

Evaluation of Learner Support Funds: Final Report 2003

Prepared by The Institute for Employment Studies



Learner Support Funds Evaluation

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Foreword

The Government is committed to increasing participation and achievement in post 16 education and training. We are introducing reforms that extend opportunities, raise standards and make learning more attractive. We have published the National Skills Strategy to provide a basis for reforming training for employers and individuals. Both initiatives include new forms of support for learners but continue to rely on the Learner Support Funds to help individuals facing financial hardship. For young learners, the Funds will form part of a much improved system of student support together with the national roll out of the Education Maintenance Allowances and significant improvements to childcare funding and co-ordination under our new “Care to Learn?” scheme.

Research shows that financial issues can be a major barrier to participation in post-compulsory learning. I therefore welcome this very positive evaluation of the Learner Support Funds that shows that the Funds provide an effective and sensitive response to learners’ needs. They are helping students to overcome financial barriers to learning and supporting students from all backgrounds, particularly those with more difficult personal circumstances and responsibilities. The evaluation shows that the Funds are reaching the most disadvantaged. They provide significant help to:

- disabled students;
- those with learning difficulties;
- individuals living in high deprivation areas, and
- students from ethnic minority groups.

I commend the report to you. I would also like to thank all of you for your efforts to make the Funds successful. I look forward to seeing progress in the areas where the evaluation has identified weaknesses, e.g. allocation and marketing. This will provide even better support for students.



ALAN JOHNSON MP

Department for Education and Skills

Minister of State for Lifelong Learning, Further and Higher Education

Executive Summary

Key findings

There is a large and growing further education (FE) sector in England, with a wide range of courses on offer at a variety of different institutions. It is a priority for the Government to foster a culture of lifelong learning and to widen participation across the whole of education, and financial support for students in FE forms an important part of this agenda. The Learner Support Funds (LSF), worth £112 million in 2001/02, act as a targeted safety net, focussed on the most disadvantaged and socially excluded students, to provide assistance to those experiencing financial hardship in learning.

This study has found that:

- Approximately eight per cent of all students in FE receive some sort of assistance from the Learner Support Funds.
- More than 15 per cent of students aged 16 to 18 receive Learner Support Funds, as do over nine per cent of students aged 19 to 24, and four per cent of students aged 25 or more.

Since new Learner Support Fund arrangements were introduced in 1999, the funds have provided effective financial support for:

- disabled students
- those with learning difficulties
- individuals living in high deprivation areas, and
- students from ethnic minority groups.

Students with these characteristics are more likely to receive Learner Support Funds than students who do not. Learner Support Funds to help with the cost of childcare have also been successful in supporting students with dependant children, particularly female students. Residential Bursaries, available through the Learner Support Funds, have helped individuals from low-income families to study at residential and specialist colleges. Essentially, the Learner Support Funds are reaching the student groups at whom they have been targeted.

The Learner Support Funds are also having a significant impact on student retention. This research has found that students who receive help from the Learner Support Funds are more likely to be retained within further education than students who do not.

Just under 20 per cent of students who do not receive Learner Support Funds withdraw from their course, compared to between ten and 13 per cent of students in receipt of Learner Support Funding.

About the research

This report is the culmination of a two year evaluation of the Learner Support Funds for the Department for Education and Skills (DfES). These funds are available to students across the FE sector and are designed to support disadvantaged individuals with the additional costs of studying (eg books, equipment, transport, childcare and the costs of residential study) in order to encourage participation, retention, achievement and progression.

The research involved a review of relevant literature, analysis of the Individualised Student Record and statistical returns from the Learning and Skills Council (LSC), surveys of FE institutions, Local Education Authorities and students, and area based case study work. The aim of the study was to determine the effectiveness of the Learner Support Funds in relation to improving access, retention and participation in further education.

Policy context

There were just over 3,460,000 students in LSC-funded FE provision in 2000/01, of whom over 80 per cent were studying within a general FE college. The majority of further education students are aged 18 and over, female and studying on a part-time basis. Within this huge and varied sector of education, there has been increasing emphasis on widening participation and improving achievement. Following a critique of the earlier system of student support, the financial support arrangements for students in FE were revised, with a number of changes being introduced in 1999. These new arrangements - the Learner Support Funds - were more focussed and targeted on the basis of need. The funds extended support for the first time to students aged 16 to 18, students in school sixth forms, part-time students and those in external institutions.

The Learner Support Funds sit alongside other financial support packages (Education Maintenance Allowances and the Connexions Card for younger students, and Career Development Loans, for example) and provide a financial safety net to cover a range of study costs. Learner Support Funds provide support with the costs of books, equipment and transport. Childcare Support is available to help students with children to meet the costs of their childcare; and Residential Bursaries offer financial support to meet (or contribute towards) the living costs of students in specialist further education institutions.

The Learner Support Funds are managed and distributed to students at the level of the (FE) institution, within set national guidelines. Learners are required to apply to their institution for funding, and the institution then assesses the individual claim against their own locally determined criteria. Whilst there are a number of high priority groups at the national level (eg those in receipt of benefit, lone parents and disabled students) local priorities can also be identified and set at an institutional level.

Coverage

The £102 million distributed through Learner Support Funds in 2001/02, reached around eight per cent of the 3.5 million students studying LSC-funded courses within FE. The majority of students received support from general Access Funds (6.9 per cent of students received this type of support) but around one per cent of students received childcare support, and 0.1 per cent received a Residential Bursary award.

This study has found that:

- Within two of the three different funding streams, the majority of LSF recipients were students aged 19 and over; almost 60 per cent of Access Fund recipients and 90 per cent of childcare support recipients were aged 19 or more. It is only recipients of Residential Bursaries who were more likely to be younger students aged 16 to 18 (65 per cent of Residential Bursary recipients were in this age group).
- Within the different age groups, however, LSF was much more likely to go to students under the age of 19. More than 15 per cent of students aged 16 to 18 received help from the Access Fund, compared to just over nine per cent of students aged 19 to 24, and just over four per cent of students aged 25 or more.
- Female students are generally more likely to receive LSF than male students, which is likely to reflect the greater proportion of female students in FE more widely, and also the targeting of the funds towards those with childcare needs. However, male students are more likely to receive financial assistance through a Residential Bursary award, reflecting the fact that courses with a residential element are often male dominated.
- Students from ethnic minority groups are more likely to receive LSF than their white counterparts.
- Disabled students and individuals with learning difficulties are more likely to receive LSF than those without disabilities or difficulties.
- Full-time students are proportionally more likely to receive Learner Support Funds, as are those studying NVQ level three courses or equivalent.

In essence, the Learner Support Funds have been successful in targeting those in greatest need, and in reaching the priority groups. Having said this, the study has identified a number of examples where students' needs for support were not being met by the funds. Asylum seekers were commonly reported to be beyond the scope of LSF, although from September 2003, asylum seekers who are aged 16 to 19 will be eligible to receive this additional support. However, there are a number of other students who currently lie outside the scope of LSF, for example, students whose (family) incomes are just above the income threshold, or 'estranged' students under 19 years of age who live independently (or without parental support), for whom the safety net does not exist, or is insufficient to meet their needs. It is likely that new student groups, who are not at present eligible for LSF, will be identified as requiring financial support as more and more people begin to take up learning opportunities.

Impact

When assessing the impact of the Learner Support Funds, it is important to remember that LSF recipients are not a random selection of students, but are much more disadvantaged on average. Comparing their performance with that of the general student population has the potential to underestimate their true performance in terms of 'distance travelled' towards learning outcomes.

Overall, LSF has been particularly successful in relation to its impact on retention and attendance. LSF recipients are less likely to withdraw from their course than non-recipients, and colleges strongly feel (through the monitoring of attendance data) that there is also an impact on attendance. The withdrawal rate for students in receipt of Learner Support Funds is significantly lower, at 10 to 13 per cent, when compared to a withdrawal rate of almost 20 per cent for students who are not in receipt of Learner Support Funds. The situation is less clear with respect to achievement, however, as LSF recipients have slightly poorer achievement rates than those who are not in receipt of support. Amongst Access Fund and childcare support recipients, older students have higher achievement rates than their younger counterparts, reflecting the trend towards higher achievement amongst older learners more generally. Evidence from colleges suggests that those with the greatest financial support tend to have a variety of different pressures from those not in receipt of support, which quite likely affects their different learning outcomes and performance.

This study has found little evidence to suggest that access to FE has improved, nor necessarily that participation in FE has widened, as a result of the Learner Support Funds. Rather, the study has found that students have very limited, and often non-existent, knowledge or understanding of the funds prior to coming to college. Students also appear to have a poor understanding of the costs associated with studying, for example, the costs of books and equipment. Marketing approaches for the Learner Support Funds varied by institution, and whilst some colleges actively promoted the funds, others were concerned that any marketing activity would stimulate demand for the funds, that could not be met.

Conclusions and recommendations

The Learner Support Funds have proved to be an effective form of support for many students, particularly with regard to students facing various forms of disadvantage, for example, disabled students and students with learning difficulties, students from areas of high deprivation, and those from ethnic minority groups. The Learner Support Funds have also been found to have a positive effect on retention, with students in receipt of the funds being less likely to withdraw from further education than those who do not. Coupled with additional forms of support, and particularly Education Maintenance Allowances for younger students, the Learner Support Funds provide a comprehensive package of support for individuals most in need. However, the study has found that some students continue to fall outside of the scope of the Learner Support Funds, and as participation in FE continues to grow, there may well be new demands for LSF from students for whom the funds were not originally designed. These students will need assistance and it is important that the funds are responsive enough to meet these new needs. In order to do so, it is important that the Department for Education and Skills, the Learning and Skills Council and the FE sector as a whole, work together to identify student needs as they arise, to inform the development of future learner support policy.

Furthermore, whilst the Learner Support Funds appear to work well for those who receive them, there appears to be a general lack of knowledge or understanding about potential sources of financial support, including the Learner Support Funds, for those thinking about taking up further learning, ie pre-enrolment. This is compounded by a general lack of awareness amongst students of the costs associated with studying. There is a need for more effective and targeted marketing to address these issues, particularly in relation to marketing the availability of the funds. As such, we recommend that effective and timely marketing of the Learner Support Funds (via leaflets, and importantly face-to-face contact between college staff, Connexions advisors, family members and peers, for example) is undertaken early enough in the decision-making process, for the funds to influence and impact on improving access to, and widening participation in, the further education sector.

In order to do this, further education institutions need early notification of their LSF allocation, to assist them in planning and marketing the funds.

1. Introduction

1.1 Background to the study

This report presents the findings of a two-year study, commissioned by the Department for Education and Skills (DfES) to evaluate the Learner Support Funds (LSF), the new student support arrangements in the further education (FE) sector. The Department introduced these new arrangements in September 1999, with the aim of widening access to further education and improving achievement, particularly amongst those most disadvantaged and socially excluded.

The Learner Support Funds are a group of funds available to FE institutions (FEIs) in England to support individuals who are at risk of not participating in, nor completing, their learning due to financial constraints. They allow institutions to target monies towards learners to counter some of their potential disadvantage in the learning marketplace. Learner Support Funds are available to help students to meet the additional costs of studying, for example, with books, equipment, and transport, and to help with the costs of residential study and childcare.

1.2 Aim and objectives of the study

The aim of the study was to assess:

'How effective the new student support measures are in achieving their intended purpose to influence student access, retention and participation.'

The evaluation has sought to provide information about the (short-term) impact of the new arrangements on the allocation and targeting of resources in relation to need, and the resulting patterns of take-up and participation.

The objectives of the study were to assess:

1. how the funds act together and individually to provide a safety net for students, and to increase access and retention
2. how the funds (both in aggregate and individually) meet the needs of different student groups in relation to access, participation and retention, including students who are:
 - aged 16 to 18, 19 to 24, and 25 and over
 - in full-time and part-time education
 - in receipt of benefits and/or on low incomes
 - from disadvantaged areas
 - living independently or living with their families
 - from ethnic minority groups
 - lone parents or parents with children
 - people with learning difficulties or disabilities.

3. how the funds are being used to support local priorities and policies (including prioritising particular student groups)
4. and explore local and national delivery, monitoring and evaluation arrangements.

Essentially, the evaluation has looked at the equity, effectiveness and efficiency of the Learner Support Funds. The key questions to be answered were:

- Are the Learner Support Funds reaching the target groups?
- Are they making a difference to the target groups?
- Are they achieving their set aim of improving participation, retention and attainment?

Both qualitative and quantitative research methods have been employed to address these questions.

1.3 Research methodology

The research has used multiple methods to meet the aims of the study. These include:

- a review of relevant literature
- analysis of the Individualised Student Record (ISR) and Manual Returns data from the Learning and Skills Council (LSC)
- surveys of sixth form colleges, further education colleges and external institutions
- a survey of Local Education Authorities (LEAs)
- case study interviews with colleges of further education, schools, Local Education Authorities and other local organisations
- a survey of FE students.

The findings from these various elements have been reported in detailed working papers throughout the life of the project. The results presented in this report draw on the findings from all of these activities.

1.3.1 Literature review

A key activity throughout this study has been to review existing literature and research on student support arrangements, and to keep up-to-date with changes in policy and practice over time. The policy arena is fast-changing, and there is a much greater emphasis on widening participation in learning and providing financial support to help students in learning. Some of the key policy changes in recent years include:

- The introduction of new student support arrangements - the Learner Support Funds - following criticisms of earlier, discretionary arrangements to assist poorer students to participate in learning. These arrangements were found to be unfair and were often likened to a funding lottery (DfEE, 1998c; Herbert and Callender, 1997).
- New arrangements to deliver the Learner Support Funds and significantly increased levels of funding (from £17 million in 1998/99 to £112 million in

2001/02).

- The establishment of a new organisational structure for planning and funding further education and training in England, in the form of the Learning and Skills Council.
- The widespread introduction of entitlement-based Education Maintenance Allowances (EMAs) for young people in further education in England from September 2004, following a successful pilot phase which tested various approaches to supporting younger students in post-16 learning.
- The establishment of the Connexions Service in April 2001, which aims to increase participation and achievement in learning, by providing a coherent and comprehensive information, advice and guidance service to young people aged 13 to 19.

Policy continues to change in the sphere of learner support. In 2002, the DfES introduced new arrangements for funding and organising home to school/college transport, following an extensive review of current practice (Steer Davies Gleave, 2001). More flexible childcare and residential support arrangements are also currently being piloted to assist students in further education. It is essential that this study is placed within the context of such a dynamic policy climate, and the results of the ongoing literature review adds considerable value, depth and understanding to the research.

1.3.2 Analysis of the Individualised Student Record

The Individualised Student Record (ISR) represents the most comprehensive record of students in further education that is currently available. The ISR is a collection of data on all students enrolled in institutions in the further education sector, including specialist-designated colleges, and students in external institutions on provisions that are funded by the LSC. Each student has a single record providing details of the student's individual characteristics, including date of birth, sex and ethnicity. They also have one or more associated qualification aims records, detailing each qualification they are taking, the type of course, and its outcome.

As part of this study, we have analysed ISR data to inform some key questions, namely:

- to identify the LSF population and determine which students receive additional funding
- to assess the impact of receiving LSF in terms of retention and achievement.

In addition to the ISR, the LSC also collect annual financial Manual Returns data from further education institutions in England. These records give an account of the number and amount of awards made, the purpose of these awards (ie what the money is being spent on) and the number of students supported.

The ISR represents the most comprehensive record of students in further education that is currently available. However, evidence from the LSC's Manual Returns data, covering the learner support expenditure of every further education institution, suggests that the ISR may be under-reporting the receipt of learner support funding (if the Manual Returns data is to be considered the more reliable source). This under-reporting varies with the fund in question. Comparing Access Funds, reported in ISR, with the Manual Returns data suggests, for example, that approximately two-thirds of those in receipt of Access Funds are not recorded as such in the ISR. Similarly, over half of those in receipt of Childcare support or Residential Bursaries may not be reported as such within the ISR. As a result of these discrepancies, the ISR results presented throughout this report are based on an amalgamation of data from the LSC's Individualised Student Records and the Manual Returns for 2000 to 2001, to give a more complete picture of the support that students have received, and the effect this support has.

1.3.3 Surveys of colleges

First college survey

The first postal survey of colleges was undertaken during the latter part of 2000 and early 2001. This initial survey of sixth form colleges, FE colleges and external institutions was intended to explore, and gather broadly descriptive information on, the range of practices in the delivery and administration of LSF (school sixth forms were not included in this survey as they fell under the jurisdiction of LEAs until September 2002). In particular, the survey sought to provide information to:

- assess, in approximate terms, the way in which the Learner Support Funds were distributed to students
- assess the approximate number of applicants for, and recipients of, LSF, and thereby the distribution of the funds
- raise issues to be addressed during the course of the research
- assist in the selection of case study institutions.

A total of 424 sixth form and further education colleges and 205 external institutions were contacted as part of the survey, 51 per cent of whom responded to our call for information.

During this survey, institutions were asked to provide copies of their policy documents and/or strategies relating to the Learner Support Funds, and many responding organisations did so (54 per cent). A range of these documents were analysed to gain an understanding of the local administration of LSF, including an assessment of institutional practices used to publicise, target, allocate and distribute the monies.

Second college survey

The second postal survey of sixth form colleges, FE colleges and external institutions, carried out in Spring 2002, offered a final chance to explore the views of institutions within the FE sector on LSF policies and priorities at an institution level (again, school sixth forms were not included in this survey). Specifically, this survey sought to:

- establish college and institution priorities in relation to utilisation of the funds, and target groups
- gauge opinion on the effectiveness, fairness, adequacy and sufficiency of each of the funds
- explore views on more ad-hoc issues, for example, Education Maintenance Allowances (EMAs) and general transport issues.

The survey was sent to 584 institutions (including sixth form colleges, FE colleges and external institutions) 329 of which replied - a response rate of just over 56 per cent.

1.3.4 Survey of LEAs

A postal survey of all English Local Education Authorities was carried out during the latter part of 2000 and early 2001. This survey explored the range of practices used to distribute the Schools Access Fund (funds to support those in financial hardship who were studying at school sixth forms). In particular, it examined the relationship between LEAs and further education institutions in terms of policy, administration, and distribution of the funds. Questionnaires were sent to all 148 English LEAs, 61 per cent of whom responded.

1.3.5 Case studies

It was important that this study gathered the views and opinions of FE practitioners who are responsible for delivering LSF at college and institution level. In all, case study interviews were carried out with 16 further education institutions, in eight geographical areas throughout England (all regions were represented in the case studies, with the exclusion of the South West and Eastern regions). A number of selection criteria were used to ensure that we had broad coverage of different types of FE establishments. These included:

- a combination of two sixth form colleges, 13 colleges of further education and one specialist college
- a combination of institutions in rural and urban areas
- large and small institutions catering for different student numbers
- institutions in areas of low and high deprivation.

Although the case studies centred around sixth form colleges, FE colleges and a specialist college, interviews were carried out with a number of local personnel, including:

- LSF managers and student support staff at all of the case study colleges or institutions
- student award staff in all the Local Education Authorities covered by the case study areas.

In addition, the case studies drew on contextual information from, and interviews with, representatives of lifelong learning partnerships, careers services or Connexions personnel, representatives from local 'feeder' schools (including students in Years 11 and 12) and TEC/LSC staff. This information provided key background data on issues such as the local labour market and the local supply of, and demand for, skills, and allowed a more in-depth understanding of the local arrangements for supporting FE students.

1.3.6 Student survey

The student survey primarily sought to gather information on the student experience of the Learner Support Funds. In particular, we wanted to know more about the influence of LSF on the decision to study, and the impact that receiving the funds had on their ability to continue, or stay, in learning.

The student survey took place from January through to March 2002, and was undertaken by MORI, on behalf of IES. Face-to-face interviews were carried out at the case study college sites with students who were in receipt of Learner Support Funds.

