility criteria, there is a lack of clarity regarding what a potential recipient is likely to be entitled to. The timing of the award presents a further challenge for those seeking to assess the affordability of HE, as the outcome of their application will not known until after they have applied and been awarded a place in HE.

Areas for improvement

6.47 As this stage in the evolution of the NSP, any suggestions for improvement should be treated with caution and used primarily as the basis for hypotheses which can be tested in light of experience during the three-year evaluation process. However, given that the programme was designed to be flexible and adjust *"in the light of experience on campus"* [66] members of the NSP Steering Group and survey respondents were invited to offer constructive suggestions for improvement based on their own experience and interpretation of the aims and objectives of the NSP.

➤ **Composition of the scholarship:** By far the most frequent suggestion for improvement to the programme focused on relaxing rules on the menu of options for the composition of the scholarship. A significant minority of respondents are concerned that fee waivers will not encourage students to progress into HE as the benefits will not be felt during their time at university. It was suggested that greater flexibility to offer larger cash bursaries would help to achieve this objective more effectively.

➤ **Standardise and simplify:** Many respondents felt that the scheme needs to be simplified to ensure that everyone in the same circumstances receives the funding regardless of which university they apply for. Members of the NSP Steering Group suggest that in order to achieve this, the national eligibility criteria would need to be expanded (and this could result in a corresponding reduction in the flexibility for institutions to impose their own conditions). It may also require additional funding which, it has been suggested, could be levied from major benefactors and large institutions that are keen to support disadvantaged groups as part of their corporate social responsibility. Attention should also be paid to the branding as the NSP is not currently perceived to be 'national' (given the wide variations in eligibility and composition of the package on offer) or a 'scholarship' in the traditional sense. Centralising the administration through third party management of the programme was also suggested, to help support standardisation and alleviate the additional burden on individual institutions. The introduction of a single application form could also help to streamline the process. The provision of additional and clearer information for staff within participating institutions was also identified as a key area for improvement.

➤ **Revise institutional allocation process:** A number of respondents suggested that the way in which NSP allocations are calculated could be improved to take account of the proportion of students that meet national eligibility criteria within individual institutions and not just the per capita or FTE count. In this model, existing benchmarking data on WP cohort groups could be used for institutional funding allocations. In addition, institutions would welcome greater flexibility to manage their allocation and to enable them to pilot new and innovative models of WP. Some members of the NSP Steering Group shared this view, indicating that institutions should be given more freedom to explore and test out innovative approaches. What these models and approaches might look like will be explored during the

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[66] Comment made by The Secretary of State, Vince Cable, as stated in HEFCE's Guidance for Institutions document, April 2011

case studies However, if alternative models are piloted, a clear distinction between the NSP and other WP activities must be maintained in order to assess the relative impact of different measures.

6.48 The importance of evaluating the impact of the NSP was widely recognised; one member of the NSP Steering Group suggested that additional funding for the programme could be held back until the first year of the programme has been evaluated and key indicators of success are known. Their suggestion was to maintain funding of £50m with the outstanding £100m being awarded to HEFCE to distribute to institutions with proven improvements in retention, outreach and access.

➢ **Review individual allocations**: Mixed views regarding the level of funding available to students through the scheme were expressed; while some felt the minimum value of the award to individual students should be increased, others reported that it should be reduced below the threshold currently set to allow greater numbers of students to benefit from it. Finally, some survey respondents and interviewees suggest that funding should follow the student rather than be awarded by institutions. In this way, potential recipients would be aware of their entitlement earlier in the application process.

6.49 *"...Shouldn't the consumer have the money and spend it where they feel they can get most value for it? They wouldn't get the money as such, but they can say, 'I have been identified as a young person who will get an NSP grant. What will I get for it if I come to [university X]? What will I get if I go to [university Y]? How much if I go somewhere else?' So I think it's better that a young person knows earlier and then can spend it, and then it's not about fair shares for the institution".*

6.50 Notwithstanding these areas for improvement, overall feedback collated through the online survey and interviews showed that the majority of individuals are supportive of a national scholarship programme aimed at WP. With any new programme there are inevitably areas for development; however this evaluation seeks to identify where improvements need to be made and above all provide evidence upon which to base further decisions and amendments to the programme in the longer term.