Colleges wrote to all students who had applied for, and (in most cases) had already received LSF, inviting them to take part in the research. Students were given a two-week opt-out period, after which time their names and addresses were passed on to MORI. Targets for the number of interviews to be achieved were set for each college, in proportion to the number of students in receipt of LSF, and students were selected on a one in 'N' basis to achieve a broadly representative sample of LSF recipients. Although this approach was effective when interviewing began, it became apparent that not enough interviews would be secured in this way to achieve our overall target (1,500 interviews). Students often did not turn up for their appointment, or room changes caused confusion and appointments were missed. As a result, it was necessary to recruit students on the days on which interviewers were in college. Student services helped with this and directed any relevant and willing students to MORI interviewers. In addition, interviewers used a snowball technique, whereby students taking part in interviews were asked if they knew of anyone else who could participate in the survey, ie who was in receipt of LSF. Screener questions were asked of all these 'additional' students to ensure that they were in receipt of LSF and had not already been interviewed. In all, 1,445 interviews were carried out during the two-month period.

Because of the problems incurred when recruiting the student sample, and due to the lack of official ISR data on the 2001/02 FE student cohort (at the time the survey and analysis was carried out) we have been unable to compare our survey sample with the LSF population as a whole, or indeed to weight the results to be representative of the LSF recipient cohort. However, respondents to the survey were primarily female (64 per cent), aged between 16 to 18 (54 per cent) and full-time students (83 per cent). These key data are broadly in line with the LSF population in 2000/01, as reported by the ISR, and we are confident that the results contained in the student survey are indicative of the student experience of LSF.

1.4 Structure of the report

This final report pulls together all the various elements of the evaluation in order to answer the key research questions, and to ascertain how effective the new student support measures are in achieving their intended purpose to influence student access, retention and participation in further education.

- Chapter 2 provides an overview of the FE sector and the wider policy context before moving on to explore the key features of the new student support arrangements in more detail.
- Chapter 3 discusses the operation of the new student support arrangements on the ground, and examines delivery arrangements and priorities, and marketing and evaluation at the local level.
- Chapter 4 looks specifically at who does and who does not receive Learner Support Funding, and explores the value of the awards made.
- Chapter 5 examines the impact of the Learner Support Funds on access, retention and participation.
- Chapter 6 presents our overall conclusions from the evaluation and discusses the possible future of LSF in the light of the ever-changing policy agenda.

There are two appendices attached to this report:

- Appendix 1 contains the bibliography.
- Appendix 2 presents the results of the multivariate analysis undertaken on the ISR/Manual Returns data.

2. The Policy Context

This chapter explores the context for the study and draws on the extensive literature review that has been undertaken throughout the life of the project. The chapter begins with an overview of the sector, and describes its size and scope. It then moves on to explain the background to the introduction of the Learner Support Funds and discusses their current shape and form.

2.1 The further education sector

The further education sector provides post-compulsory education and is the largest education service for people over the age of 16. It involves over twice as many students as the higher education sector; accounts for over half of all the vocational qualifications gained per year (NAO, 2001) and caters for approximately seven per cent of the population, including roughly one-third of all young people aged 16 to 18 (AOC, 2002).

As we can see from Table 2.1, the FE sector is large and has been growing. In 1995/96 there were 3.05 million students in funded FE colleges and external institutions in England, rising to 3.46 million students in the 2000/01 academic year. Since the mid 1990's, general further education colleges, tertiary colleges and sixth form colleges have seen an increase of over 40 per cent in their student numbers, although the numbers peaked in 1997/8, then fell for a further two years, but rose again in 2000/01 (LSC, 2002).

The sector is not only large, it is also diverse in terms of student characteristics, study characteristics (including the mode and level of study) and type of institution. Indeed, the Association of Colleges notes:

'Further Education provides an enormous tapestry of different courses, college types and opportunities for people to improve skills and qualifications'.
(AOC, 2002)

Table 2.1: Student numbers (thousands) in further education (England only)

Institution	95/96	96/97	97/98	98/99	99/00	00/01
General FE (FEFC/LSC)	2,510.7	2,878.4	2,898.5	2,775.9	2,699.4	2,803.7
Sixth Form Colleges (FEFC/LSC)	166.0	199.0	184.3	190.8	190.6	197.4
Other colleges (FEFC/LSC)	49.5	53.6	54.1	48	46.9	56.1
External Institutions	326.1	315.2	309.6	300.7	308.9	347.6
Higher Education Institutions	*	*	44.6	62.6	57.9	55.8
All FEFC/LSC funded FE	3,052.3	3,446.2	3,491.1	3,378	3,303.7	3,460.6

Notes: * indicates that this data is unavailable for the year in question

Source: Learning and Skills Council, 2002, Statistical First Release 22 table 4

FE student characteristics

Students in FE range from 16 years old to post retirement age. Essentially though, the sector has two distinct markets: young people, ie those between school leaving age and below 19 years old (that is, aged 16 to 18), and adults aged 19 and over.

There are high participation rates in further education amongst young people, and there are proportionately more young people (aged 16 to 18) in sixth form colleges, further education colleges and external institutions than there are in school sixth forms (see Table 2.2 which provides the participation rates for young people). In England in 1999/00, 37 per cent of 16 year olds, 31 per cent of 17 year olds and 14 per cent of 18 year olds were in full time further education institutions, compared to 35, 28 and 3 per cent respectively in school sixth forms (DfES, 2001, DfES/OFSTED, 2002). This would suggest that students taking a break from education, or those starting a course later in their lives (ie at the age of 17 or 18), are less likely to return to a school sixth form than individuals going straight into further education from statutory education (ie those at the age of 16).

Table 2.2: Full-time participation in school and further education by young people (per cent)

Age*	Education	1996/97	1997/98	1998/99	1999/00
Age 16	School	34.0	34.4	34.5	34.9
	Further education**	35.8	35.0	35.3	36.7
Age 17	School	26.4	26.8	27.4	27.9
	Further education	31.0	30.0	30.0	30.5
Age 18	School	3.1	3.1	3.1	3.2
	Further education	15.4	14.4	14.3	14.4

Notes: * data on the participation rates of individuals over the age of 19 are not available from this source

Notes: ** further education in publicly (FEFC/LSC) funded institutions of further and higher education, including sixth form colleges, but excluding school sixth forms

Source: DfES Departmental Report, 2002, Annexe K

Table 2.3: Numbers (thousands) and proportion (per cent) of students in further education by age range (England only)

Age	Numbers (thousands)				Proportion (per cent)			
	97/98	98/99	99/00	00/01	97/98	98/99	99/00	00/01
Under 16	11.4	6.9	6.5	6.4	0	0	0	0
16 to 18	669.4	650.7	637.4	629.4	19	20	20	18
19 plus	2,757.3	2,679.2	2,612.0	2,779.7	80	80	80	81
All Known*	3,438.1	3,336.8	3,255.9	3,415.5	100	100	100	100

Notes: * these figures are smaller than those in Table 2.1 as age data is not available for all students

Source: Learning and Skills Council, 2002, Statistical First Release 22 table 4

Table 2.4 illustrates quite clearly that there are more women studying in further education than men, and this has been gradually increasing. At present, for every two male students, there are roughly three females.

Last year, approximately 14 per cent of the further education student population were from an ethnic minority group (derived from ISR 21 data). Indeed, widening participation statistics produced by the Further Education Funding Council indicate that nationally, further education institutions are recruiting a higher proportion of students from ethnic minority groups than the percentage in the population generally (FEFC, 2000).

Study characteristics

Students in further education can study full-time, that is, at least 16 guided learning hours per week, for a full academic year; they can study full-time, but for less than the full year; or can study part-time for less than 16 guided learning hours per week. The vast majority of FE students (75 per cent) study part-time, with 19 per cent studying full-time for a full year, and six per cent on full-time courses but for only part of the year (see Table 2.5). Since the mid 1990s, the sector has seen a slight decrease in the numbers studying full-time for a full year. However, over the same time period, the sector has witnessed an increase in part-time study of over 60 per cent and a dramatic increase in short courses of over 90 per cent (LSC, 2002).

Table 2.4: Numbers (thousands) and proportion (per cent) of students in further education by gender (England only)

Age	Numbers (thousands)				Proportion (per cent)			
	97/98	98/99	99/00	00/01	97/98	98/99	99/00	00/01
Female	1,959.7	1,933.0	1,918.8	2,041.3	56	57	58	59
Male	1,531.5	1,444.8	1,384.8	1,419.2	44	43	42	41
All	3,491.2	3,377.8	3,303.6	3,460.5	100	100	100	100

Source: Learning and Skills Council, 2002, Statistical First Release 22 table 4

Table 2.5: Student numbers (thousands) and proportion (per cent) in further education by mode of study (England only)

Age	Numbers (thousands)				Proportion (per cent)			
	97/98	98/99	99/00	00/01	97/98	98/99	99/00	00/01
Full-time full year	699.6	682.8	679.6	651.3	20	20	21	19
Full-time part year	249.2	237.5	210.0	220.8	7	7	6	6
Part-time	2,542.4	2,457.6	2,414.0	2,588.4	73	73	73	75
All	3,491.2	3,377.9	3,303.6	3,460.5	100	100	100	100

Source: Learning and Skills Council, 2002, Statistical First Release 22 table 4

The further education sector also offers a range of qualifications, from entry and foundation level qualifications (NVQ level one and equivalent) right up to higher level qualifications (NVQ level five and equivalent). As we can see in Table 2.6, in the 2000/01 academic year, students in further education institutions (in England) were studying for 6.68 million qualifications, which is an increase of 17 per cent from the year before (LSC, 2002). The Learning and Skills Council, the new agency tasked with planning and funding post-16 education and training, attributes this increase to a broader curriculum for younger students and the introduction of more short courses for adult learners (LSC, 2002). In the last full academic year (2000/01) 34 per cent of qualifications that students were working towards were entry level and level one, 33 per cent were level two (eg high grade GCSE) and 31 per cent were level three (eg 'A' level). Only one per cent of qualifications studied for were higher than level three (LSC, 2002).

As we might expect, adult learners and young learners have different study characteristics (see Tables 2.7 and 2.8) and individuals over the age of 19 are far more likely to be studying part-time than their younger counterparts (87 per cent of the older age group were studying part-time compared to just 22 per cent of 16 to 18 year olds).

Table 2.6: Numbers (thousands) of qualifications being studied for in the further education sector in 2000/01, by level of qualification and type of institution (England only)

	General FE	Sixth Form	Other	External Institution	HEI	All
Level 1 and entry	1,541.8	72.4	26.9	182.8	10.3	1,834.2
Level 2	1,499.1	145.4	38.8	89.9	14.6	1,787.8
Level 3	1,100.5	502.3	25.0	36.6	23.8	1,688.2
Level 4, 5 and Higher Education	63.0	0.6	0.6	0.8	1.5	66.5
Unknown	1,077.3	46.0	18.6	131.6	28.1	1,301.6
All levels	5,281.7	766.7	109.9	441.7	78.3	6,678.3

Source: Learning and Skills Council, 2002, Statistical First Release 22 table 3

Table 2.7: Numbers of qualifications (thousands) and proportion (per cent) being studied in the further education sector in 2000/01 by level of qualification and age (England only)

	Numbers (thousands)			Proportion (per cent)			All
	Under 19	19 to 59	60 plus	Under 19	19 to 59	60 plus	
Level 1 and entry	469.3	1,195.3	150.3	20	43	70	34
Level 2	780.4	945.1	50.3	33	34	23	33
Level 3	1,079.9	587.6	14.8	46	21	7	31
Above Level 3	2.4	63.4	0.5	0	2	0	1
Unknown	180.6	963	130.5				
All levels	2,512.6	3,754.4	346.4	100	100	100	100

Note: Those with ages unknown are not reported here

Source: Learning and Skills Council, 2002, *Statistical First Release 22 table 3*

Younger learners study for more, and higher level, qualifications than adult learners. Last year in England, those under 19 studied for an average of 3.95 qualifications, and adult learners studied for an average of 1.47 qualifications. Just under half (46 per cent) of the qualifications studied for by young people were level three (eg 'A' level) compared to only one in five of the qualifications undertaken by adult learners. Adult learners were much more likely to be following basic and foundation level courses (45 per cent).

Institutions

The FE sector is made up of a range of institutional types. There are general further education colleges and tertiary colleges, which tend to be large, offer a wide range of courses, and have both full and part-time students of all ages. Then there are school sixth forms and sixth form colleges (not linked to schools) that have traditionally offered full-time (academic) education to 16 to 19 year olds. There are also specialist colleges, which tend to be smaller and offer a narrow range of specialist courses such as agriculture, horticulture, art, design or performing arts. (NAO, 2001). The sector also includes external institutions, which are institutions maintained by Local Education Authorities and other education providers, such as private colleges and voluntary organisations outside of the FE sector but incorporated into the Further and Higher Education Act 1992. These external institutions tend to offer what has been termed adult and community learning.

Table 2.8: Numbers (thousands) and proportion (per cent) of students in LSC funded institutions in the further education sector in 2000/01 by age and mode of study (England only)

	Numbers (thousands)				Proportion (per cent)			
	Full-time full year	Full-time part year	Part-time	All	Full-time full year	Full-time part year	Part-time	All
Under 16	0.7	1.7	4	6.4	11	27	63	100
16 to 18	473.2	1.6	140.2	629.4	75	3	22	100
19 plus	176.5	198.6	2,404.5	2,779.6	6	7	87	100
Total known	650.4	216.3	2,548.7	3,415.4	19	6	75	100

Source: Learning and Skills Council, 2002, *Statistical First Release 22 table 1d*

In 2000/01, in England, there were 424 sixth form and FE colleges accounting for 88 per cent of students, and 205 external institutions offering further education courses and accounting for 10 per cent of students. A further two per cent of students were studying across a handful of Higher Education Institutions (LSC, 2002). One in five young learners attended a sixth form college compared to only two per cent of adult learners, and one in ten adult learners studied at an external institution compared to only two per cent of young learners (LSC, 2002).

We should note here that data on students in school sixth forms is not yet available in a comparable (LSC) time series and thus is not routinely presented in this chapter. However, at the end of August 2001, 410,515 people were studying in school sixth forms. Fifty one per cent of these students were female and 49 per cent were male. Most students in school sixth forms (funded by the LEA) were young: 53 per cent were aged 16, 42 per cent were aged 17, four per cent were aged 18, whilst just one per cent were aged 19 or more (DfES, 2002).

2.2 Drivers for change

As we have seen, the further education sector is large and diverse, and is becoming increasingly so amidst government policies which aim to increase and widen participation in education, and to encourage lifelong learning. Of particular note here are:

- the emphasis on increasing achievement and widening participation
- new policy initiatives to promote flexible forms of learning and improve access to information, advice and guidance on learning opportunities
- the introduction of a single system to plan and deliver post-16 education.

We briefly review these key policy drivers before looking in more detail at the development of the Learner Support Funds.

2.2.1 Increasing achievement and widening participation

‘Learning is essential to a strong economy and an inclusive society. In offering a way out of dependency and low expectation, it lies at the heart of the Government’s welfare reform programme. We must bridge the ‘learning divide’ — between those who have benefited from education and training and those who have not — which blights so many communities and widens income inequality’.
(DfEE, 1998)

The Government recognises the importance of learning to individuals, businesses and to the economy. Indeed, it is viewed as the key to prosperity, social cohesion and economic growth; and to ensuring a well-educated, well-equipped and adaptable labour force.

To this end, the Government has set a series of national learning targets which underpin their commitment to learning and provide a focus to increase participation and raise attainment levels. These targets are noted below, along with recent data from the Department for Education and Skills on the progress made to date in italics (DfES/OFSTED, 2002). By 2002, the Government aimed that, in England:

- Eighty-five per cent of 19 year olds were to have achieved a level two qualification (five GCSE’s grades A to C or equivalent). *In fact, 74 per cent of this cohort had achieved a level two by 2001, and the target was increased to 88 per cent to be achieved by 2004.*
- Sixty per cent of 21 year olds were to have achieved a level three qualification (two ‘A’ levels or equivalent). *54 per cent of this cohort had achieved level three by 2001.*
- Fifty per cent of adults (aged 18 to retirement age) in work or seeking work, were to have achieved a level three qualification (two ‘A’ levels or equivalent). *47.8 per cent of the cohort had achieved this by 2001.*
- Twenty-eight per cent of adults (aged 18 to retirement age) in work or seeking work, were to have achieved a level four qualification (degree or equivalent). *27.8 per cent of the cohort had achieved this level of qualification by 2001.*

However, setting targets to increase the numbers of people in learning is not the only driver behind the expansion of the FE sector. In 1997, the Committee on Widening Participation, an advisory body to the Further Education Funding Council, argued that policies to increase participation and achievement in learning had mainly provided opportunities to those who had already achieved, rather than those who were disadvantaged educationally. The Committee, chaired by Baroness Kennedy, called for widened participation, rather than just increased participation:

‘Widening participation means increasing access to learning and providing opportunities for success and progression to a much wider cross section of the population than now. All those who are not fulfilling their potential or who have underachieved in the past must be drawn into successful learning’.
(Kennedy, 1997, p. 15)

Further education was identified by the Committee as the key mechanism for widening participation in post-16 learning and to creating a self-perpetuating learning society:

'It offers first choice and second chance learning opportunities for young people. Its diversity means it has the potential to reach out to adults who can become new learners in their homes, in factories, in shops and offices, in the schools where their children learn and in a host of community venues. It can offer a variety of first steps of starting points for learners. It can offer updating for those in and out of work, and an impressive and comprehensive range of progression routes, reaching higher education and beyond'. (Kennedy, 1997, p. 25)

In response to the Committee's report (the Kennedy Report) the Government indicated that they wanted to engage in learning, those who had traditionally not taken advantage of educational opportunities. They aimed to do so by developing learning opportunities, extending access, increasing the availability and flexibility of learning, and removing financial barriers to learning. To this end, the Government provided funds to widen access by funding more than 80,000 additional places within FE. In addition, the Widening Participation Factor was introduced, which provided a mechanism by which extra resources were allocated to FE institutions to meet the additional costs incurred by institutions in attracting under-represented groups to learning, and in supporting these learners throughout their learning programmes. Further funding enhancements have subsequently been introduced which provide additional resources to FE institutions to cover the additional learning and support costs incurred in attracting and retaining learners who come from disadvantaged areas.

2.2.2 New policy initiatives to promote learning

The Learning Age Green Paper (*The Learning Age: a Renaissance for a New Britain*, DfES, 1998) set out the Government's vision and agenda for a learning society and lifelong learning. The central tenet of this paper was the need to learn continuously throughout life, and to continue to develop the skills, knowledge and understanding that are essential for employability and personal fulfilment. In the paper, the Government pledged to invest in learning for everyone, and to lift barriers to learning. Many initiatives were introduced to support this vision and to encourage lifelong learning, including the Adult and Community Learning Fund, which was launched in 1998 to help people, particularly those disadvantaged in society, to gain access to learning, and **learndirect**, which has been introduced to make education and training more flexible and accessible for all, regardless of age, gender, disability, ethnicity or economic activity. **learndirect** offers information and guidance on learning opportunities, in addition to providing learning itself, mainly via the use of information communications technology (ICT).

The Government also recognised the need for good quality information, advice and guidance about learning opportunities in their white paper *Learning to Succeed* in 1999. April 2001 saw the launch of the Connexions Service and 12 Connexions partnerships. The Connexions Service, aimed at 13 to 19 year olds, provides differentiated information, advice and guidance, access to personal development opportunities and intensive support for those who need it. Its aims are to increase participation and achievement in learning, and by 2003, Connexions partnerships should be established in all 47 local LSC areas. This service will complement the work of colleges, **learnirect** and others in providing accurate and accessible information about the FE sector. The service supports young people through a range of methods: via personal advisors, a telephone helpline, an internet portal and also outreach and drop-in centres:

'Connexions is different because it brings together the full range of services and support that young people need and provides a route map through them. It has a mandate to broker access on behalf of young people to the full range of services they might require. It works from a young person's perspective, looking across organisational boundaries to put together the high quality package of information, advice, personal development opportunities and other support that each individual needs'. (DfES, 2001b)

The Connexions Service is also administering £6 million of additional funding to FEIs to support the retention and achievement of young learners aged 16 to 19 in colleges. This funding will be used to improve information, advice and guidance to students regarding qualifications and courses etc. to ensure that young students make the most appropriate choices for success. (DfEE, 2000)

2.2.3 Single system for post-16 education and the LSC

Following the Learning Age Green Paper, the Government published the White Paper *Learning to Succeed: a new framework for post-16 learning*, in 1999. This document acknowledged the work needed to truly achieve the vision of the learning society and to overcome, *'the fundamental weakness in the current systems'*, (p. 6) noting that:

'Mechanisms for planning and funding [post-16] education and training are complex, inconsistent and confusing. Too many administrative layers means too little money reaches learners and employers. There is insufficient focus on skill needs and a lack of innovation'. (DfEE, 1999, p. 6)

The Government recognised the need to put learners at the heart of any system of learning, to provide equal access to education, training and opportunities to develop skills, and to provide support in the form of advice, guidance and financial help. The paper set out their proposals to modernise the framework of post-16 education and to raise quality by establishing a national agency to deliver all post-16 education and training, excluding higher education. The agency would, *'drive forward improvements in standards and bring greater coherence and responsiveness'*, (DfEE, 1999, p. 7). It would also operate a new simplified, flexible and customer-focused system of planning and funding post-16 learning that would support equality of opportunity and also meet the needs of those who face particular disadvantages.