7| Interim conclusions and next steps

This section identifies the interim conclusions that can be drawn from the evaluation activity to date and summarises areas for further exploration

Interim conclusions

7.1 Our aim during the first four months of the formative evaluation of the NSP was to review and report on the initial set-up and implementation of the NSP. This involved a review of current policy and international literature on financial aid, interviews with key stakeholders involved in the development of the NSP and an online survey of participating institutions. Through our investigations we have identified the models and approaches currently being implemented at an institutional level as well as the perceived opportunities and challenges presented by the introduction of the NSP. We have also identified stakeholders' initial perceptions of the potential limitations and/or weaknesses in the NSP model as it is currently conceived and the ways in which they believe it could be adapted and improved as it rolls out in the future.

7.2 At this stage our aim is, therefore, to describe the ways in which institutions have set up the programme, consider whether institutions have been able to usefully incorporate the NSP into broader strategies for WP, and examine the potential impact of the NSP on students, institutions, and wider funding and policy objectives. It is not possible to report on the project's performance against key indicators of success at this stage in the roll out; however, by reviewing information that is currently available, we can begin to give a general indication of how the NSP is likely to perform against its main aims and objectives.

7.3 Within this final chapter of the report we review emerging evidence and summarise current perceptions of the NSP. The key research questions set out by HEFCE in the project specification provide the framework for our conclusions. The conclusions provide insights into the key issues for consideration and further investigation by HEFCE and the Department for Business, Innovation and Skills (BIS) as well as the evaluation team at CFE. As a result, these interim conclusions will fulfil a central role in the formation of the evaluation framework and associated indicator bank for the subsequent stages of the evaluation.

Progress against the national aims and objectives for the programme

7.4 Identifying and reviewing the signals in order to reveal whether the programme is on track to achieve the aims and objectives set for it nationally is an important part of this evaluation. However, the first stage in this process is to consider whether there is indeed a common or shared understanding of the aims and objectives the Government seeks to achieve through the introduction of the NSP. Certainly, at the present time, there is consensus that the primary aim of the programme is to provide a financial benefit to individual students from disadvantaged backgrounds as they enter HE. However, evidence gathered during this evaluation suggests that there is less clarity and consensus amongst key stakeholders regarding how this aim might be realised and the specific objectives associated with the programme, including the extent to which the NSP can, and should, lead to wider participation amongst under-represented groups.

7.5 If it is assumed that a further objective of the programme is to increase the number of scholarships available to students, then the evidence gathered to date certainly suggests that the programme is on track to achieve some gains. Our online survey findings demonstrate that a range of financial and other measures are already in place to support disadvantaged students and that the NSP will add value to (rather than duplicate or displace) this existing provision in many cases. The number of students in receipt of a scholarship overall is also set to increase as well over half (56.9 per cent) of institutions will use their match funding contribution to increase the number of scholarships available to eligible students, rather than increasing the total value awarded to each individual.

7.6 In terms of the types of students that are likely to benefit from the NSP, the data gathered so far suggests that institutions are utilising their local eligibility criteria in order to target funding at key priority groups, including students from families with low incomes, students from schools in deprived areas and care leavers. Other institutions intend to award scholarships based on prior academic achievement or

strategically important subject choices. However, as a number of institutions report that their local eligibility criteria are designed to align with their existing WP strategy, the extent to which the NSP is extending the benefits to a wider range of disadvantaged groups or simply increasing the package available to those who are already in receipt of support requires further investigation.

7.7 Those who do receive NSP awards will be offered a mixture of benefits, including cash awards, fee waivers, subsidised or free accommodation, subsidised learning materials or travel; currently there are no significant trends in the composition of the packages and stakeholders do not have a clear sense at this stage which combination of benefits will be most effective. That said, it is apparent that the introduction of the "core and margin" model has resulted in many institutions replacing their bursary schemes with fee waivers. The impact of this change has yet to be felt but feedback to date overwhelmingly suggests that fee waivers are anticipated to be far less effective than bursaries in the short term.

Progress against the institutional level aims and objectives for the programme

7.8 At the institutional level, a key aim is to ensure the programme is aligned to and complements existing strategies for access and WP. However, members of the NSP Steering Group and those with responsibility for the NSP within institutions have mixed views about the extent to which this level of alignment can and will be achieved.

7.9 As noted above, just over half of the institutions that provided a response to the online survey report that they are aligning their approach to NSP with their existing WP strategies and a small group of institutions intend to ensure closer alignment in the future. However, achieving this alignment gives rise to a number of challenges, not least because the NSP cohort is likely to be much smaller than the wider WP cohort in most institutions. The disparities in the size and nature of the cohorts raise issues of fairness and equity, particularly if eligibility for one measure of support precludes eligibility for another.

7.10 The information available on institutional websites gives an indication of the extent to which institutions have been able to align and/or integrate the NSP with their existing offer at the present time. The review of a sample of institutional websites undertaken as part of this evaluation reveals limited information on the ways in which the NSP interacts with other WP activities and suggests that further work is required by institutions with support from HEFCE and BIS in this area.

7.11 The extent to which the NSP is aligned with the wider offer could in part depend on the strategic priority afforded to WP within institutions. Although stakeholders regard the compulsory nature of the NSP as a key strength because of its potential to drive behaviours, even within those institutions that do not currently have a strong track record in WP, our survey findings indicate that the majority of stakeholders perceive that the introduction of the NSP will not necessarily encourage institutions to take greater responsibility for WP. The underpinning reasons for this view warrant further investigation to establish whether this is because WP is already fully embedded in institutional strategies or that there is indeed a lack of strategic will at senior levels within some organisations to embed it further.

Potential for the NSP to add value to or enhance institutional strategies for social mobility, access and WP

7.12 It is difficult at this early stage in the evaluation and implementation of the NSP to determine with any certainty whether the programme has the potential to enhance institutional strategies for social mobility, access and WP. Furthermore, until the NSP is fully operational, key evidence from students who have benefited directly from the programme cannot be captured. However, initial responses to the online survey indicate that there is a degree of scepticism amongst a significant minority of stakeholders that the NSP will have a direct impact on social mobility. Although more than half (59.6 per cent) agree that the NSP will ensure funding is targeted towards disadvantaged students, when asked specifically whether they agreed that the NSP will help to improve social mobility, respondents on average disagree that is has the potential to do so.

7.13 Existing evidence, and some stakeholder perception, suggests that finance is just one of a number of barriers to HE; as a result, financial aid in the form of fee waivers and bursaries can have limited impact and is not necessarily the most effective way to widen access. However, financial aid has been shown to have a positive impact on retention and, perhaps more crucially, achievement which is critical if improvements in social mobility are to be realised for these targets groups. In addition, the literature suggests that impact is enhanced if financial aid is supplemented with other support measures to help disadvantaged students adjust and cope with the academic environment. As such, the NSP may have a positive impact for those students who would otherwise leave due to financial pressures, but unless it is

integrated with wider measures of support, may have limited impact on those for whom the cultural and academic demands of a degree are more of a concern.

7.14 The initial findings suggest, therefore, that improvements in social mobility, and access and participation in HE are likely to require more than the distribution of financial benefits to disadvantaged students. Past experience points to the need for more holistic approaches. Evidence tells us that improving social mobility and WP in HE requires relationships to be built with schools and communities in disadvantaged areas, so that individuals understand the benefits of and aspire to HE from an early age. There is also a clear need for pastoral care, which institutions can provide during a student's time at university. In this context it is paramount that institutions seek to embed the NSP in with their existing WP strategies, so that the financial benefits generated by the programme can be maximised.

Potential impact of the NSP – influencing and affecting student choice

7.15 Fieldwork with potential HE students and NSP recipients has yet to take place and will occur in the forthcoming stages of this evaluation. However, the survey of institutions provided an opportunity to capture initial stakeholders' perceptions of the extent to which the NSP will influence student choice.

7.16 Stakeholders involved in the development of the NSP model, as well as those who are administering it, were sceptical about the impact that the NSP will have on student choice. Survey respondents are divided on whether the package of support will attract students to apply to specific institution and/or select them as first choice. In fact 43.3 per cent of respondents disagree that the NSP will help to improve participation rates among students from disadvantaged backgrounds; and 43.7 per cent disagree that the NSP will encourage students who would not have otherwise applied to study in HE.