The Learning and Skills Council and its 47 local offices were subsequently set up in April 2001, replacing the Further Education Funding Council (FEFC) and Training and Enterprise Councils (TECs) and bringing together responsibility for academic and vocational learning for the first time:

'The Council represents the first truly unified approach to the challenge of attracting people into learning, improving the quality of provision and raising skills of the nation by delivering a focused, cost efficient and effective service to young people and adults alike'. (LSC, 2002b, p.1)

The key objectives for the LSC are to extend participation in education, learning and training, to raise achievement of young people and adult learners including improving basic literacy and numeracy, and to raise the quality of education and training. Proposals for a 'strategy for success' which links colleges, schools, work-based and community learning providers, employers and other partners were outlined in a discussion document in 2002 (Success for All, DfES, 2002b). In brief, the aims of the strategy include extending choice and meeting need, developing the teachers of the future, and developing a framework for quality and success. Consultation on the strategy is now at an end and it is due to be implemented in early 2003.

2.3 Changing financial support for students in FE

Financial support for learners in further education can come from a variety of sources and, as with the broader policy context, the mechanisms in place have changed substantially over the years. Financial support can help students with:

- the direct costs of learning, such as course fees, books, materials and equipment
- the indirect costs of learning, such as the costs of getting to and from college or providing childcare
- residential costs (where appropriate, eg for courses at specialist colleges, or colleges beyond daily travel distance)
- incidental and emergency costs.

Publicly funded support can come from:

- the Learner Support Funds which include: general Access Funds, transport, residential, and childcare funds
- fee remission
- local authority discretionary awards, once a key source of support for learners but now in severe decline
- loans such as Career Development Loans
- Education Maintenance Allowances (EMAs), the new entitlement scheme, which after successful piloting, is set to be rolled out nationally
- college's own hardship funds.

We discuss these other sources of support below before describing in more detail the background to, and development of, the Learner Support Funds themselves.

2.3.1 Fee remission

All young people under 19 receive full support for the direct costs of learning: they are not liable for the payment of fees and receive free tuition for both full and part-time courses. For older learners in further education, institutions are free to decide their own fee policies, although benefit recipients (including those aged 19 and over) are entitled to fee remission across FE. Many institutions also provide free tuition for adults aged 19 or over and who follow basic adult education courses, or English for Speakers of Other Languages courses (ESOL) for which they are compensated by the LSC. The LSDA note that fee remission is the largest single element of support to further education learners, and that only a minority of individuals (34 per cent) pay any fees at all (Fletcher, 2001).

2.3.2 LEA discretionary awards

For many years, LEAs had the power to make discretionary awards to individuals (of all ages) on courses not designated for mandatory awards, eg those outside of full-time higher education courses leading to a first degree or equivalent, initial teacher training or HND (under the 1962 Education Act). These awards were completely discretionary, and criteria for receipt were determined at the local level, on a case-by-case basis (DfES, 2001). However, following over a decade of decline, leaving what amounted to a postcode lottery of support, central funding for these awards was diverted from the LEAs to the FEFC/LSC and further education institutions. This led to a substantial decline in expenditure on discretionary awards, the numbers of authorities making them and the numbers of individuals receiving them, and eventually discretionary awards in their existing format were abolished. In essence, these awards were considered to be inequitable and were not seen to be meeting student needs (DfEE, 1998b). However, the Schools Standards and Framework Act 1998, amended the 1996 Education Act to allow LEAs to continue to have the power to make payments to new FE students at their discretion, if they so declare this intention. In this way, LEAs can still support individuals who remain in schools after they are 16 and make discretionary awards to those in FE.

2.3.3 Career Development Loans

Career Development Loans were launched in 1988 by the Department for Education and Employment (now DfES) in partnership with three high street banks, and provide a deferred payment loan for adult learners (of at least 18 years of age) living or learning in Great Britain and following a vocational course. The loans, of between £300 and £8,000, can be borrowed by learners to cover up to 80 per cent of course fees (or 100 per cent for people who have been off work for three months or longer) plus the full cost of books, materials and other related expenses including travel and childcare. The loans cannot be used to pay for anything that is being funded by another source, but can be used to supplement a grant or bursary (eg Learner Support Funds) that does not meet the full cost of the individual's learning.

Recent research suggests that Career Development Loans do not play a significant role in supporting learners in further education (about 17,000 Career Development Loans are taken out per year) and that they have fallen short of their potential in terms of volume and range of applicants (Fletcher, 2001b; Fletcher (ed.), 2002). Indeed, a recent evaluation found that most successful applicants for these loans were young, well educated and well qualified, and are not typical of the population of working age. It also found that only six per cent of successful CDL applicants surveyed took up the loan to engage in learning within FE (Wells and Murphy, 2001). So, whilst CDLs were found to have a positive impact on the employment status of recipients, so far they appear to have only a limited impact on those studying within the FE sector.

2.3.4 Education Maintenance Allowances (EMAs)

The Education Maintenance Allowance scheme has been piloted in a number of colleges and schools since 1999. This is a financial entitlement scheme for young people aged between 16 and 19 who are in full-time education. Allowances are paid to these students relative to their family income, and therefore favour those from lower income families. The scheme was introduced to test the impact of allowances and bonuses on the number of young people remaining in education beyond the age of 16. The number of pilot schemes has increased, and more recently these have included variants covering transport (offering support in kind and/or direct payment for transport) and teenage parents (offering childcare support). Following the success of the pilot schemes, it was announced (to the approval of unions and employers) that the scheme was to be rolled out nationally from September 2004.

The scheme is means tested against parental income and is administered by Local Education Authorities, working closely with FE colleges and institutions, and provides eligible young people with a weekly allowance of up to £30 per week for up to two years, plus a termly and study end bonus. EMA payments are conditional upon meeting attendance and learning targets as set out in individual learning agreements signed by the student, their parents and the college. If these conditions are breached, EMA payments are suspended or stopped. This approach represents a new departure for the Government with regards to financial support for young learners, that of a 'something for something' approach.

As of February 2003, some 117,000 young people have benefited from the EMA pilot schemes, and recent research indicates that they are having a positive effect on further education participation amongst young people (Legard et al., 2001; Ashworth et al., 2001; Maguire et al., 2001). Studies have found gains in participation amongst eligible young people of between 3 and 11 per cent (averaging at 6 per cent) and have also indicated a positive impact on retention, young people's attendance patterns, commitment to study and performance. The greatest positive impact was found for young men, those in rural areas, and those eligible for full EMA payments.

When EMAs were first introduced, students in receipt of an EMA were ineligible for support from Access or Learner Support Funds, and institutions in pilot areas had their Access Fund allocations reduced accordingly. However, in 2000/01 students receiving a full EMA, but who could demonstrate significant financial need, were deemed eligible (eg for one-off expenses for equipment or books, to meet high travel costs or the cost of childcare). In this year, institutions in EMA pilot areas were given ten per cent of their Access allocations for young people. In 2001/02 this was increased to 20 per cent, and to 35 per cent in 2002/03. This move reflects the acceptance that not all costs can be covered by EMAs, and, *'give[s] institutions enhanced flexibility to provide for exceptional costs and to provide an effective safety net'*. (LSC, 2001). Essentially, students on low incomes who experience severe/additional financial difficulty, will receive a coherent and seamless package of financial support from FE institutions, whereby EMAs and Learner Support Funds will work alongside each other.

2.3.5 Hardship funds

Many FE institutions have their own hardship funds (drawn down from their central budget or from charity donations etc.), which are used to help students to meet the financial costs of studying. The first college survey carried out as part of this evaluation indicated that these funds were used to: help those not eligible to receive Learner Support Funds; to help with expenditure which falls outside of the realm of LSF; to provide extra help for those that do receive Learner Support Funds but who are still in significant financial hardship; and to provide immediate and emergency support, or to support group events.

2.4 The Learner Support Funds

2.4.1 Background to the development of the Learner Support Funds

Prior to the introduction of the Learner Support Funds, and with the exception of the LEA discretionary awards, the main source of financial support for students aged 19 and over in further education was the Access Funds which were administered by FE institutions themselves. These were introduced by the Government in 1990 to provide discretionary support for individuals in cases of hardship, or where financial constraints might inhibit access to education. Each FE institution administered their own monies and set their own criteria for receipt within national guidelines set by the (then) Department for Education and Employment (Herbert and Callender, 1997, DfES, 2001).

However, these funds were much criticised and calls were made for a system of financial support which enabled students to get the most from post-compulsory education. Research at the time concluded that the support systems that were in place in the late 1990s, including the Access Funds, were inadequate, not comprehensive, inequitable and not directed to those most in need. Indeed, the system was likened to a lottery:

'Access Funds, like Local Education Authority awards, are a lottery. They are too highly discretionary. It is up to individual colleges to decide how, and to whom, to disburse these funds among the eligible applicants. Like discretionary awards, they are an unreliable source of funding. There are no guarantees that a student will receive such financial support. As important, the level of support received on average is very low, it does not meet the full costs of participation, and the amount [students] receive has fallen in recent years'. (Herbert and Callender, 1997, p. xi)

The Kennedy Report (1997) called for fairness and transparency in financial support for learners, to incorporate a measure of need into the formula for distribution of financial support, an increase in Access Funds and a removal of restrictions on eligibility, and merging the Access Funds and childcare allocation to create a new fund. The Widening Participation Committee chaired by Kennedy (1997) referred to work by the Campaign for Learning and PSI to argue for a better system of support for post-16 learning:

'Financial and practical support for learners is crucial for widening participation. Barriers such as family and childcare commitments, costs and transport are clearly identified in a 1996 survey of the most important reasons for adults not participating in learning. Financial hardship is also a factor in drop out. Many of the people in the groups which need to be engaged more widely in learning have low incomes... We have concluded that the present system of support for post-16 learning is neither fair nor transparent'. (p. 65)

As a result, the Further Education Student Support Advisory Group was set up to advise the Government on how best to target and deliver financial support to further education students most in need. The group, chaired by Councillor Graham Lane, noted:

'We consider that a robust system of financial support is vital to deliver the Government's lifelong learning objectives, to widen participation and to ensure that students are able to make the most of the opportunities available to them... The current system of student support is clearly failing those it is designed to support. It is in desperate need of replacement'. (DfEE, 1998c, p. 29)

The group consulted widely, and recommended that there should be financial support for all young students and for adult learners on low incomes that would help them meet the costs of their education (eg transport, living, childcare costs). More specifically, they recommended that:

- All students living more than three miles from their institution should receive help with transport costs.
- All students in low income families should receive a termly allowance to meet the additional costs of studying.
- All students in low income families should receive help to meet the costs of lodging, if they are obliged to live away from home to study.
- Adult students should have access to childcare if they need it, and that those on low incomes should be entitled to help to meet the costs of childcare.

They felt that this provision should be supplemented by locally determined additional support, *'there is a general consensus that an element of local discretion should be retained in any funding model'*, (p.45). They also recommended that institutions and agencies in the sector, eg LEAs, schools and colleges, should work in partnership to deliver financial support so that students have the same entitlement to help them meet the costs of study regardless of where they live (DfEE, 1998c).

Following these critiques, the system of providing financial support to students in further education was revised. A variety of changes were introduced, largely in September 1999 (although other changes came later). The aim of the new support arrangements, the Learner Support Funds, was to improve student access, participation and achievement, particularly for those who are most disadvantaged and socially excluded. The arrangements, in practical terms, placed considerable emphasis on attracting into further education those who had traditionally not participated in post-compulsory education, and providing effective support so that they succeeded in their studies. The implications of these changes were that a wider range of the population would be eligible for support and that support would be targeted at those most in need of assistance, including older and part-time students.

The new arrangements involved:

- A more than sixfold increase in resources from £17 million (1998/99) to £112 million in 2001/02 (LSC, 2001).
- Extending Access Funds to younger students (aged 16 to 18) those in school sixth forms, part-time students and those in external institutions.
- More focused targeting on the basis of need through an increase in the weight given to widening participation in the allocation of funds to colleges.
- A transfer of responsibility from the Local Education Authority to the Further Education Funding Council and now the LSC (with the exception of school sixth forms until September 2002, and the option to offer discretionary awards which remained with the LEAs).
- Increasing the scope of the funds to provide dedicated funding for childcare support and support for study at specialist residential institutions.

The Learner Support Funds, as they are known generically, have three specific strands:

- general (or college) Access Funds, possibly known as hardship funds, which now include the Schools Access Fund (support for students in school sixth forms)
- childcare support
- Residential Bursaries.

Each of these elements are discussed below.

2.4.2 Access Funds

As we have noted above, college (or general) Access Funds are institutionally managed funds which deliver support to students who are considered to be in particular need (eg facing financial hardship relative to their learning). The amount of Access Funds that are available to individual students is decided by individual FE institutions using local (discretionary) criteria set within national guidelines.

Over the years that the Access Funds have been operating, they have grown in size and scope in order to support the increasing numbers of adult learners and to enable more students of all ages to be helped with a greater range of needs. In actual terms, Access Funds have increased from less than £10 million in 1997/98 to approximately £62 million in 2001/02 (LSC, 2001).

Access Funds, allocated by the LSC, are available to learners from the age of 16 in all further education institutions (including school sixth forms from September 2002). They are available to students on part-time and full-time courses (mainly those leading to recognised qualifications, although from 2001/02, the funds have been available to those following former non-schedule two courses — that is, courses which, whilst they do not lead to a qualification, enable people to develop knowledge, skills and understanding) and can, *'provide an important first step in returning to learning'*, and widen participation in learning (Kennedy, 1997).

Access Funds provide financial assistance to students to help cover living and learning costs, such as the cost of transport, books and equipment. Funding was used to support the foreseen and emergency costs of individual students, but could not be used to fund or provide for group or communal facilities, or to adapt buildings until 2001, when it was made available to support transport services and to provide transport support for groups of students. From 2002/03, further education institutions will be able to use LSF to support the transport legislation, whereby the local transport partnerships can agree collectively to use LSF to buy services and plug gaps in provision.

2.4.3 Childcare support

'Childcare enables both women and men to learn; learning parents create learning families. Those in families with children, in particular one-parent families, are less committed to learning than those without children. Childcare is essential if lone parents are to be encouraged to acquire the skills and qualifications for independence'. (Kennedy, 1997, p. 73)

Support for childcare in further education shifted from a unit-based tariff system to become part of the Learner Support family of funds in September 2000. At the same time, the funds were increased, lone parents and their unwaged dependents were specifically targeted for support, and assistance was provided for students with children aged under 15 (or 16 for children with disabilities). All colleges and external institutions in the sector that are eligible for general Access Funds, receive an allocation specifically for childcare.

In 2000/01, £89 million was allocated to the FE sector for Learner Support Funds and of this, £25 million was ring-fenced for childcare support. Eight per cent of this allocation went to students aged 16 to 18, whilst the remaining 92 per cent went to older students. At this time, the assistance provided to help with childcare could only be used to support the costs of formally registered childcare, that is, nurseries, crèche facilities, out of school hours care, and childminders. Informal childcare could not be funded.

In 2001/02, the Learning and Skills Council (replacing the Further Education Funding Council) assumed responsibility for the allocation of Learner Support Funds for students aged 16 and over. The total amount available for LSF in 2001/02 grew to £102 million, of which £30 million was ring-fenced for childcare support only. Whilst LSF is allocated or earned by institutions for different age groups and purposes and, generally speaking, can be spent flexibly across ages or areas of expenditure, childcare support is ring-fenced to ensure that there is a minimum level of support. Again, the bulk (£28 million or 93 per cent) of the childcare allocation was for adult learners, with just £2 million (or seven per cent) for 16 to 18 year olds. However, it became possible for the first time to provide support (in exceptional circumstances, ie where suitable registered provision was not available) for limited unregistered childcare if a cost was incurred. Recent developments in childcare assistance for students include a pilot to test a national entitlement scheme for childcare support with students in school and college sixth forms. This pilot, which began in September 2002, is expected to extend to all students aged 16 to 19 (including those in general further education colleges) in September 2003, and will increase the maximum payable for childcare support from £4,000 to £5,000 per eligible student per annum.

2.4.4 Residential Bursaries

Residential Bursaries were first introduced in 1999 to provide support for the living costs of students in specialist further education who were living away from home:

'Any grant for residential support is paid by the Council to colleges and institutions so that they may provide financial help to residential students whose access to, or completion of, further or higher education might be inhibited by financial considerations or who, for whatever reason including physical or other disabilities, face financial difficulties.' (FEFC, 1999)

The funds (£5 million) were available to only a small group of 51 institutions that offered specialist agriculture and horticulture courses, or art and design courses, and which attracted students from beyond a daily travelling distance. The funds were distributed to selected institutions on the basis of the number of full-time, full year students on relevant programmes. The monies, as with childcare support, were ring-fenced in that they could only be used to provide residential support to individuals. They could not be used to provide group support or to adapt buildings. The money could be used to help students in private rented accommodation or in accommodation owned or managed by the college. Students eligible to receive funding were home students at the specified institutions who were aged at least 16 and on full-time courses of at least ten weeks duration. Institutions could decide their own criteria and procedures for distributing the funds to students. However, the funds were to be targeted only towards those who faced financial difficulties with meeting the costs of residential attendance. The department also recommended that the maximum payment to an individual should not normally exceed £3,500 per annum:

'Learner support arrangements need to meet two distinct needs. They have to support those in exceptional need to meet ordinary living costs; and they have to support those of ordinary means to meet exceptional costs. The arrangements for support with the costs of residence, like the arrangements for student transport, fall into the later category.' (Fletcher and Kirk, 2001, p. 14)

In 2000/01, residential bursary funding was increased to £10 million, and in 2001/02 it was £10.5 million. Also in 2001/02, the Government recognised that some institutions would benefit from being able to use a margin of residential bursary funding to support daily travel, but only as a last resort and when fare costs could not be met using the general access allocation. In this way, students who do not have residential status, receive support from the residential bursary scheme to assist them with the costs of travelling to and from college.

As with childcare arrangements, a pilot scheme is being tested for students aged 16 and over who wish to study courses at NVQ level three or equivalent that are not available locally, or that are beyond daily travelling distance. In these instances, eligible students will be able to receive residential awards to cover (or assist with) lodging expenses. This pilot will run until the end of the 2003/04 academic year.

2.4.5 Schools Access Funds

Access Funds for students aged 16 to 19 and continuing students in school sixth forms, were called Schools Access Funds, and were managed separately from general or college Access Funds and Learner Support Funds until very recently. Schools Access Funds, like general Access Funds, provided financial help to students whose access to, or completion of, education might be inhibited by financial constraints. They also aimed to increase and widen participation and contribute to improvements in retention and achievement.

The funds were introduced in 1999 as a parallel scheme to general Access Funds and, until September 2002 (at which time, responsibility for school sixth forms shifted to the LSC) were allocated to LEAs by the DfES. The funds enabled LEAs to provide support for students who remained in school beyond compulsory school age, in effect, to support those who choose to attend a school sixth form as opposed to attending an FE college. They were intended in part to replace LEA discretionary payments but also to increase the overall level of support available to 16 to 19 year olds (DfES, 2001).