7.17 Some members of the NSP Steering Group also anticipate that the NSP will have very little impact on potential students' decisions to go to university because decisions about their eligibility and entitlements come too late in the process. The only influence it is perceived to have is on which institution the student eventually chooses to attend as they may alter which university they apply to if they perceive there is a better chance of receiving the NSP from one institution as opposed to another.

7.18 Despite this widespread scepticism, there is evidence from student applications for the NSP to suggest that the opportunity to apply for a scholarship is impacting on students' decisions: "*If it wasn't for the scholarship I wouldn't be able to study in higher education*". The extent to which this view is shared amongst the wider student population will be examined in subsequent stages of this evaluation.

Models of delivery and effectiveness in implementing the NSP

7.19 Institutions can elect to adopt one of three models: use their match contribution to increase the number of scholarships available; increase the value of individual awards; or a combination of both. The composition of the award is determined at the discretion of the institution, although the cash bursary is capped at £1,000. At present, the evidence suggests that institutions overall do not favour one model over the other. Similarly, there are no apparent trends in the composition of the award, although most incorporate some form of fee waiver. It is too early to assess which model will be most effective, however, some members of the NSP Steering Group argue that those that place a greater emphasis on fee waivers are less likely to be effective because they offer the most marginal benefit to graduates, and offer almost no tangible benefits to current students. This issue will form a key strand of our subsequent investigations.

7.20 The majority of participating institutions plan to use their match contribution to increase the number of scholarships they provide. However, there is international evidence to suggest that increasing the value of individual awards has often been a preferred model to increasing the number of scholarships. In addition, more than half of institutions plan to allocate the full award in the first year of study; for those that intend to spread funding over a number of years, it is not yet clear whether recipients must meet certain criteria in order to continue to qualify (such as academic performance). The impact of the total value of the package, the individual elements and the timing of the award will also be investigated in the next stage of the evaluation. To achieve this we will draw upon international models that have emerged and assess their performance against pre-determined criteria relating to access, retention and achievement. The same criteria will be used to inform the development of the research instruments that will be used to capture empirical data from students and key stakeholders during this evaluation.

Approaches to eligibility and shortfall

7.21 Over half of participating institutions that responded to the survey indicated that the Government NSP allocation will only reach approximately half of their eligible students. As such, there are two strategies being adopted by institutions in order to reach more disadvantaged students; firstly, match funding is

being used to create more scholarships; and secondly, the majority of institutions have elected to introduce additional eligibility criteria to limit the number of eligible students.

7.22 As discussed earlier, eligibility criteria vary considerably across institutions. Where additional eligibility criteria are not being introduced, in most cases institutions believe the national criteria are sufficient or that demand for the NSP will not exceed supply. In addition, seven participating institutions indicate that a strategic decision has been taken to offer the NSP to all students who qualify. Other institutions indicate that they may offset some of the shortfall in NSP allocation through other strands of their WP activity. These issues require further investigation to establish whether those institutions that are offering the NSP to all eligible students are effectively supplementing the NSP by exceeding the required 100 per cent match funding contribution as it is unlikely that all institutions would be in a position to make this level of commitment; the numbers of eligible students as a proportion of the total student population will be far greater in some institutions than others.

Alignment and interaction between the NSP and the new 16-19 bursary scheme

7.23 As the evaluation progresses, we will review the extent to which there is interaction between the 16-19 bursary scheme and the NSP and identify if any opportunities exist for future alignment. Following an initial review of evidence at this stage, it is difficult to see how the two schemes could be aligned, for a number of reasons, but primarily because the criteria for determining eligibility are not directly comparable.

7.24 Further education providers have much more autonomy with the 16-19 scheme than institutions participating in the NSP to determine which students are eligible. With the exception of the £1,200 bursaries paid to young people in the vulnerable groups, providers are free to determine which other young people should receive an award. In addition, providers can determine how much young people should receive. This is in contrast to the NSP whereby HE institutions are required to provide a benefit of at least £3,000, of which only £1,000 can be awarded in cash.

7.25 Providers are also given no limits for the level of payment awarded to non-vulnerable students wishing to access support from the fund, although providers are advised to manage the number and size of discretionary bursary awards, targeting bursaries towards those facing the most significant financial barriers to participation. However they are not given any criteria – such as household incomes – to help make their decision, whilst the NSP is only awarded to those from families with incomes less than £25,000.

7.26 Monitoring of the scheme by the Young People's Learning Agency, (YPLA) requires providers and local authorities to submit data about the number of students enrolled with them who are in one of the defined vulnerable groups (young people in care, care leavers, in receipt of Income Support, in receipt of both Disability Living Allowance and Employment Support Allowance). Some, but not all of these groups are similar to the groups that various HE institutions are targeting through their own NSP eligibility criteria.

7.27 At this stage, the 16-19 scheme is relatively new and does not appear to be subject to stringent targets and monitoring. As such, it may be difficult to collate and review data to help inform the impact it is having overall as well as which individuals have benefited. This may, therefore, impact on the ability to compare it with the NSP and their relative successes to understand where alignment might be possible or worthwhile.

Areas for further exploration and consideration

7.28 As noted previously, it is very difficult to draw firm conclusions yet about the potential impact and success of the NSP. However, the initial evaluation has identified a range of issues and raised a number of questions which require further consideration and exploration during consultations with beneficiaries and potential beneficiaries. We have identified three key themes which will be explored in more depth as the evaluation progresses:

➢   the extent to which institutional approaches to implementation will support the achievement of national aims and objectives for the NSP;

➢   the extent to which the NSP influences student choice and decision making; and

➢   the extent to which the NSP has the potential to impact on student retention and achievement, as well as social mobility and access.

7.29 In addressing these key themes we will provide insights into the issues raised by the following research questions:

➢ How effective is NSP in widening participation, access and social mobility amongst disadvantaged groups?

➢ To what extent is finance a barrier to access for potential recipients of NSP? To what extent does the prospect of receiving the NSP impact their decision to enter HE? What impact, if any, does financial support have on the retention of NSP recipients?

➢ To what extent does the possibility of receiving the NSP influence a student's choice of institution? Are students more likely to apply to an institution that will pay out NSP to all eligible students?

➢ How can approaches to the NSP be more closely aligned and integrated with existing WP strategies? How can potential challenges be overcome?

➢ What opportunities might exist for alignment between the NSP and the 16-19 bursary scheme?

➢ Is there any evidence emerging from the evaluation to suggest whether fewer and higher awards are more effective than greater numbers of awards at minimum level?

➢ Which models and packages are most effective in providing support for disadvantaged students?

➢ Would a different mix of components affect students' decisions differently (i.e. if more cash were available or if components were spread across all three years)?

➢ What are students' perceptions of the fee waiver option?

7.30 However, in the immediate term HEFCE along with BIS may wish to consider revisiting the guidance issued to institutions outlining the aims and objectives for the NSP and, in particular, how it should be promoted to potential recipients and aligned with existing WP activities.

Appendix 1 | **Overview of evaluation methodology**

The evaluation will be conducted in a series of interlocking phases designed to capture longitudinal data from a range of stakeholders over the NSP's first three years of operation. An overview of key activities within each stage of the evaluation is set out in Table 2.

Phase 1 of the evaluation ran from October 2011 to February 2012 and encompassed stages 1 and 2 of the methodology. In our original proposal, this phase involved desk-based research only in order to make an assessment of the set-up and initial implementation of the NSP. It was agreed at the inception meeting to supplement the desk research with primary data captured from participating institutions. The most effective and robust approach was to bring forward the online survey of all participating institutions. The data captured has been used to inform the sampling strategy for the case study institutions and refine the evaluation framework including the logic chain and indicator bank, as well as the findings in this report.