Monies available for the Schools Access Funding totalled £6 million in the 1999/2000 financial year, increasing to £9 million in 2000/01, and £10 million in 2001/02. From September 2002, the LSC took over the allocation of these funds from LEAs. From this date, the funds were merged with Learner Support Funds to create a single fund for all FE institutions (school sixth forms, sixth form colleges, FE colleges and external institutions) allocated and co-ordinated by the LSC.

2.5 Chapter summary

There is a large and growing further education sector in the UK which is also diverse in terms of:

- The **range of provision** available to students (ie vocational and non-vocational across a range of subjects and levels) mainly at level three or below, with an increase in the number of short courses available.
- The **type of institution(s)** which offer such courses. Whilst students within general further education and sixth form colleges make up 88 per cent of the total population, courses at tertiary colleges, school sixth forms, specialist colleges and external institutions (funded by LEAs) are also available.
- The **profile of students** within the sector. Eighty per cent of students within FE are adults, 75 per cent of learners study part-time, and there is a greater representation of ethnic minority students in FE than the population as a whole.

There are a range of Government policies which aim to increase and widen participation in education and encourage lifelong learning. These include:

- The setting of National Learning Targets which relate to the levels of qualifications achieved by different groups (eg the aim for 80 per cent of 19 year olds to have achieved a level two qualification, and 50 per cent of adults to achieve a level three qualification by 2002). There has been a great deal of progress towards these targets which have now been extended.
- The introduction of the Adult and Community Learning Fund offering opportunities to adults, and the Connexions service offering guidance and support to individuals aged 13 to 19.
- The establishment of the Learning and Skills Council as a single agency to deliver all post 16 education and training outside of HE.

Alongside these initiatives is the recognition that financial support (as part of a wider support package) is crucial for many students in entering, progressing and achieving within FE. Such support includes fee remission, Career Development Loans and Education Maintenance Allowances (which are now an entitlement following piloting, and offer a weekly allowance linked to attendance) and Learner Support Funds.

Learner Support Funds are the main focus for this study and involved £112 million being distributed to learners in 2001/02. They will now run alongside EMAs and were originally introduced to address calls for fairness and transparency in financial support to learners. The Learner Support Funds:

- Institutionally managed within national guidelines.
- Support low income students, with an emphasis on attracting learners from the most disadvantaged and socially excluded groups.
- Aim to improve access, participation, achievement and progression for these students across both full and part-time students working towards recognised qualifications.
- Offer support across transport, childcare, residential and general access needs, and cover the additional costs incurred by students as a result of attending FE (ie they were not designed to cover general living costs).

3. Operation of the Learner Support Funds

We turn now to look at the Learner Support Funds as they operate ‘on the ground’. In particular, we identify how the funds work, how they are administered, and the priorities afforded to the various elements of the Learner Support Funds. In this chapter, we draw on the literature review and evidence from the college surveys and the case studies.

3.1 How the Learner Support Funds work

As the LSC notes, the Learner Support Funds exist to help those who, without financial support, might not be able to start or continue to study. They are targeted towards particular groups, specifically, the most disadvantaged and the most vulnerable:

‘Ministers wish to focus help through FE Learner Support Funds on those in greatest need. Within the general context of widening participation, ministers also wish to see allocations used to give special priority to the groups identified by the Social Exclusion Unit as potentially excluded from further education’.
(LSC, 2001, p. 4)

In addition, the funds should promote equality of opportunity for learners:

‘Learner Support Funds are to help students overcome financial barriers to learning and promote wider access to ensure that people from all backgrounds, irrespective of where they live or their personal circumstances and responsibilities can take part in learning’. (LSC, 2002c)

Essentially, individuals who fulfil the eligibility criteria for LSF (as determined by national policy) do not automatically receive payments (as in the case of EMAs). Instead, eligible students may apply for funding and it is at the discretion of the college as to whether they receive any money and, if so, the amount received.

3.1.1 National fund allocation

The Government sets aside an amount for Learner Support Funds each year, which is allocated to institutions to be distributed and administered locally to the most appropriate individuals to support the costs associated with their learning.

In allocating the Learner Support Funds to institutions, the national administrator (now the LSC) takes account of numbers of students, the age profile of students, the availability of EMAs, and local levels of deprivation. The Funds are divided into separate pots and a formula is applied to arrive at a series, (funding rates per full-time equivalent student) from which an individual institution’s allocation can be calculated.

Funds are distributed to individual institutions in three instalments. The first instalment (of 50 per cent) is received in September (at the beginning of the academic year); the second (25 per cent) in December, and the final payment (25 per cent) is received in March (LSC, 2001). Monies allocated to FEIs for childcare or for Residential Bursaries cannot be used to support general access expenditure. However, monies allocated for general access can be used to support childcare or residence expenses. In other words, funds can be vired into, but not out of, childcare and residence funds. There is no restriction on FEIs with regard to the use of funds relative to individual age allocations, so institutions can move monies flexibly between the age groups, eg between the 16 to 18 funds and 19 plus funds.

3.1.2 National priority groups

As we have seen, the terms and conditions of the funds note: '*institutions will be expected to use financial support to contribute to the widening participation strategy*', (LSC, 2001). As such, the Government expects FE institutions to give priority to the following groups of students:

- students who are disadvantaged, disabled and/or have learning difficulties, who need support with transport, childcare or other associated learning costs
- those who have been in care, on probation, or are young parents or otherwise considered at risk
- lone parents
- those taking programmes where the primary learning goal is adult basic education or English for Speakers of Other Languages
- unemployed people receiving job seekers allowance (JSA)
- those receiving, or the unwaged dependents of, a means tested state benefit (including Working Families or Disabled Persons Tax Credit)
- students on low incomes or from low income families, identified by appropriate means testing.

Other priority groups may also be identified at the local level.

3.1.3 Management of the funds

As noted above, FE institutions have the discretion to distribute the funds that have been allocated to them to the individuals who, and at a level which, they deem most at risk. They can distribute the money either as a grant, or as a loan which the student must repay. Institutions set up their own criteria and procedures for considering applications and making payments to eligible students, and determine the factors to take into account in making funding decisions, taking the local economy into account. It could be argued that unevenness and difference continue to be an in-built part of the system, in that FEIs may adapt the use of funds in light of locally-defined priorities and needs. However, institutions do have to work within national guidelines, set by the Government, which work to reduce the overall amount of 'unevenness' that may result from differing college priorities. The national guidelines set out the types of students that are eligible for funding (see section 3.1.2), the groups that FEIs should prioritise for funding, and the responsibilities that FEIs distributing funds will have. This system, which balances local discretion with national recommendations, allows for both local responsiveness and national guidelines, setting out minimum standards, which emphasises transparency (Fletcher, 2001b; Kennedy, 1997). It allows for expenditure to be determined nationally but for monies to be distributed locally, to students (Kennedy, 1997).

3.2 Local aims

It is important that we identify the local aims for the Learner Support Funds in relation to widening participation, retention etc. as perceived by FEIs, and one of the primary reasons for undertaking the second survey of FEIs (see Section 1.3.4) was to capture the priorities of institutions across the sector. To achieve this, respondents to the survey were asked to say whether or not each of the funds helped to achieve a range of aims and how effective each of the funds was in achieving these aims.

3.2.1 Access Funds

When asked about Access Funds, FE institutions do appear to use them to help meet their broader aims (see Table 3.1). This is particularly true in improving retention and widening participation, with over 90 per cent of respondents indicating that the fund is used to achieve these aims. However, Access Funds are also used by the vast majority of FEIs to improve attendance and attainment. This figure is lower however, for using the funds to improve progression routes at institutions, perhaps indicating that the funds are seen as less relevant in this respect.

Table 3.1: Whether student Access Funds are being used to achieve institution(s) aims

Aim	Number agreeing	%
Improve retention	299	92
Widen participation	295	91
Improve attendance	280	86
Improve attainment	245	75
Improve progression routes	168	52
Other aim	23	7
Base	325	100

Source: Second LSF College Survey, IES 2002

3.2.2 Childcare support

As Table 3.2 shows, childcare support is used by almost 95 per cent of FE institutions offering the fund in widening participation. Similarly, high percentages of institutions state that they used childcare support to improve retention and attendance (over 80 per cent in each case). Childcare support appears to be less utilised, however, in terms of attainment and progression.

Table 3.2: Whether childcare support is being used to achieve institution(s) aims

Aim	Number agreeing	%
Widen participation	254	93
Improve retention	237	87
Improve attendance	222	81
Improve attainment	167	61
Improve progression routes	124	45
Other aim	14	5
Base	274	100

Source: Second LSF College Survey, IES 2002

3.2.3 Residential Bursaries

Residential Bursaries are a less common type of fund than Access Funds and childcare support, and this is reflected in the numbers of institutions in the college sample responding to questions on this issue. The number of institutions reporting that they offered Residential Bursaries to their students was only 26. However, these respondents were asked to comment on the same issues as for the other funds (see Table 3.3). With regard to national priorities, FE institutions generally appear to use Residential Bursaries to widen participation and to improve both attendance and retention. However, around 70 per cent of institutions also use the fund to improve attainment, a much stronger result than for the other two funds. Again, however, the fund was used relatively little in relation to progression routes.

Table 3.3: Whether Residential Bursaries are being used to achieve institution(s) aims

Aim	Number agreeing	%
Widen participation	22	85
Improve attendance	19	73
Improve retention	18	69
Improve attainment	18	69
Improve progression routes	10	39
Base	26	100

Source: Second LSF College Survey, IES 2002

3.3 Local priorities

Another issue for FE providers is who to prioritise in their allocation of the funds. Respondents to the second college survey were asked to consider a range of different student groups and state whether they felt they were a low, medium or high priority in the criteria for, and/or targeting of, funding at their institution(s). Table 3.4 identifies those given high priority for each of the three funds (ie Access Funds, Childcare Support and Residential Bursaries). The overall base number given is for the number of FEIs administering that particular fund to students.

From this table we can see that the groups of students that are afforded the highest priority in the allocation of Access Funds are, as would be expected, those with a low household income who are in receipt of benefits. FE institutions also appear to target the funding mainly at full-time students, with 80 per cent of institutions giving them high priority status, compared with only just over 50 per cent of part-time students. Other high priority groups include lone parents, students aged 19 and over and those with childcare needs. Refugees are given a relatively low priority in comparison, which is surprising given the likelihood that they will be on very low incomes. However, this finding may reflect the fact that many colleges taking part in the survey do not have large refugee populations and thus they are not an issue when prioritising Access Funds.

For childcare support, the high priority groups are somewhat different. As would be expected, individuals with childcare needs are the group given the highest priority, closely followed by individuals on benefits and lone parents. Childcare support, as is the case for Access Funds, appears to be targeted more at full-time students than part-time, but less so than Access Funds. Eighty per cent of respondents believe this group to be a high priority, versus 65 per cent for part-time students. Not surprisingly, childcare support is considered a higher priority for students aged 19 and over, than for younger students, and again (as for Access Funds) refugees are a relatively low priority in relation to childcare support.

Table 3.4: Different student groups and their priority status for receipt of LSF

Target Group	High priority status (%)		
	Access Funds	Childcare Support	Residential Bursaries
Low household income (benefits)	92	91	100
Full-time students	80	80	95
Lone parents	77	88	40
Students aged 19 years and over	75	78	62
With childcare needs	73	92	25
Students aged 16 to 18	70	59	71
From disadvantaged areas	70	68	50
Individuals with learning difficulties and/or disabilities	66	59	47
High cost travel needs	63	45	93
Low household income (not benefits)	61	65	78
Ethnic minority students	57	58	60
Part-time students	54	65	17
Refugees (eligible for support)	54	53	18
Base	325	274	26

Source: Second LSF College Survey, IES 2002

When institutions offering Residential Bursaries were queried about their priorities, all these FEIs gave students from a household receiving benefits a high priority. Again, full-time students emerge as a stronger priority than part-time students, but this is as would be expected, due to the nature of Residential Bursaries and their intended recipients, (full-time students). Also, in line with the nature of the fund, students with high cost travel needs are a particular priority as these are the students most likely to need a residential place or support with travel costs, in order to study at the institution.

3.4 Local criteria

FEIs are required to use financial indicators (eg benefits and income) in allocating LSF funds. However, during the case study interviews (see Section 1.3.5) we found that there were a number of ways in which FEIs have approached this. Some examples of the specific criteria used by FEIs in awarding funds include:

- a fixed income, above which students are not entitled to funding
- the use of a sliding scale of income with different levels of funding at each point on the scale
- taking into account expenditure as well as income
- a system where students ask for the amount of support they need (with guidance provided) versus systems where the college makes this decision without input from the student.

Generally speaking, FEIs reported that the flexibility afforded by the ability to add local criteria to national guidelines for allocating and distributing LSF, was particularly beneficial. One example is where a college gave support to twins who had joined the college, but whose parents' collective income exceeded the usual threshold. However, at least one case study expressed a desire for more guidance on how the funds should be spent. *'It's just a case of here's a pot of money, do with it what you will'*. Overall though, the feeling amongst the case study colleges appeared to be that the level of discretion was 'about right'.

Further evidence for this was again collected as part of the second college survey. Table 3.5 presents the responses to a number of questions about the three main funds. Data are presented which relate to those agreeing with each of the statements. The data show that institutions appear to be generally happy with the levels of discretion they are given, both in relation to fairness and efficiency of distribution, although Residential Bursaries are felt to be less efficient than the other two funds in terms of the discretion allowed.

3.5 Local distribution

Table 3.5: Institution views on the equity and effectiveness of Learner Support Funds (those agreeing with each of the statements)

Aspect of the fund	Student Access Funds %	Childcare Support %	Residential Bursaries %
Colleges/institutions are given enough discretion to ensure the distribution of funds is always fair	73	75	80
Institution(s) are given enough discretion to distribute funds efficiently	77	74	58
The fund is effective in meeting its aims	59	60	71
Colleges/institutions possess enough resources to administer the funds	23	25	33
Base	317	270	24

Source: *Second LSF College Survey, IES 2002*

A wide range of local approaches to the distribution of LSF were identified from policy documentation received as part of the first college survey (see Section 1.3.3) which was undertaken as part of this evaluation, and during the case study interviews with college personnel. In the main, these approaches centred around four themes which are illustrated below.

3.5.1 Spreading or narrowing the net as a means of targeting funds

Essentially, some FEIs add local criteria to the national criteria/guidelines set by the DfES, thus casting a relatively narrow net for funding. In such FEIs, there is an expectation that very many of those applying will receive support, and the use of transparent and explicit criteria effectively deters applicants who would be unlikely to receive LSF because they do not meet these criteria. Other FEIs appear to spread the net more widely, using looser eligibility criteria, eg just national criteria, loosely applied. However, this approach tended to result in a higher rate of refusals for support. Having said this, a very large majority of applications for LSF were successful, indeed the first college survey found that over 90 per cent of applications for LSF were granted.

3.5.2 Personalisation versus automation

We identified a spectrum of practice ranging from highly discretionary and ad hoc treatment of individual claims in some FEIs to, at the other end, a highly automated process for applications and set amounts for payment. For example, clear eligibility criteria combined with a detailed application form and a requirement for supporting evidence, enabled some institutions to apply a formula to applications to allocate funding to individuals. LSF could then be awarded at standard or tiered amounts according to a series of factors, eg income level or expenditure requirements. In this way, the treatment of applications became almost automated.

Plainly, larger institutions (or those operating partnership arrangements) were better placed to automate the process than were small institutions, and could take advantage of economies of scale in the administrative costs of allocating the funds.

3.5.3 Thick versus thin distribution

Some institutions concentrated resources on a smaller number of recipients, while others spread their funds more widely across a larger number of recipients. We might assume that those who spread thinly are more likely to be those applying a high degree of process automation, as this process requires less discretion to identify particularly needy cases.

3.5.4 Front-loading versus termly allocations

There was a considerable difference between those FEIs allocating a large proportion of their funds relatively early in the year, and those who held back specified amounts for allocation on a termly basis. Institutions that allocate on a termly basis believe this is fairer overall, and can aid retention. Those who front-load may demonstrate a particular desire to ensure that the funds have maximum impact on decisions to participate and/or to deter very early leavers.

3.6 Local administration

3.6.1 Scheduling of applications and payments

The first college survey also found that although institutions received funding termly, their timetable for the use of funds varied widely:

- some required students to apply each term
- others had just one deadline for applicants during the year (usually between July and October)
- others operated a 'no deadline' system, with applications welcomed throughout the year.

We have seen that a key purpose of the Learner Support Funds was to widen participation, that is, to encourage into further education a wider group of learners than would otherwise participate. However, not all FEIs encouraged pre-enrolment applications for funding, and those that did would not release funds until all enrolment procedures were completed.

Decisions about applications were rarely, if ever, instant (apart from relatively small decisions on applications to the Hardship Fund). On average it took twelve working days to process applications in FE colleges, and was only marginally quicker in other institutions. Having said this, we have found no evidence to suggest that this time-lag resulted in students dropping out from their studies. What is arguably of more concern, is the extent to which potential learners can accurately predict the support they will receive, when considering enrolment, ie prior to starting their studies, which may have a greater impact on participation.

3.6.2 Application forms, assessment and appeals

Comments and policy documents received as part of the first college survey suggests that, without exception, application forms were used in the distribution of funding, although the approach to application forms differed.

Some institutions used one generic form for all applicants, expenses and funds, whilst others had highly specialised forms. Some institutions provided assistance with completing funding applications, and in some cases this support was built into the application process as a form of interview (and information validation process).

Interviews would appear to be fairly common amongst institutions, although FEIs differed in the numbers of students seen:

- Some had a policy of interviewing all applicants (enabling staff to explain the application process to the student and to make an initial assessment of the claim and verify eligibility). Twenty per cent of institutions interviewed all young applicants and 30 per cent interviewed all older applicants.
- Just under half of the institutions surveyed interviewed only some of their applicants. Some institutions interviewed only certain categories of applicant, eg late applicants, applicants for extra/further funds, applicants for childcare or residential bursary funds, applicants for emergency funds or with special financial needs, and those with borderline cases.
- Others used application form evidence only and interviewed solely where clarification was necessary or additional information was required.

Many institutions required supporting documentary evidence in funding claims. Evidence of income, expenditure (general out-goings and specific expenses) independence, dependents, and attendance was often requested.

Many FEIs regularly convened assessment panels to make funding decisions and individual awards. Panels tended to comprise two or three members and included representation from: finance, college management, college board, student services, administration/corporate services or resources, welfare services, careers, student advisers, fund administrative staff, and often the Principal or Assistant Principal. However, not all institutions convened panels, especially in emergency situations, where decisions could be made without recourse to the whole panel.

The majority of policy and strategy documentation that we received during the first college survey contained information about an appeals process. Generally, appeals against unsuccessful LSF claims were required in writing within a fairly tight set period from the date of notification of the disputed decision (eg one or two weeks). Appeals were generally only considered if either material information had changed, or had not been taken into account in the original allocation decision. Appeals could be one or two stage processes, and those involved in hearing the appeal tended not to be those involved in hearing the original disputed decision.

3.6.3 Payment periods and methods

The first college survey and the case study visits found that there was considerable variation in the payment periods used by institutions. Institutions used a wide range of methods of payment: cheque, cash, direct payments into bank accounts, although wherever it was practical to do so, institutions avoided paying money directly to students. For example, childcare fund payments were made directly to registered childminders, travel/bus passes were provided to cover travel costs, or books and equipment were purchased directly for students. This complied with FEFC good practice and reduced the likelihood of conflict with entitlement rules for state benefits. Payment methods such as drip-feeding money, and paying intermediaries, reduced the risk of LSF not being used for the declared or intended purpose, and was reported to help students to budget. However, these methods also increased the administrative and transaction costs for the institution.

3.7 Marketing the funds

FE institutions responding to the first college survey, and colleges involved in the case studies, regarded the marketing and publicity of the Learner Support Funds as important. We outline here the steps that are being taken by institutions to try and get information out to students.

The levels of marketing within colleges were related, in many cases, to the levels of demand for funding. Those colleges that had been able to distribute the funds easily in prior years were less likely to offer information to students prior to their application to the college. Some colleges reported that they were unable to embark on extensive advertising campaigns to potential students for fear of stimulating demand to such an extent that they could not then meet it within their overall allocation. Generally, this tended to be more of an issue for smaller colleges and those in areas without an EMA pilot. However, even larger colleges where demand is already high did not always engage in a great deal of marketing.