Stage	Activity
Stage 1: Scoping, planning and design	➢ Inception meeting with HEFCE ➢ Internal planning meeting to review methodology ➢ Collate list of HEI contacts from HEFCE and OFFA ➢ Design briefing doc to raise awareness of the evaluation amongst FECs, HEIs and other key stakeholders
Stage 2: Review of the set-up and first year operations	➢ Desk research to review NSP guidance and institutional implementation plans ➢ Scoping calls with NSP Steering Group ➢ Literature review of widening participation activity and scholarship programmes within the UK and overseas ➢ Initial consultations with all participating HEIs via online survey ➢ Develop typology/sampling strategy ➢ Refine evaluation framework ➢ Produce report of year 1 set-up
Stage 3: Longitudinal evaluation of programme effectiveness and operation (including cohort study)	➢ Institutional consultations: *Annual online survey for all HEIs delivering NSP* *Series of in-depth consultations with case study HEIs* ➢ NSP recipient consultations: *Annual online cohort survey of year 1 recipients* *Annual online survey for new recipients in case study institutions* *Series of focus groups/interviews with recipients in case study institutions* ➢ Potential HE students consultations: *Annual online survey for potential HE students* *Optional interviews with potential HE students* ➢ Analysis of monitoring data
Stage 4: Analysis, reporting and dissemination	➢ Annual analysis ➢ Six-monthly updates ➢ Annual reports ➢ Overarching report

Table 2: Overview of key activities in each stage of the evaluation

Appendix 2 | **Literature review search terms**

The search terms used for the initial review of literature about national bursary and scholarship schemes are outlined below. Further suggested search terms are marked with an asterisk (*).

National Scholarship Programme (NSP)	Higher Education	Widening Participation
Bursary	University	Recruitment
Student support	Further education college	Retention
Financial support	Post-secondary education*	Attainment
Financial aid*	Tertiary education*	Achievement
Fee waivers*	College education*	Progression
Loans*		Decision-making
Grants*		Aspiration
Scholarships*		Low income students*
		Lower socio-economic status*
		Disadvantaged*

Table 3: Literature review search terms

Appendix 3 | **Survey respondent profile**

Figure 11 and Figure 12 below present an overview of the institutional profile of respondents to the online survey:
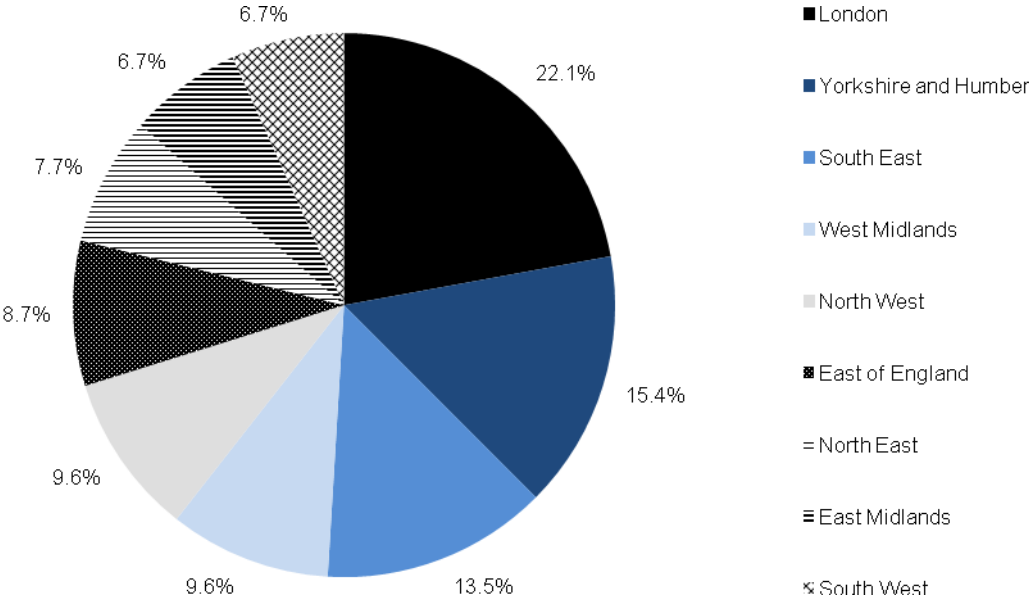