Case study respondents reported that:

'We don't do anything out of the ordinary as the take up is already high. In effect, we don't need to.'

'There isn't really a need to advertise as those in the culture of benefits know that there are funds available and to come and ask. Those on low incomes rather than benefits might not know though, so might lose out.'

'There can be problems in taking a pro-active approach. There are no advanced details on the budget for the following year which makes direct marketing difficult.'

In some institutions, however, information was distributed prior to enrolment. For some of the students interviewed in schools (case study work included focus groups with Year 11 and 12 students) the money available from LSF was felt to be crucial, as was knowing that it would be available before they started their course. During in-depth discussions with Year 11 students, however, we found that they were generally poorly informed about funding, despite, for the most part, being able to clearly recall information being given to them on this issue. It would appear that whilst early information can be vital, most students (particularly students in the 16 to 18 year old age group) only process this information when it becomes directly relevant to them. Chapter 4 discusses student awareness of LSF in more detail.

There were a variety of approaches used within colleges and sixth forms to publicise LSF. Generally, students were given some kind of information booklet when they started their course. Tutors were updated on the support available and were asked to pass the information on, and posters were put up around college sites. However, there were a range of other approaches and examples including:

- Working closely with schools (this was an approach particularly used by LEAs in their distribution of schools Access Funds, although generally, schools were felt to lack resources or expertise in this area).
- Presenting at 'freshers' fairs and other pre-course events, including open days.
- Sending out application forms to all successful applicants to the college as part of a standard welcome and introduction pack.
- Including information about funding as part of a more general induction programme where students get to meet key staff who can help with all areas of their student life.

Some colleges were quite clear, however, that a lot of teaching staff were not well informed about sources of financial support. This was felt to be particularly true for those tutors who worked part-time within the college. The effect of this was felt to impact more on part-time students overall, as they were in turn more likely to be taught by a part-time tutor.

In effect, therefore, for some colleges in areas where demand for the funds outstrips supply, marketing ceases to be an issue. This may lead to inequalities in the system as students will not all know about LSF, particularly new students who are not informed about their availability before they enrol.

3.8 Monitoring and evaluation

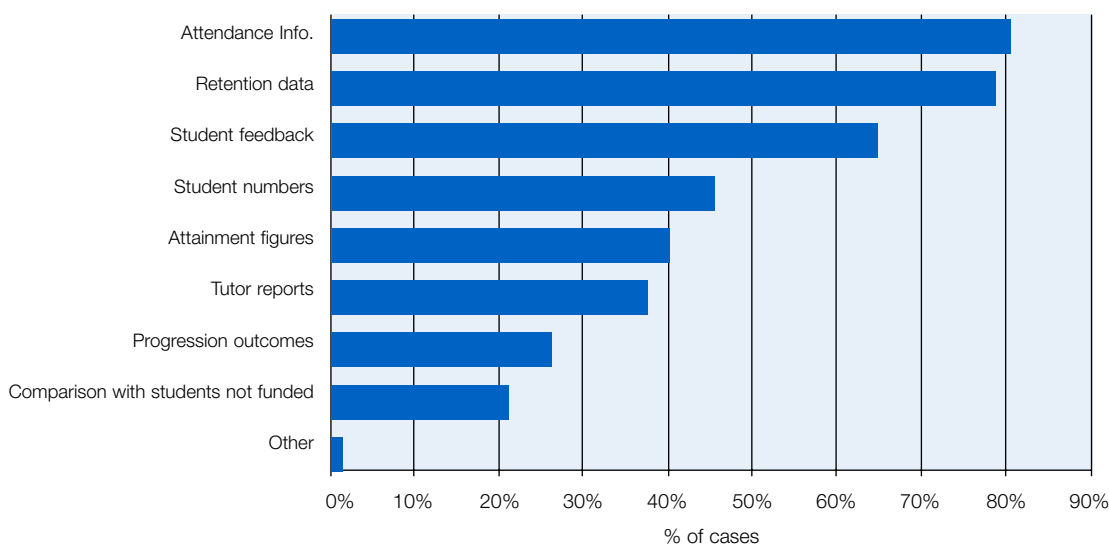
The second college survey examined the extent to which institutions collected and/or used any monitoring or evaluative data. Respondents were questioned about the techniques or indicators that they used in their colleges/institutions to measure the effectiveness of Learner Support Funds. The results are presented in Figure 3.1, with each respondent free to select as many of the options as applied to them.

As this figure demonstrates, around 80 per cent of FE colleges and institutions collect some information relating to attendance and/or student retention. Around two-thirds also sought student feedback of some kind, and a further 45 per cent examined student numbers in this context. These data provide further insights into the reasons why institutions tend to be less clear about the way in which financial support for students affects attainment and progression, as less than a third collect information on these factors. The small percentage of institutions comparing data between those who receive financial support and those who do not is also striking, as this would be a most effective way to consider the impact of funding.

3.9 Administration costs

Colleges were generally unable to accurately assess the extent of the costs of administering Learner Support Funds, although less than one-third of respondents to the second college survey felt they had sufficient resources to administer the funds (see Table 3.5). Some colleges had allocated a set amount from the overall Learner Support Funds budget to cover administration. One college had allocated five per cent of the funds, but felt that this had, on reflection, been inadequate when the costs of marketing the fund were also considered. Marketing was identified as a substantial cost in some colleges, as it involved both staff time in giving presentations, spending time with students and producing written materials. There was also the printing costs of posters and leaflets etc. to consider.

Figure 3.1: Data collected/used by colleges/institutions to evaluate the impact of funds



Source: Second LSF College Survey, IES 2002

However, not all colleges felt the administrative burden of the fund was excessive.

'Administration is not overly burdensome. The college has a very simple system, resourcing the administration of the fund is not a problem here.'

3.10 Chapter summary

There are a number of key issues in the way that Learner Support Funds operate. These include:

- The way in which LSF differs from EMAs. With LSF, individuals who fulfil nationally defined eligibility criteria are still required to apply to their institution for funding. Whether they then receive funding, how much and for what purpose is at the discretion of their institution.
- The LSF is allocated to colleges on the basis of a range of factors (eg student numbers, the age profile of students and local levels of deprivation) and funding for childcare and residential bursaries are ringfenced so that money can be vired in, but not out, of these pots.
- There are a number of high priority groups for the funds (eg disabled students, lone parents, those on low incomes or benefits) but local priorities may also be identified.
- Institutions set up their own criteria and procedures for considering applications and making payments, taking the local economy into account. Working within national guidelines, however, ensures that there is some evenness between different areas. Most colleges would avoid paying money directly to students (eg by making direct payments to registered childminders) in an attempt to ensure the funds are used for the purpose they were allocated (eg books, equipment).
- Applications will typically be made using some type of form, with supporting information (eg income and expenditure) and possibly an interview in some cases. Appeals processes are built in, but over 90 per cent of applications for funding are successful.

The views of staff working with the funds show that:

- They are used to assist institutions with a number of key aims, most notably in widening participation and improving attendance.
- There are a number of high priority student groups across the funds (ie those on benefits, over 19s and full-time students), whilst residential bursaries are also targeted at those with high cost travel needs, and lone parents are a priority for childcare and general Access Funds.
- Financial indicators are used in a number of different ways within colleges to determine eligibility (eg use of a sliding scale of payments versus a fixed income above which nothing is paid) but colleges believe the level of discretion is about right.

- The timing and extent of any marketing about the funds is often a function of the demand for funding. Colleges where demand is high can be wary of further stimulating it to such an extent that they are then unable to meet it. This may be an issue for some potential learners who are unable to accurately predict the support they will receive prior to enrolment.
- Monitoring and evaluation within colleges in relation to the funds is often limited and may impact on the extent to which they can monitor the impact of the funds. However, around 80 per cent examine attendance and/or retention data whilst a further third collect student feedback.
- The majority of colleges would welcome more resources to administer the funds.

4. Recipients of Learner Support Funds

In this chapter, we look specifically at who receives financial (or in kind) support and draw heavily on data from the Individualised Student Record (ISR) to do so (see Section 1.3.2). We are particularly looking at whether the funds reach those students in most need (and towards whom the Learner Support Funds are specifically targeted) and ascertain their key characteristics. We also look here at the evidence from the case study interviews to establish who does not receive LSF, and discuss the level of unmet need. The chapter then goes on to look at the value of LSF awards using the information gathered in the first college survey and the student survey.

4.1 Students in receipt of LSF

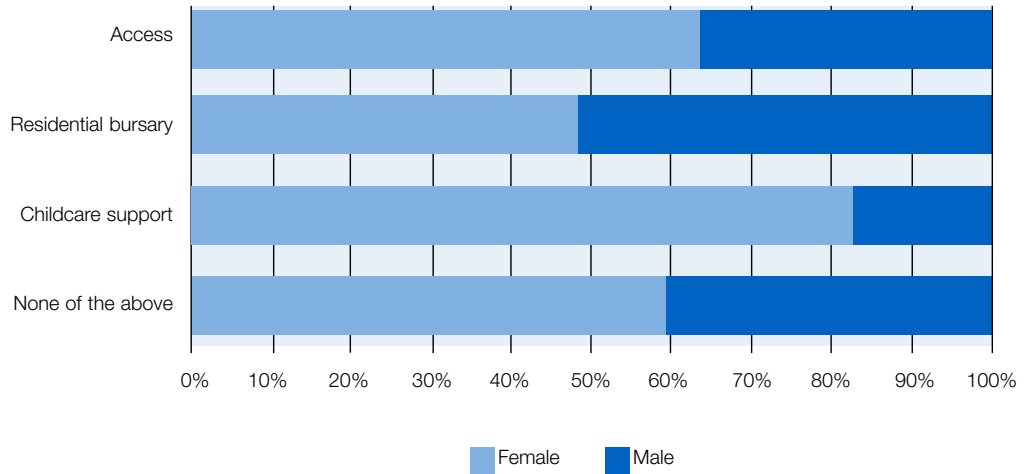
As we know, there were approximately 3.5 million students studying LSC-funded courses within further education institutions in the 2000/2001 academic year. Almost eight per cent of these students (7.9 per cent) were in receipt of some form of Learner Support Funds. If we look more closely at the distribution of the funds, we find that:

- approximately seven per cent of all FE students received support from Access Funds (6.9 per cent)
- almost one per cent of students received support with childcare (0.9 per cent)
- 0.1 per cent of students received support in the form of a residential bursary.

4.1.1 Learner support funding and gender

Generally speaking, female students are more likely to benefit from learner support funding than their male counterparts. Although 59 per cent of further education students were female in 2000/2001, 64 per cent of Access Fund recipients and 83 per cent of childcare fund recipients were female (Figure 4.1). The higher proportion of female students receiving Access Funds, compared to male students, may partly reflect additional targeting of LSF Access Funds to students with children. However, this distribution pattern is reversed when we look at who receives Residential Bursaries. Whilst male students make up only 40 per cent of the total FE population, just over 50 per cent of those who receive Residential Bursaries are male. This may, of course, simply reflect the overall sex distribution that can be found on courses that require residential accommodation.

Figure 4.1: Distribution of learner support funding by sex (per cent)

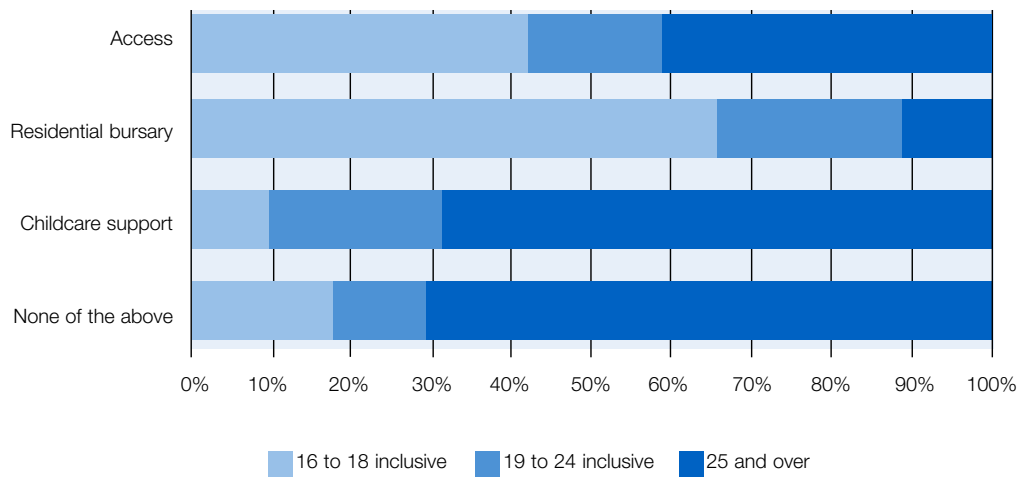


Source: ISR Data Analysis, IES 2002

4.1.2 Learner support funding and age

Figure 4.2 shows the distribution of funds between age bands. It can be seen that in 2000/2001, the majority of students in further education were 19 years old and over (more than 80 per cent) and this is reflected in the distribution of Access Funds (where nearly 60 per cent of recipients were 19 and over) and the distribution of childcare support (where over 90 per cent were age 19 or more).

Figure 4.2: Learner support funds by age



Source: ISR Data Analysis, IES 2002

Residential Bursaries are again the exception to the rule: 65 per cent of students receiving Residential Bursaries were under 19 years old, while 90 per cent were under the age of 25.

In *relative terms*, however, learner support funding is much more likely to go to younger students than older ones. As we can see in Table 4.1, showing the distribution of funds *within* age bands, more than 15 per cent of students aged 16 to 18 received help from the Access Fund, compared to just over nine per cent of students aged 19 to 24, and just over four per cent of students aged 25 or more. Residential Bursaries were also much more likely to go to younger students. Help for, or with, childcare was more likely to go to older students, although students aged 19 to 24 were more likely to receive help than those aged 25 and over.

Table 4.1: Distribution of Learner Support Funding within age groups (per cent)

Age Group	Access	Residential	Childcare	None	Total
16 to 18	15.4	0.2	0.4	83.8	664,000
19 to 24	9.5	0.2	1.6	88.7	430,000
25 and over	4.1	0.0	0.9	94.9	2,441,000

Source: ISR Data Analysis, IES 2002

4.1.3 Learner support funding and ethnicity

Table 4.2 illustrates the distribution of students from ethnic groups among LSF recipients. Whilst white students constitute at least 74.7 per cent of the FE population, they make up only 67 per cent of Access Fund recipients. On the whole, members of ethnic minorities were more likely to be in receipt of learner support funding than their white counterparts. While students from minority ethnic groups form 13 per cent of the overall student population, they account for 23 per cent of Access Fund students and for a similar percentage of students receiving childcare support. These differences also vary within different minority ethnic groups. The proportion of students who receive Access Funds and are defined as 'Black Other' is more than two and a half times as high as the proportion of students in the overall population defined in the same way (2.1 per cent compared to 0.8 per cent). Similarly, 'Black African' students, 'Black Caribbean' students and Pakistani students appear to have representation among Access Fund recipients that is at least twice as high as their representation in the overall student population. The representation of Chinese and Indian students among Access Fund recipients appears to be almost proportional to the number of similar students in the overall population.

Table 4.2: Distribution of learner support funding by ethnicity (per cent)

	Access	Residential	Childcare	None	Total
Bangladeshi	1.0	0.1	1.1	0.6	0.6
Black African	4.7	0.3	4.1	1.7	2.0
Black Caribbean	3.5	1.0	2.9	1.5	1.7
Black Other	2.1	0.5	1.5	0.7	0.8
Chinese	0.5	0.1	0.6	0.5	0.5
Indian	2.5	0.5	2.3	2.0	2.0
Pakistani	4.0	0.4	4.2	1.8	2.0
White	67.1	91.9	70.6	75.3	74.7
Other — Asian	1.6	0.6	1.7	1.2	1.2
Any other	3.5	0.9	4.1	2.2	2.3
Not known	9.5	3.9	6.9	12.5	12.2
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

Table 4.3: Learner Support Funds by disability (per cent)

	Access	Residential	Childcare	None	Total
Disability reported	5.2	3.6	1.6	2.8	2.9
No disability	71.9	85.7	81.8	68.9	69.2
Not known/No information	22.8	10.7	16.6	28.3	27.8
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

4.1.4 Learner support funding and disability

Table 4.3 illustrates the distribution of LSF amongst students with disabilities. We can see that although students with disabilities make up approximately 2.9 per cent of the student population, relatively higher proportions receive Access Funds and Residential Bursaries (5.2 and 3.6 per cent respectively). Slightly fewer disabled students receive support for childcare however.

We observe a similar distribution of LSF amongst students with learning difficulties (Table 4.4). Although these students constitute approximately 2.6 per cent of the student population as a whole, 6.2 per cent of students with learning difficulties receive Access Funds and 7.1 per cent receive residential bursary payments. Once again, relatively fewer students with learning difficulties receive support for childcare (1.9 per cent).

Table 4.4: Learner Support Funds by learning difficulties (per cent)

	Access	Residential	Childcare	None	Total
Learning difficulties	6.2	7.1	1.9	2.4	2.6
No learning difficulties	70.8	82.1	81.5	69.1	69.3
No information provided	22.9	10.7	16.6	28.6	28.0
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

Table 4.5: Distribution of learner support funding by institution type (per cent)

	Access	Residential	Childcare	None	Total
FE college	85.6	15.9	56.4	79.2	79.4
Sixth form college	6.5	-	1.5	5.5	5.6
Specialist college	2.5	82.4	10.4	1.5	1.7
External Institution	5.3	-	22.3	9.8	9.6
Specialist Designated	0.1	-	9.4	3.9	3.7
Dance/Drama	-	-	-	-	-
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

4.1.5 Learner support funding and college type, residential status and mode of attendance

There is some correlation between the types of funding that students may receive and the type of college they attend (Table 4.5). Most Access Funds went to people studying in FE colleges whilst, unsurprisingly, most Residential Bursaries went to students in specialist colleges. Over half of all childcare support went to students in FE colleges (56.4 per cent) and a further fifth went to students in external institutions.

If we look at the distribution of funds according to the residential status of students (Table 4.6) we observe that most Access Funds and childcare support went to students who were not living in college accommodation. Again, it is not surprising that many recipients of Residential Bursaries were living in accommodation that was owned or managed by colleges (just over half of all of these students).

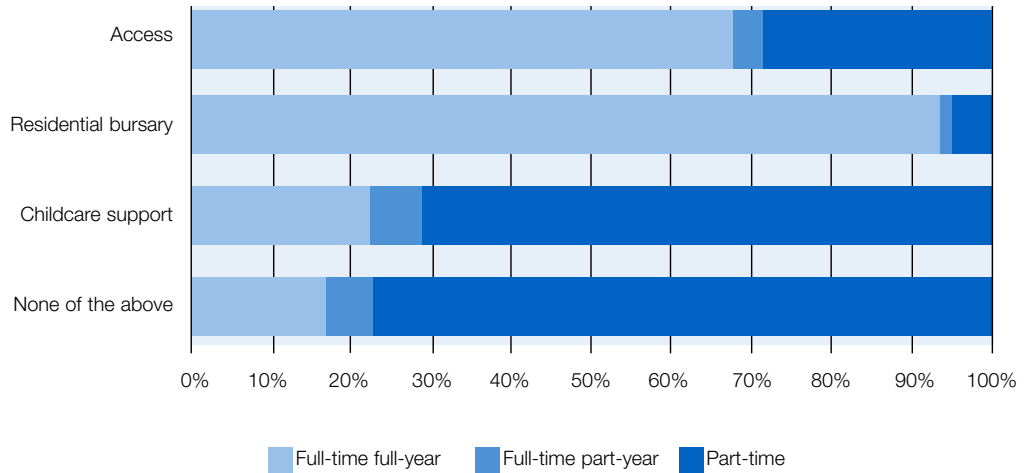
The distribution of LSF by mode of attendance (Figure 4.3) reveals that learner support funding was proportionally more likely to be provided to students on full-time courses than part-time ones. Over three-quarters of LSC funded students were on part-time courses, while less than 30 per cent of Access Fund recipients were studying part-time.

Table 4.6: Distribution of learner support funding by residential status (per cent)

	Access	Residential	Childcare	None	Total
Student living in college accommodation on campus	0.4	44.6	1.6	0.1	0.2
Student living in college managed accommodation	4.4	6.3	0.7	2.4	2.5
Student not living in college accommodation	95.2	49.1	97.7	97.5	97.3
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

Figure 4.3: Learner Support Funds by mode of attendance



Source: ISR Data Analysis, IES 2002

Among childcare support recipients, the distribution is closer to the population as a whole, and just over 70 per cent of students in receipt of childcare support were on part-time courses. By far the majority of students receiving Residential Bursaries were on full-time courses (over 90 per cent).

4.1.6 Learner Support Funds and qualification aims

Table 4.7 illustrates the distribution of Learner Support Funds by level of qualification aim and qualification type. We can see from this table that almost half of all Access Fund recipients were following courses leading to NVQ level three or equivalent qualifications. Approximately two-thirds of students in receipt of Residential Bursaries were also likely to be studying to this level. Essentially, Access Fund recipients were twice as likely than the student population as a whole to be studying at NVQ level three or equivalent, while those on Residential Bursaries were nearly three times as likely. However, only one-quarter of students receiving support for childcare were studying at level three or equivalent. Indeed, more than half of these students were on courses at NVQ level two or below.

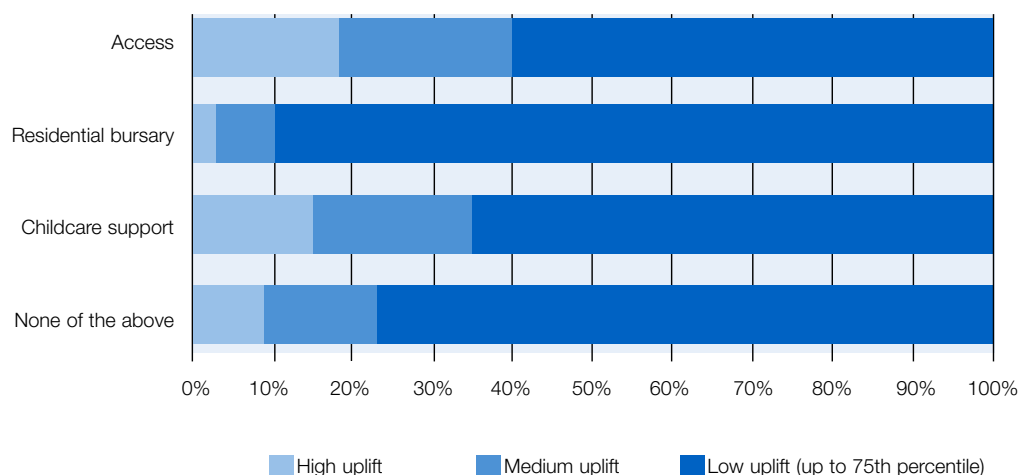
Table 4.7: Distribution of learner support funding by NVQ level or equivalent of qualification aim (per cent)

	Access	Residential	Childcare	None	Total
1 & Entry	15.2	2.1	24.2	28.5	27.6
2	29.2	27.0	29.6	25.8	26.0
3	49.1	67.9	24.0	23.2	25.0
4, 5 & HE	1.1	1.4	1.3	1.7	1.7
Other	5.4	1.5	20.9	20.8	19.7
Total (N)	244,000	3,000	31,000	3,256,000	3,535,000

Source: ISR Data Analysis, IES 2002

4.1.7 Learner Support Funds and the widening participation uplift

Figure 4.4: Learner Support Funds by widening participation factor



Source: ISR Data Analysis, IES 2002

The LSC's method of allocating widening participation funding is partly based on a modified version of the Department for Transport, Local Government and the Regions' (DTLR) Index of Deprivation. According to the scale, wards are given funding uplifts ranging from zero to 12 per cent, depending on their level of relative deprivation. For the purposes of this analysis, the uplift factor has been grouped into categories labelled 'low uplift', 'medium uplift' and 'high uplift', based on the full population of students taking further education courses. In short, the higher the level of uplift, the higher the level of deprivation in the area in which the student is resident. The 'low uplift' category covers students living in areas that are up to the 75th percentile of the uplift range, 'medium uplift' covers the 75th to the 90th percentile, while 'high uplift' covers those living in areas with uplifts beyond the 90th percentile.

The distribution of Learner Support Funds according to the uplift factor is illustrated in Figure 4.4. The figure suggests that Access Funds and childcare support are targeted towards areas of greatest deprivation. Students in receipt of Access Fund support were twice as likely to be living in a 'high uplift' area than students overall, while students in receipt of childcare support were over 60 per cent more likely to be living in such areas. Very few students who receive a residential bursary live in areas with a 'high' or 'medium uplift' factor.

4.2 Is learner support funding reaching the target groups?

Analysis of the ISR suggests that the Learner Support Funds are being targeted towards those in greatest need. Chapter 3 has identified the priority groups that colleges and other FE institutions actively target, and it is clear from this evidence that students from low income families attract the greatest support. The ISR analysis provides further evidence that students from the most deprived areas receive a relatively greater share of LSF than students from more affluent areas.

If we take our analysis one step further to look at the inter-relationships between student characteristics, eg age, gender, ethnicity, disability etc. and receipt of the various types of LSF, we find that those in receipt of Access Funds were (statistically) more likely to be: female, under 19 years old, members of minority ethnic groups, studying full-time, disabled and/or from areas of social deprivation. A similar picture emerges if we consider those in receipt of childcare support. The main variation is that recipients of childcare support were more likely to be over 18 years old and less likely to report a disability. In contrast to the finding regarding recipients of Access Funds and childcare support, those receiving Residential Bursaries were more likely to be male, white, under 19 years old, studying full-time, non-disabled and/or from areas of low social deprivation (see Appendix 2 for the full results of the multivariate analysis of the determinants of LSF).

4.3 Who does not get the funds

Having established who does get the Learner Support Funds, it is important to look more closely at who does not. Evidence from the case study interviews with FEIs found that several types of students were just beyond the eligibility criteria for learner support funding, although they presented some sort of need for financial (or in-kind) assistance. These included:

- students on incomes that were just above the threshold
- students living within a two mile radius of the college who were not generally given LSF to help with transport
- students on specific courses that were supported through other means
- asylum seekers (although colleges often helped these students from their own hardship monies)
- students who could have studied the same course at a college closer to their home, who subsequently become ineligible for LSF, to help with the cost of transport to their chosen college.

The issue of asylum seekers was raised by several colleges at the time the case studies were carried out. They reported that it can often be very difficult to determine the status of asylum seekers, and hence determine whether they are entitled to learner support funding or not, as there is a lot of information to check through. One college in particular felt that the inequality in funding was making the administration appear racist. *'It is discriminatory and derisive and it is getting worse as the level of LSF funds increase and eligibility criteria become more transparent'*. The issue has become more difficult for staff to deal with as the profile of Learner Support Funds increases within the college, due to marketing and word of mouth.

'It was better when it was hidden, quiet, in the closet'. New terms and conditions for the receipt of LSF have now been issued for the next academic year, and asylum seekers (aged 16-19) who are enrolled on publicly-funded sixth form or FE courses from September 2003, will now be eligible to apply for LSF.

In at least one case study, the college was able to identify another group of students with unmet needs for additional support — those who were eligible for funding but who had chosen not to apply. For example, there were instances described where students had informed the college that they were going to pull out of courses because they could not afford the costs. It was only then discovered that they would have been eligible for support if they had applied. Colleges were unclear, however, about why these students chose not to apply. One of the reasons suggested for the under 19 age group, was that information was perhaps not passed to parents, and only when staff spoke to parents subsequently did they realise that funding was available for their children. Another concern was that parents are confused about how the Learner Support Funds relate to their benefits, and fear that they may lose benefits if their child gets learner support funding. Amongst the over 19s, particularly those with working partners, colleges suggested that individuals had become so used to being refused (eg for benefits) that they simply assumed that no help would be available for which they would be eligible. A lack of easily interpretable information, however, may have a role to play here.

4.3.1 Examples of unmet need

Whilst colleges in the case studies were generally supportive of the level of funding allocated to them (although some were adamant that the levels were much too low), the extent to which this allowed them to meet the needs of all relevant groups varied by different student groups. One particular group that was felt to be difficult to help within the current system, were students under the age of 19 living independently from their parents. Essentially, the amount of LSF available to these students was insufficient to meet their acute needs. Often these students would have to work long hours in paid work which could impact negatively on their studies, or put them under so much pressure that they then decided to leave. Another issue was the cessation of child benefit payments at the age of 19, which often occurred in the middle of an academic year and which could have a severe impact on the incomes of poorer families. Colleges often felt unable to respond to this.

Other examples where individual needs are felt to be poorly met by LSF include:

- 'Estranged' 16 to 19 year old pupils, whose families were unwilling to complete financial returns for them or to supply other information. For these students, who are totally self-supporting in the main, access to funding could often be blocked as no proof of independent living was available. Colleges tried hard to operate more flexibly for these students.
- Travellers, who are transient and do not settle for the winter. One college was uncertain how to respond to the needs of these students, particularly as there was a concern that they would access support at the start of term then simply move on.
- Homeless students.
- Students travelling very long distances from isolated areas, or using bus routes which are difficult to fit around college hours or just too infrequent for regular use.

- Individuals with poor attendance records. Colleges with a 'joined up' welfare and finance system were best able to cope with these students as payments would not be forthcoming if attendance was not maintained. Other colleges felt justified in ruling these students out of funding, with the general approach of: *'the funds are to support attendance, if the student does not attend then they don't need the funds'*.
- Individuals (mainly women) who have a partner who controls the household income, but who does not support their decision to attend the college.
- Part-time students who may be less informed about the support available, and who in turn are generally given less priority than full-time students within colleges for funding.

4.4 Value of Learner Support Funds

Having established who receives LSF (in Section 4.1) we now look at the value of the awards that students receive. Respondents to the first college survey (Section 1.3.3) were asked to indicate the size of individual awards made by their institutions, across the range of Learner Support Funds. We observed a wide range of individual awards across the responding colleges, however, if we look at the median value of awards made to students according to the type of LSF, we find that higher awards tended to be made for students receiving Residential Bursaries and childcare. Half of all institutions responding to the survey (with access to particular funds) made average residential bursary payments of at least £1,400, childcare support payments of at least £700, and Access Fund payments of at least £230. Table 4.8 illustrates these average data and suggests that younger students (in the 1999/2000 academic year) tended to get marginally higher average awards than older students. The table also indicates that individual Access Fund awards are considerably smaller in external institutions than in FE and sixth form colleges.

Table 4.8: Median average awards (£) made to students by fund, age and by type of institution

	FE Institutions	Sixth Form Colleges	External Institutions	All
16 to 18				
Access	199	263	13	210
Residential Bursaries*	1,595	-	-	1,595
Childcare support*	925	1,500	-	1,000
19 plus				
Access	206	142	41	181
Residential Bursaries*	1,558	-	-	1,558
Childcare support*	689	1,704	-	723
All ages				
Access	235	258	41	230
Residential Bursaries*	1,419	-	-	1,419
Childcare support*	712	-	-	712

Note: * using FEFC allocations for 99/00 as a filter

Source: IES Survey, 2001

In the student survey (see Section 1.3.6) we were particularly interested to know not only the actual value of LSF awards to students, but also the overall cost of travel, childcare, books, accommodation and other personal study costs. Students were not asked to impute any value to any support which was paid in-kind (eg a bus voucher or childcare place) but only to tell us about the actual amounts they received to help cover these costs. We might expect that the college contribution may have been higher if values for this in-kind support had been introduced.

Table 4.9 illustrates the costs related to studying, the contribution made by the student and the contribution made by Learner Support Funds. It is important to note here that this table includes information from students who were able to provide details of the costs they incurred and details of how much the college contributed to the various costs. As such, it is indicative of the college contribution but is not wholly representative of all students' experience. We can see that accommodation costs were the most expensive at an average of £86.72 per week (although we should be cautious about this figure as only 15 students provided expenditure data about accommodation costs).

Expenditure on childcare for the time spent studying is the next most costly item of weekly expenditure, at an average of £56.58. Travel to and from college costs an average of £13.74 per week whilst books, equipment and other materials related to studying account for £8.22 of weekly expenditure. Other personal expenditure items related to attending college also amount to £8.24 per week.

Table 4.9: Average personal and college contribution to expenditure related to the costs of studying, by item

	Average total weekly cost (£)	Average weekly amount paid by student (£)	Average weekly amount paid by college (£)	Proportion paid by LSF (%)	N
Travel	13.74	3.66	10.09	73	592
Childcare	56.58	6.17	50.42	89	92
Books	8.22	1.78	6.44	78	368
Accommodation	86.72	20.88	65.84	76	15
Other	8.24	1.17	7.07	86	52

Base: All students facing some cost where the college makes a contribution (£s)

Source: LSF Student Survey, IES 2002

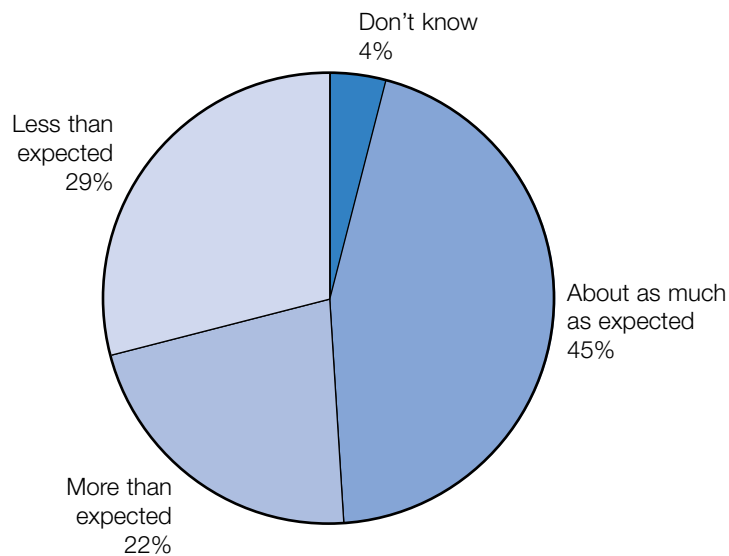
When we look at the contribution made by LSF to cover these costs, we find that support for childcare is the highest — 89 per cent of the costs of childcare to cover time spent studying are paid for by the college. Where paid, LSF also contributes an average of:

- 86 per cent of the cost of other personal expenditure, which is related to attending college
- 78 per cent of the costs of books, equipment and other materials
- 76 per cent of the costs of accommodation
- 73 per cent of the costs for travelling to and from college.

In effect, where information is held on expenditure and the contribution made by colleges, we can see that approximately three-quarters or more of the various costs associated with studying are met by the Learner Support Funds.

It is important to note that the majority of students who had applied for LSF, and who knew how much they had received at the time of the student survey, had been awarded the amount that they had expected (Figure 4.5). In fact, almost one-quarter of these students had received more than they had expected. Just under one-third of all students, however, had received less support than they had expected.

Figure 4.5: Amount of LSF received — all those applying for LSF where outcome is known (N=1,215)



Source: LSF Student Survey, IES 2002

Although these findings indicate that LSF can meet a significant proportion of the costs associated with studying, and indeed in many cases can meet or exceed expectations, the student survey also found that many were experiencing financial difficulties. Indeed, over half of all students responding to the survey reported that they were finding it harder to manage their finances than they had expected.

Table 4.10: Reasons for difficulties — all students reporting that managing finances is more difficult than expected

	All (%)
Spend more than expected on travel	33
Spend more than expected on books	29
Spend more than expected on food	35
Spend more than expected on childcare	4
Amounts vary week by week	10
Income lower than expected	27
Financial support from college lower than expected	15
No income	3
Spend more than expected on equipment/course materials	5
Spend more than expected on social life	3
Other	13
Don't know	2
N	733

Source: LSF Student Survey, IES 2002

More than one-third of these students (see Table 4.10) reported that they were experiencing difficulties because they spent more than expected on food, with one-third spending more than expected on travel (younger students in particular, were likely to report these difficulties). Twenty nine per cent of students also spent more than they had expected on books (particularly students aged 25 or more) and a similar proportion reported that their income was lower than they had expected. More than one in ten students who were experiencing financial difficulties stated that it was harder to manage their money because the (LSF) support from college was lower than they had anticipated.

Table 4.11: Awareness of the costs of studying — all respondents (N = 1,445)

Item	Well aware (%)	Reasonably aware (%)	Not well aware (%)	Not at all aware (%)
Costs of registration fees, tuition fees, examination fees	29	28	24	19
Costs of books, materials and other equipment	18	38	33	11
The overall cost of being a student	16	42	33	9
Costs related to travel and/or childcare costs etc.	27	40	24	9

Source: LSF Student Survey, IES 2002

4.5 Awareness of the costs of studying

We continued our exploration of the costs of studying by asking students how aware they thought they were of these costs when they were making their decision to come to college. More than half of all students felt that they were at least reasonably aware of the costs relating to registration/fees etc., books, materials and equipment, the overall cost of being a student and the costs associated with travel and/or childcare prior to starting college (Table 4.11). However, we found that one-third or more of all students were not well aware or, indeed, not at all aware, of any of these different costs, which is cause for concern.

4.6 Student awareness of LSF

A key issue addressed by the student survey was the degree to which students felt that they were well informed about the financial, or in-kind support that was available from colleges before beginning their studies. This is particularly pertinent if Learner Support Funds are to have any impact on widening, or indeed encouraging, participation in further education.

Table 4.12 illustrates how well informed students felt they were about the help available from college to assist with various items of expenditure. We can see that approximately one-half or more of students, felt that they were either very well, or partially, informed about the help available from college to assist with the costs of childcare (for students with dependent children and lone parents) the costs of travel, and other costs related to studying.

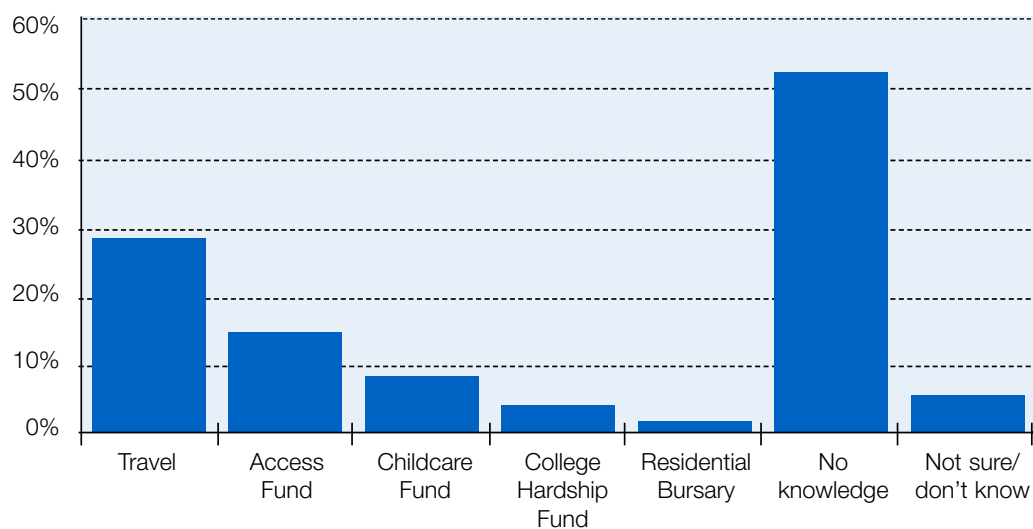
Table 4.12: Awareness of financial/in-kind help related to the costs of studying when making the decision to attend college — all respondents (N = 1,445)

	Very well informed (%)	Partially informed (%)	Not at all informed (%)	Don't know (%)	N/A (%)	N
Help from college to assist with childcare costs:						
Students with dependent children	22	27	32	1	17	301
Lone parents	23	29	32	2	15	222
Help from college to assist with travel costs	25	34	36	1	5	1,445
Other financial help from college, eg hardship or Access Funds, bursaries etc. to help with other costs	18	32	47	2	1	1,445
Financial support from other places, eg employers, grants, loans	10	23	57	3	6	1,445

Source: LSF Students Survey, IES 2002

However, only one-third of students felt that they were at least partially informed of the financial support available from places other than college, for example, employers, prior to coming to college. More important though, is the proportion of students saying that they were not at all informed about the financial or in-kind support available to help them with childcare costs, travel costs or the other costs of studying prior to starting at college: one-third or more of all students reported this to be the case.