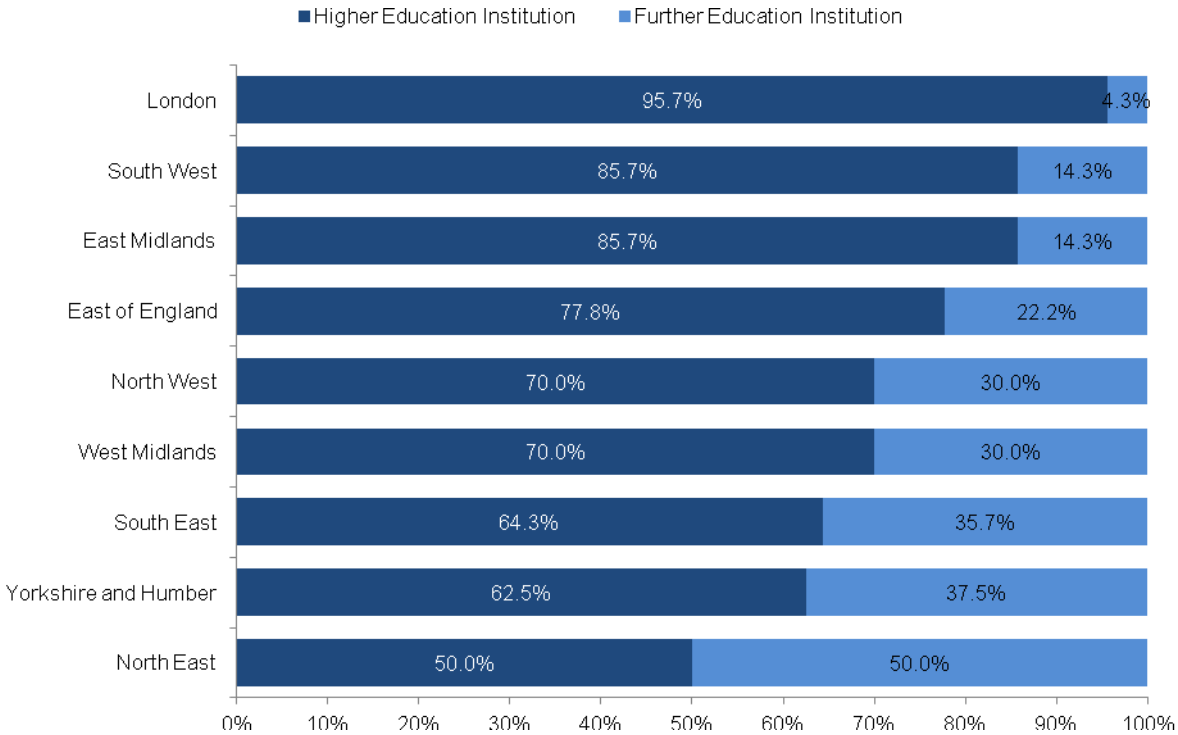**Figure 11: Regional profile of survey respondents**

Figure 12: Regional profile of survey respondents, by type of institution

Appendix 4 | **List of organisations interviewed**

Representatives from a number of organisations that were part of the NSP Steering Group were interviewed as part of this evaluation. These organisations are listed below.

Organisation
GuildHE
Association of Schools and Colleges
Student Loans Company
Universities UK
Association of Colleges
The Sutton Trust

Table 4: Organisations interviewed for the evaluation

In addition, Aaron Porter, who attended the NSP Steering Group meetings whilst in his former role of President of NUS, has also provided his input through his current role as CFE Associate Consultant for this evaluation.

Appendix 5 | **Explanation of abbreviations**

Abbreviations	Aligned Definitions
HEFCE	Higher Education Funding Council for England
FTE	Full-Time Equivalent
NSP	National Scholarship Programme
HE	Higher Education
OFFA	Office For Fair Access
WPSA	Widening Participation Strategic Assessment
WP	Widening Participation
HEI	Higher Education Institution
FEC	Further Education College
EMA	Education Maintenance Award
HECS	Higher Education Contribution Scheme
HELP	Higher Education Loan Programme
CSLP	Canada Student Loans Programme
CSN	Swedish National Board of Student Aid
IAG	Information, Advice and Guidance

Table 5: Explanation of abbreviations used

Appendix 6 | **Bibliography**

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