Figure 4.6: Knowledge of specific funds — all respondents (N = 1,445)



Source: LSF Students Survey, IES 2002

We also asked all students if they were aware of the 'category' specific funds available to help them with their studies prior to coming to college, and the results are presented in Figure 4.6. Once again, we found a significant lack of knowledge. About half of all students reported that they were unaware of any specific funds to help them come to college. Almost one-third of all students knew about the funds relating to travel, but less than one-fifth were aware of the general Access Fund to help with books, equipment and materials etc. As we might expect, we observed much lower levels of awareness of the funds relating to childcare or residential costs amongst the wider student population. These funds apply only to those students with these specific needs, and this is reflected in the findings. Having said this, awareness of these funds remains very low generally.

It is clear from the findings from the student survey that information on the funds available from college is a key issue. We asked all those students who reported that they had some knowledge of the various funds before coming to college, for the main source of this information, and the results are illustrated in Table 4.13. The most common source of information on the funds was college staff — 34 per cent of students with some prior knowledge of the funds said this was how they secured this information.

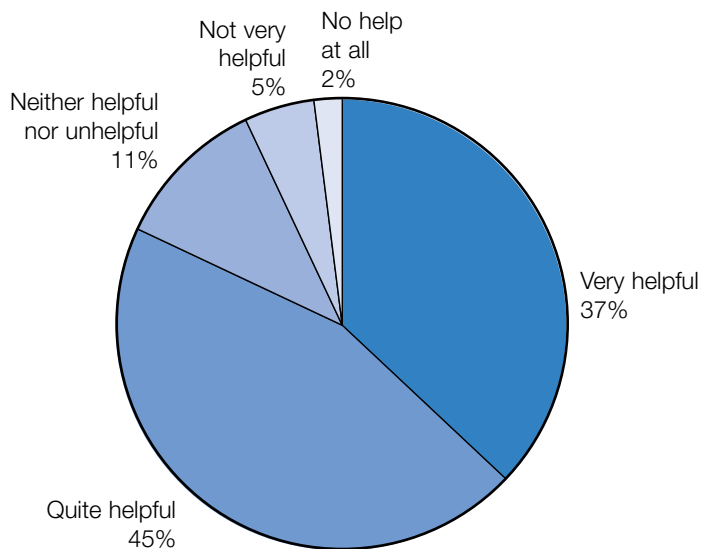
A further 21 per cent of students with some prior knowledge of LSF said that they had found out about the funds from the college prospectus or the application pack. Friends or members of the family were an important source of information on the funds available (16 per cent of those with some knowledge of the funds had found out in this way) as was general ‘word-of-mouth’ (eight per cent). Most worrying though, is the small impact that schools have had in informing students about the funds available. Although over half of all students responding to the survey were aged between 16 to 18, only five per cent of students reporting some knowledge of the funds had found out about them from school.

Table 4.13: Main source of information on funds — all those with some prior knowledge of the funds (N = 612)

	All (%)
Told by college staff	34
Friend or member of family	16
College prospectus	11
College application pack	10
Word-of-mouth	8
Leaflet	6
School	5
Poster/other advertising	2
Other	5
Can't remember	2

Source: LSF Students Survey, IES 2002

Figure 4.7: Helpfulness of information received



Notes: those who received information prior to starting college (N = 612)

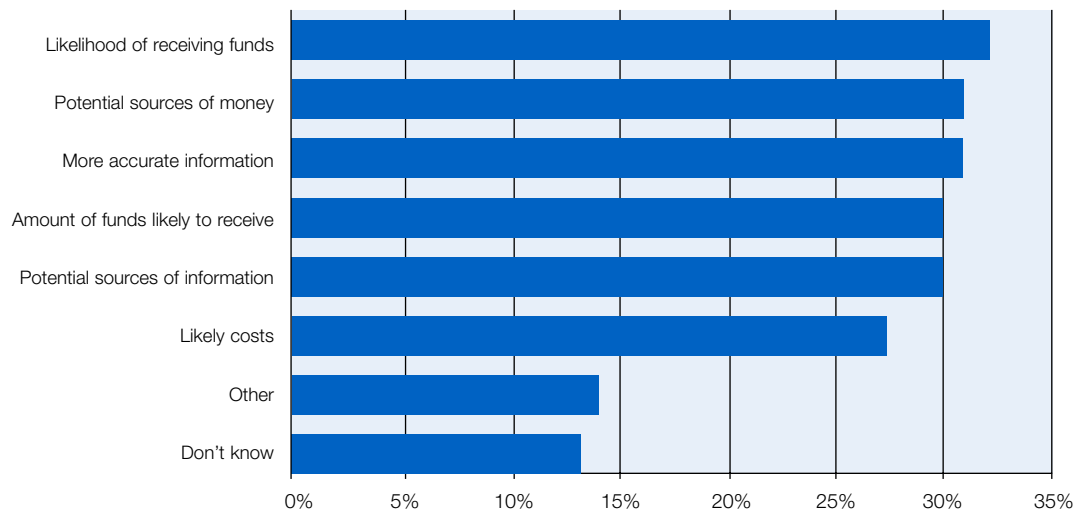
Source: LSF Students Survey, IES 2002

We observed that most students who had received information on the funds available prior to coming to college had found this information to be useful (see Figure 4.7). Indeed, more than one-third of these students said that it had been very helpful. Only seven per cent of students who had received information on the funds reported that it had not been very helpful, or was no help at all.

We asked those students who had not received any information on the funds, and those who had received information but who had found it unhelpful, what information would have been (more) helpful to them, and the results are presented in Figure 4.8. We can see that many students would have liked specific information regarding:

- the likelihood of receiving funds
- potential sources of money
- more accurate information, and
- the amount of funds they were likely to receive.

Figure 4.8: Information that would have been helpful (N = 867)



Source: LSF Students Survey, IES 2002

4.7 Chapter summary

Of the 3.5 million students studying LSC funded courses within FE, 7.9 per cent received some form of Learner Support funding. Almost one per cent of students received funding for childcare and 0.1 per cent received a Residential Bursary.

Looking in further detail at the recipients of funding, there is some variation between the funds:

- Women are more likely, overall, to receive support, which is likely to reflect the targeting of those with childcare needs. However, men are more likely to receive the support of a Residential Bursary, reflecting the sex distribution on courses that require residential accommodation.
- Overall, the majority of those receiving LSF are over the age of 19 (almost 60 per cent of Access Fund recipients and 90 per cent of the childcare support recipients were over 19). However, 90 per cent of Residential Bursary recipients are under the age of 19. In relative terms, LSF is much more likely to go to younger students due to the far larger numbers of adult learners in the FE sector.
- Students from ethnic minority groups were more likely to be in receipt of learner support than their white counterparts. The proportions of individuals from certain ethnic groups in receipt of LSF were over twice as high as the proportion of students from the same ethnic group in the overall FE population (eg those defined as 'Black Other', 'Black African', 'Black Caribbean' and Pakistani).
- Higher proportions of disabled students receive access funding through LSF than are present in the overall population (5.2 per cent compared to 2.9). This is also the case for students with learning difficulties (6.2 per cent compared to 2.6 per cent within the FE population). A similar distribution is present within Residential Bursary allocation, but disabled students and/or those with learning difficulties are less likely to receive childcare support.
- Learner Support funding was proportionally more likely to be provided to students on full-time courses (three quarters of recipients) particularly in respect of Residential Bursaries. The distribution of childcare support however, more closely matches the FE population (just over 70 per cent of recipients were on part-time courses).
- Almost half of Access Fund recipients were following courses leading to NVQ level three or equivalent, as were two-thirds of recipients of Residential Bursaries (respectively two and three times as likely as the student population overall). However, only one-quarter of those receiving childcare support were studying level three qualifications.
- Access Funds and childcare support are targeted towards areas of greatest deprivation, although students in receipt of a Residential Bursary are more likely to live in less deprived areas (using DTLR data).

Despite the fact that the Learner Support Funds have been shown to target those in the greatest need, some groups still miss out (eg those on incomes just above the earnings threshold, travellers, 'estranged' 16 to 19 year old pupils who do not have family support). Also, student awareness can be an issue, with some eligible individuals not applying (over half of students who had received some form of support stated that they had no knowledge about the funds prior to the start of their course).

In terms of the size of awards made to students, Residential Bursaries are the largest, with an average award of around £1,400. Students receiving childcare support received on average £712, and the average allocation of Access Funds was £230. However, there were variations in these amounts according to the age of the recipient and the type of institution making the awards. Students at sixth form colleges, for example, received higher than average childcare allocations (for the over 19s these were almost three times the amount issued within FE colleges).

Half of students surveyed as part of this study were experiencing financial difficulties despite receiving LSF, perhaps because a large proportion lacked awareness of the costs of studying. Most notably, 33 per cent of respondents to the student survey were unaware of the overall cost of being a student before starting their course.

5. Impact of Learner Support Funds

We have already found that the Learner Support Funds are reaching students who are in most need. LSF is targeted towards particular student groups and from our analyses so far, it is clear that the funds are meeting this aim effectively. However, the question remains: does it make a difference? In particular, is the support provided instrumental in improving access, participation, retention and achievement in FE? We look here at evidence from the ISR, colleges themselves and students, to assess just what the overall impact of receiving the funds is.

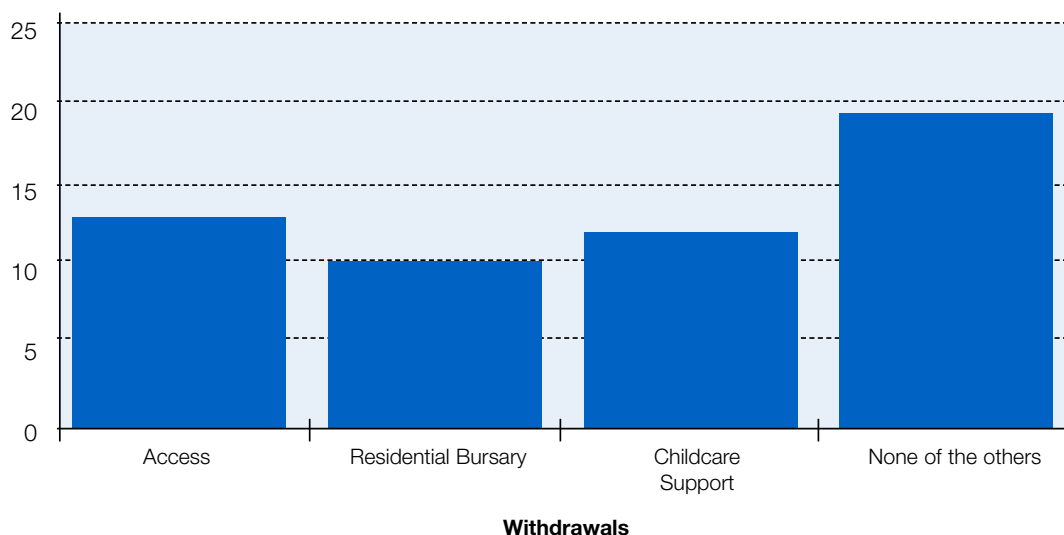
5.1 Learner support funding and retention/withdrawal from learning

The ISR can be used to calculate retention in FE for recipients of LSF, and to compare this figure against students who do not receive LSF. Retention status is calculated using the following method (developed in FEFC Performance Indicators 1999/2000):

- If the student is continuing on any qualification of greater than one week in length, the student is treated as retained.
- If the student has completed at least one qualification of greater than one week in length and has not withdrawn from any qualification, the student is treated as retained.
- If the student has both withdrawn and completed a qualification, they are treated as retained if they either completed a qualification after their last withdrawal date, or if their last withdrawal was no more than two months (62 days) after their last completion date.

In all other cases the student is considered to have withdrawn from further education.

The relationship between student withdrawal and learner support funding is presented in Figure 5.1. The figure suggests that withdrawal rates are indeed lower among recipients of learner support funding when compared to those not in receipt of support. Among those who do not receive LSF, the withdrawal rate was just under 20 per cent, compared with significantly lower rates for Access Fund recipients (13 per cent), childcare support recipients (12 per cent), and residential bursaries (10 per cent).

Figure 5.1: Distribution of learner support funding by withdrawal rates (per cent)

Source: ISR Data Analysis, IES 2002

In the previous sections, we saw that LSF recipients did not constitute a random selection of all students. Consequently, it is important to examine whether or not retention (or withdrawal) rates differ, once we also take into account some of the differences between fund recipients and non-recipients. On further analysis, and after controlling for other individual and social characteristics, we found that students in receipt of any of the three funds were more likely to have remained in further education than those who were not in receipt of such support (see Appendix 2 for details of the multivariate analysis of the determinants of student retention).

5.2 Learner support funding and achievement

The achievement rates reported in this paper are based on qualifications level data. Courses that were non-LSC funded, were still in continuation, or for which the result was not yet known, were excluded from the analysis. The achievement rate was thus defined as the proportion of qualifications for which a result was known that had been completed successfully.

Table 5.2 highlights the achievement rates of learner support funding recipients. The results suggest that achievement rates among those in receipt of learner support are slightly worse than those who are not in receipt of support. Some 76.7 per cent of students who are not in receipt of LSF, achieve their qualification aims, whereas 71.1 per cent of Access Fund recipients, 71.3 per cent of residential bursary recipients and 76.5 per cent of students receiving childcare support do so. Obviously, achievement rates reflect a number of other factors not included in this analysis, for example, the fact that many students from targeted disadvantaged groups will have a much greater 'distance to travel' in terms of achieving learning goals.

Table 5.2: Achievement rates by learner support funding

	%	Total (N)
Access	71.1	142,200
Residential Bursary	71.3	3,000
Childcare Support	76.5	27,400
None of the above	76.7	4,161,200
Total	76.5	4,333,800

Source: ISR Data Analysis, IES 2002

Table 5.3: Achievement rates by learner support funding and age

	Achievement rate	
	%	N
Access		
16 to 18 yrs	68.1	74,600
19 to 24 yrs	70.1	20,600
25 yrs or more	76.2	47,000
Total	71.1	142,200
Residential Bursary		
16 to 18 yrs	72.7	2,100
19 to 24 yrs	68.6	700
25 yrs or more	66.3	200
Total	71.3	3,000
Childcare Support		
16 to 18 yrs	72.5	2,900
19 to 24 yrs	75.6	6,200
25 yrs or more	77.4	18,200
Total	76.5	27,400
None of the above		
16 to 18 yrs	73.2	1,360,600
19 to 24 yrs	74.8	408,900
25 yrs or more	78.9	2,391,800
Total	76.7	4,161,200
Total		
16 to 18 yrs	73.0	1,440,200
19 to 24 yrs	74.6	436,400
25 yrs or more	78.9	2,457,200
Total	76.5	4,333,800

Source: ISR Data Analysis, IES 2002

If we look at achievement by students of different ages (Table 5.3), we observe that, in the main, older students fair better in terms of gaining qualifications than their younger counterparts. This is the trend for students in receipt of Access Funds, support with childcare, or no additional funds at all. The exception here is students in receipt of residential bursaries; younger students falling into this category seem to have higher levels of achievement than their older counterparts.

Once again, we analysed the interrelationship between individual and social factors, and achievement, and found that students in receipt of any of the three funds were less likely to have achieved a positive course outcome than those who were not in receipt of such support (see Appendix 2 for full details of this analysis).

Although those receiving financial support appear to be doing less well than those not supported, *this should not be interpreted as suggesting a causal relationship* between support and achievement. Indeed, evidence from the case studies would suggest that those with the greatest financial support tend to have different pressures than their counterparts who are not in receipt of support (for example, these students may have difficult family backgrounds etc. which may make it harder for them to achieve) and we would not be comparing like-with-like. What can be said, however, is that if funding does have a positive effect on retention, then it is likely to have some positive effect on achievement, as students can only pass courses on which they are retained. Without learner support funding, students may experience greater financial hardship, or engage in additional paid employment, which would, in turn, affect academic achievement and may result in even lower achievement rates than the ones we have observed from the ISR.

5.3 College views on the effectiveness of LSF

The extent to which FE institutions use the funds to meet the key aims of retention, access, attendance, attainment and progression has already been outlined. Here, the views of colleges on the effectiveness of the funds in meeting these aims are presented.

5.3.1 Access Funds

When asked about Access Funds, data from the second college survey show (see Table 5.4) that not only are the funds generally used to improve retention, widen participation and improve attendance, but that the majority of colleges also report that the funds were effective in meeting these aims. The funds were felt to be less effective in improving progression and attainment, although over 40 per cent of respondents still felt that the fund was effective in these areas. However, it is also interesting to see that more colleges were unable to comment on the effectiveness of the fund in relation to progression and attainment, with around one in five stating that they did not know how effective the funds were with regard to these aims. We have already seen in Section 3.8, that fewer colleges routinely collected or used data to evaluate the impact of LSF in relation to attainment and progression.

Table 5.4: The effectiveness of Access Funds in meeting college/institution aims

Aim	Effectiveness of Fund (%)				Base (N)
	Don't know	Ineffective	Neither Effective nor Ineffective	Effective	
Improve retention	4	2	18	76	317
Widen participation	7	2	19	72	319
Improve attendance	6	2	25	67	310
Improve progression	21	3	31	46	289
Improve attainment	18	3	36	42	304
Other objective	25	8	8	58	12

Source: Second LSF College Survey, IES 2002

5.3.2 Childcare support

FEIs were asked to consider how effective childcare support was in meeting a number of key aims (Table 5.5), and again the fund appears to be very effective in meeting the aims of widening participation, and improving retention and attendance rates. However, the fund appears to be less effective in improving attainment and progression. Institutions were also more likely to state that they did not know whether childcare support was effective or not in relation to these latter two aims.

5.3.3 Residential Bursaries

When asked about the effectiveness of Residential Bursaries in actually meeting the key aims, the responses were very positive (see Table 5.6). As for the Access Funds and childcare support, Residential Bursaries are considered to be particularly effective in widening participation and improving attendance and retention. However, it is interesting that no colleges felt that the residential bursaries were ineffective with regard to any of the aims. In a similar way to the two funds already discussed, there were more respondents who felt unable to comment on the issues of progression and attainment, providing further evidence that colleges/institutions are less likely to collect or analyse information relating to these aims. Also interesting, is the fact that the effectiveness of residential bursaries is felt to be higher in relation to progression and attainment than for either Access Funds or childcare support.

Table 5.5: The effectiveness of childcare support in meeting college/institution aims

Aim	Effectiveness of Fund (%)				Base (N)
	Don't know	Ineffective	Neither Effective nor Ineffective	Effective	
Widen participation	4	1	10	85	263
Improve retention	4	1	16	79	257
Improve attendance	8	2	19	71	252
Improve progression	19	2	26	54	236
Improve attainment	19	2	36	43	249
Other objective	19	-	33	67	6

Source: Second LSF College Survey, IES 2002

Table 5.6: The effectiveness of residential bursaries funds in meeting college/institution aims

Aim	Effectiveness of Fund (%)				Base (N)
	Don't know	Ineffective	Neither Effective nor Ineffective	Effective	
Widen participation	-	-	8	92	24
Improve attendance	-	-	13	88	24
Improve retention	-	-	22	78	23
Improve progression	13	-	18	70	23
Improve attainment	4	-	35	61	23

Source: Second LSF College Survey, IES 2002

5.3.4 Case study views

In the main, case study colleges tended to focus on retention and achievement, when the issue of effectiveness was discussed. There were a number of examples given which outlined why Access Funds, childcare support and Residential Bursaries (only one case study college offered residential support) were important for retention. Some examples of where this went beyond the nominal benefits of the funds themselves include when:

- Access Funds can be used to purchase equipment (eg chef's knives or beauty/hairdressing equipment) which involves a high initial outlay and may be too great for students on lower incomes to cover immediately. Access Funds are often their only option. Students would either be unable to study at all, or may choose a course as a second option which is not right for them, if LSF was not available.
- The application process often puts students in personal contact with college staff who can then offer extended support for other issues, particularly to those most at risk of dropping out.
- Students appear to appreciate LSF for reasons other than the lessening of financial pressure. Some examples were given where just a little support was enough to convince students that 'someone cared' and influence them to stay on and complete their course.
- The problems of living on a low income are compounded by some kind of additional emergency. Examples were given of both personal crises (eg one student's father committed suicide and her mother was unable to cope and manage the finances) and physical (eg a student whose house was flooded and who needed support finding other accommodation). Access Funds were often used to 'tide students over', keeping them in college until the emergency was over.

'Funding is essential to keeping students on track. If they didn't get funding they couldn't continue with their courses'.

'Generally people don't start courses if they can't afford the initial outlay'.

The association between Learner Support Funds and achievement was more difficult for colleges to make. However, there were a number of issues identified:

- Some of the colleges based their funding for transport (through the Access Funds) on college attendance, and other allowances often work on a similar basis. Thus, colleges felt that there was an indirect relationship, ie attendance is likely to enhance performance, so by using the funds to influence attendance, performance may also improve.
- Another reason was that students find the Access Funds a useful way of reducing the number of hours they need to spend in paid work. Although amounts can be small, these can often make a critical difference (eg working one less night a week) in terms of the amount of spare time students have to spend in independent study.

‘Financial help has a really major impact on student retention and achievement.’

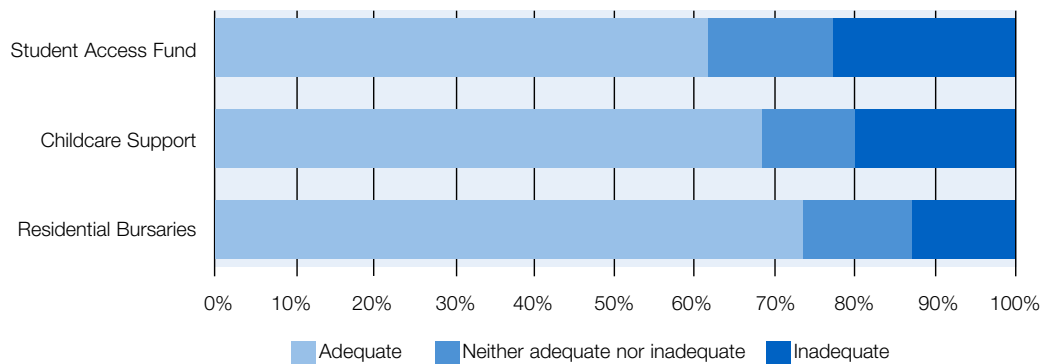
‘Retention is the main issue. You need retention in order to gain achievement. Most go on to complete successfully — it has a knock on effect.’

It is interesting to note that the case study colleges felt that LSF had a more direct impact on retention than achievement, a fact that is borne out by the analysis of the ISR.

5.4 College views on the adequacy of awards

Respondents to the second college survey (see section 1.3.3) were asked to state whether they felt the Learner Support Funds were adequate in terms of the size of individual awards that institutions could offer. The results are presented in Figure 5.2 for each of the three major funds. Just over 60 per cent of respondents felt that Access Funds were adequate to meet student needs. However, around a quarter of respondents felt that the funds were inadequate in some way. Childcare is relatively expensive in support terms, therefore the issue of adequacy was particularly relevant in relation to childcare support. Encouragingly, almost 70 per cent of institutions believe their funds to be adequate. Colleges administering Residential Bursaries were also more positive about this type of funding, as around three-quarters of respondents felt that the funds were adequate. There were only three respondents who felt that the fund was inadequate.

Figure 5.2: Perceived adequacy of each of the three main Learner Support Funds

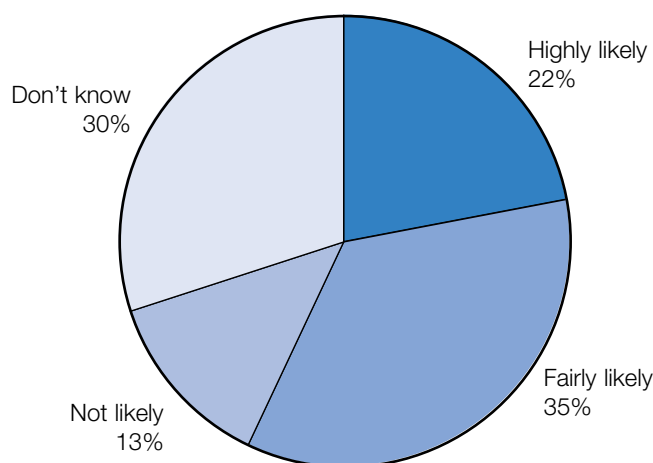


Source: Second LSF College Survey, IES 2002

Those institutions that reported that the funds were inadequate in some way, were also asked to state why they felt this to be the case and to outline the groups most affected by these inadequacies. The reasons given for the inadequacies of the Access Funds were mainly to do with the size of the allocation to the colleges, or the size of award that could be made to the student as a result (over 80 per cent of respondents indicated this). The student group felt to be most affected by this perceived shortfall in allocation were students between the ages of 16 and 18. However, the inadequacies of the fund were also felt to affect asylum seekers. This result is likely to reflect the fact that most would have been ineligible for support under the (then) criteria of the fund. As we have noted, asylum seekers are eligible to claim LSF from September 2003.

When these issues were considered in relation to childcare support, the results were somewhat different. The main problem with the childcare fund was that it was perceived to be too inflexible or failed to cover certain expenses (over 80 per cent of respondents indicated these reasons). The main group affected by these inadequacies was felt to be lone parents (around 60 per cent of those completing this question felt this to be the case). When we examine Residential Bursaries, however, the sample becomes very small (there were only three respondents who felt that the fund was inadequate). Two of these suggested this was due to the inadequate size of the allocation given to their college/institution. The other stated that the size of their student population was not sufficient to generate enough funding when students with the need for Residential Bursaries did apply for support.

Figure 5.3: Perceived likelihood of receiving funds



Base: Students with some knowledge of funds before starting college (N=612)

Source: LFS Student Survey, IES 2002

5.5 The student experience of LSF

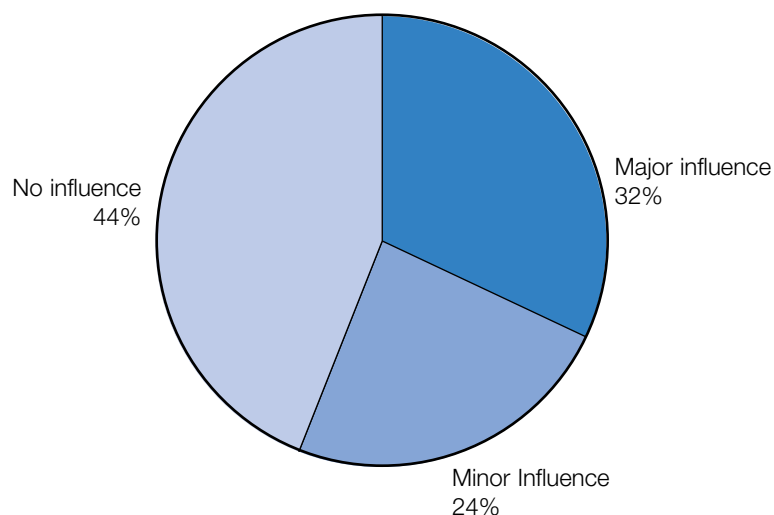
5.5.1 Influence of LSF on decision to study

It is important to look at the possible impact of LSF on a student's decision to come to college. Using information from the student survey, it is useful to look at those students who had received (some) information on the support funds and ascertain whether they thought it likely that they would receive any additional support. Figure 5.3 shows that over half of all students who had received some information on the LSF prior to coming to college thought it was at least 'fairly likely' that they would receive some funds. However, 13 per cent of students with some prior knowledge of LSF thought it was unlikely that they would receive additional support, and a further 30 per cent reported that they 'didn't know'.

We went on to ask students who knew about the Learner Support Funds prior to starting college (and in some cases perceived that they were likely to receive some funds), whether this had an influence on their final decision to attend college, and the results are presented in Figure 5.4.

We should remember here, that between one-third and one-half of all students surveyed reported that they were not at all informed about the financial or in-kind support available to help them with the costs of childcare, travel, books, equipment etc., prior to starting college (see Section 3.7). However, amongst those students who knew about LSF prior to coming to college, we found that almost one-third of them felt that they had been a major influence on their decision to study. One-quarter of students with some prior knowledge of the funds, though, said that it had been only a minor influence on their decision to come to college, whilst almost half said that it had been no influence on them whatsoever.

Figure 5.4: Influence on decision to come to college



Base: Students with some knowledge of funds before starting college (N=612)

Source: LFS Student Survey, IES 2002

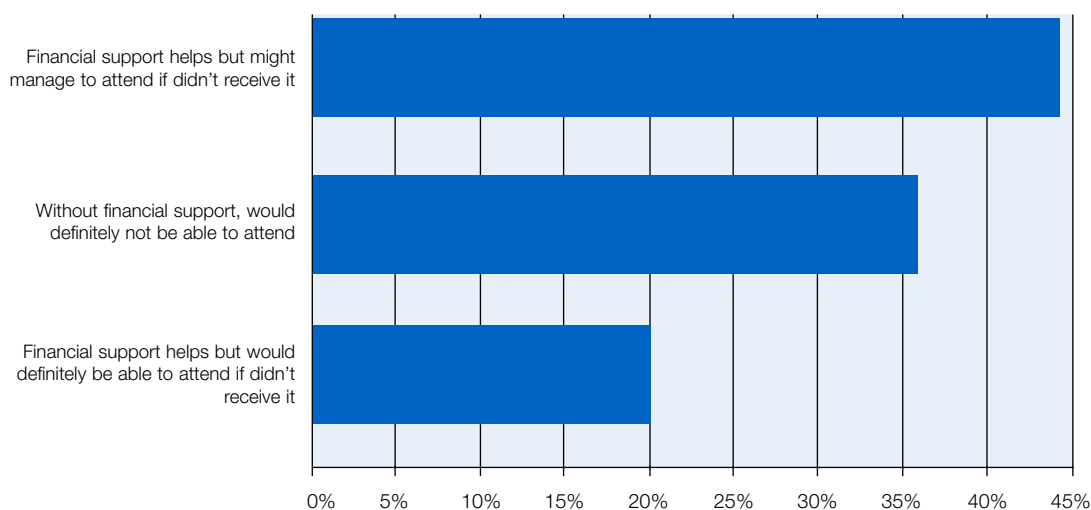
Prior information about the funds is clearly important for some students in terms of influencing their decision to study. However, most students had no knowledge of the funds prior to coming to college, or, where they had received some information before starting college, were not influenced by it.

5.5.2 Impact of receiving LSF

We also asked students about the impact that receiving LSF has had on their attendance (or retention) at college. During the student survey, we asked all those who had applied for LSF, and who had already received some funds or in-kind support, what sort of a difference it had made, and their response is provided in Figure 5.5. We can see that approximately one-third of all students receiving LSF reported that they would not be able to attend college without this financial support. Almost half of all students who had received LSF felt that this support had helped them but that they 'might' be able to attend college without it. A further fifth of students in receipt of LSF stated that it did help them but that they definitely would be able to attend without it, indicating (as with many Government support programmes) a fair degree of deadweight.

On further exploration, we found that older students, students who live independently or have dependent children, lone parents, students with health problems, and those studying part-time, were particularly likely to report that receiving LSF has been critical to their ability to attend college. Furthermore, a recent survey of the childcare needs and experiences of students in further education (Dewson and Dench, forthcoming) indicates that childcare support has had a major impact on the majority of students who receive it. Many students surveyed reported that the availability of childcare support influenced their decision to attend college, although many only found out about the support available when they registered for their course.

Figure 5.5: Impact of support (N=1,215)



Source: LFS Student Survey, IES 2002

If we look at the impact that not receiving LSF, or receiving less LSF than expected, has on students (33 per cent of the student sample as a whole) we find that many are negatively affected (Table 5.7). Over one-third of students who have received no LSF, or less than they expected, think it is unlikely that they will be able to find the money elsewhere, although most students in this situation feel that they will 'get by'. However, more than one in ten students who received no LSF, or less than they expected, thought that they may have to leave college early because of this.

Table 5.7: Reaction to not receiving financial/in-kind support — respondents reporting that they had applied for LSF but had not received additional funding, or had received less than expected (N = 488)

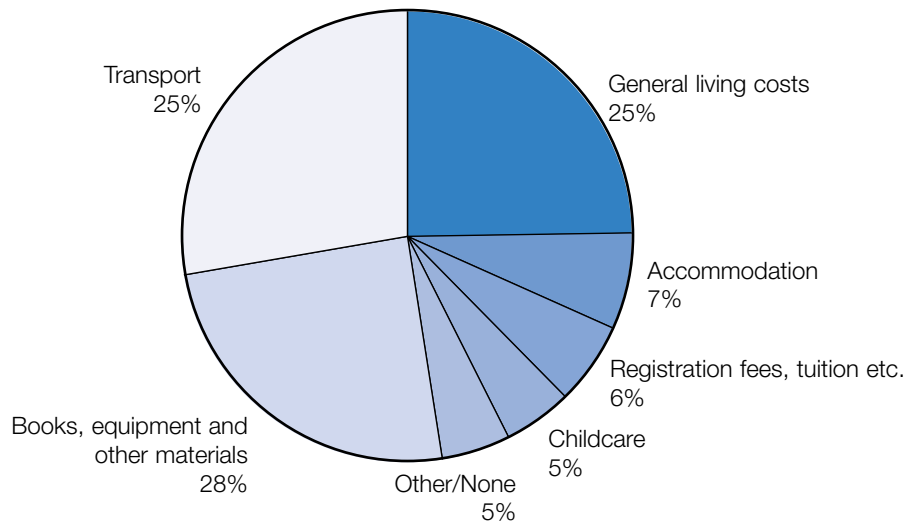
	Agree entirely (%)	Agree partially (%)	Neither agree nor disagree (%)	Disagree partially (%)	Disagree entirely (%)
I will find the money elsewhere	9	37	17	18	19
I will get by	12	52	17	11	7
I may have to leave college	6	9	13	25	48

Source: LFS Student Survey, IES 2002

5.5.3 Student views on additional funding required

We have already observed that many students in receipt of LSF continue to experience financial difficulties (see Section 4.4). When we asked students what item of expenditure they would most like additional help with, we found that one-quarter want additional resources to help them with books, equipment and other materials, one-quarter would like additional help to cover the costs of transport, and a further quarter want help to meet general living costs (Figure 5.6). Relatively few students want additional help for accommodation costs and childcare, although this is likely to reflect the number of students included in the survey who have children, or whose course is residential. Similarly, only six per cent of students want additional help to cover the costs of fees associated with registration, examinations and tuition.

Figure 5.6: Wish list for additional funding, all respondents (N = 1,445)



Source: LFS Student Survey, IES 2002

As we might expect, different ‘types’ of students have (slightly) different requests for additional funding (see Table 5.8). Younger students want more help to fund transport costs (35 per cent). Students who are older, married or cohabiting, living independently, who have dependent children or are lone parents, or who study part-time, are less likely to want additional help with the cost of travel but more likely to want additional resources to help with the costs associated with childcare (approximately one-quarter of students with dependent children and/or lone parents want additional funding to help with childcare). Older students, students who are married or cohabiting, and those who study part-time are also slightly more likely to request additional help to fund the cost of fees for registration, examinations and tuition.

Table 5.8: Wish list for additional funding — most important item for additional funding, all respondents, percentages (N = 1,445)

	All	Male	Female	16 to 18	19 to 24	25 plus	Single	Married/living as a couple	Living indep.	Dependent children	Lone parents	Non-white	Health problems	Full-time	Part-time
Books, equipment and other materials	26	20	29	27	22	26	26	26	25	21	20	25	32	25	27
Transport	25	27	25	35	16	13	26	16	13	14	13	24	19	28	14
General living costs	25	32	22	24	30	24	26	17	29	25	27	27	22	26	21
Accommodation	7	9	6	6	12	6	7	4	9	3	3	6	7	8	4
Registration fees, tuition etc.	6	6	7	3	9	12	6	14	8	8	7	4	7	5	15
Childcare	5	2	7	1	7	13	5	17	12	24	25	8	3	4	12
Other/none	5	4	5	4	5	7	5	6	5	5	5	6	11	5	6

Source: IES Survey, 2002

Table 5.9: Improvements to current LSF, all respondents (N = 1,445)

	All (%)
More publicity about funds	30
More funding	29
Amount more closely related to expenditure	23
Quicker application procedure	14
More accessible application system	12

Source: IES Survey, 2002

5.5.4 Student views on improvements to LSF

In addition to asking what they would like additional funding for, we also asked all respondents to the student survey to tell us how the current arrangements for Learner Support Funds could be improved (Table 5.9). We found that approximately one-third of students wanted to see more publicity about the funds as well as more funding being made available. The issue of publicity is one that was raised earlier in this report. Clearly, knowledge about LSF, prior to coming to college, was an important factor for some people making the decision to attend or otherwise. More, and wider, publicity about the funding may serve to increase participation (and for those not already claiming it, aid retention). Almost one-third of students requested that more funds are made available under LSF, whilst one-quarter of students thought that the amount of LSF should be more closely related to expenditure. This, no doubt, is particularly important to those students who received less LSF than they had anticipated. Just over one in ten students wanted to see quicker application procedures and/or a more accessible application system per se.

Once again, we found that students who are older, living independently, who have dependent children, and/or are lone parents, or who study part-time, were more likely to suggest that the current arrangements could be improved by publicising the funds more widely. Part-time students were also more likely than other groups to request quicker application procedures and more accessible application systems.

5.6 Chapter summary

There is a range of evidence that examines the impact of the LSF (ie Individual Student Records and institutional and student views) and this shows that in comparison to non-recipients, students in receipt of LSF:

- Have lower withdrawal rates, even when other variables are controlled for (ie individual and social characteristics).
- Have slightly worse achievement rates. However, the measure of achievement is quite crude and does not take account of the fact that LSF recipients are likely to have a greater 'distance to travel' in achieving learning goals due to their disadvantaged backgrounds.
- Would be more likely to have to engage in additional paid employment or experience financial hardship without support (according to institution views). This in turn may result in even lower achievement rates if the support was not available.

Over three-quarters of institutions agreed that each of the three main funds were effective in improving retention. Institutions were also positive about their effectiveness in relation to widening participation and attendance. However, institutions felt that the funds were less effective in improving progression and attainment.

Overall, the majority of institutions felt that their allocations of LSF were adequate to meet the needs of their students. Where inadequacies were perceived in the Access Funds, these were mainly in relation to the size of awards that could be made to individual students, and the group felt to be most affected were those between the ages of 16 and 18. For childcare support, the inadequacies were thought mainly to relate to an inflexibility in the expenses that could and could not be funded.

Students views on the impact of the funds are also interesting, for example:

- A third of students with knowledge of the funds prior to starting their course, felt that they had a major impact on their decision to take up study.
- A third of students in receipt of the funds stated that they would not be able to attend their course without this financial support.
- Some groups of students in particular found the funds important in their ability to stay in college (eg older students, lone parents, part-time students).
- When questioned about what additional support (after receipt of LSF) would be beneficial, a quarter of students wanted more help with books/equipment, a quarter wanted help with transport and a further quarter help with general living costs. However, the pattern of additional needs varies according to the characteristics of the students.
- A third of students felt that more publicity on the funds would be helpful.

6. Conclusions and Recommendations

6.1 Conclusions

This evaluation set out to establish how effective the Learner Support Funds are in achieving their intended purpose to influence student access, participation and retention. In this concluding chapter, we summarise the evidence from the study to look at:

- recipients of the funds
- value of the funds, and
- the impact of the funds.

We also look towards the future and discuss the Learner Support Funds in the current policy climate.

6.2 Recipients of the funds

Approximately eight per cent of the 3.5 million FE student population receive some form of learner support funding. More than 15 per cent of students aged 16 to 18 receive LSF as do over nine per cent of students aged 19 to 24 and four per cent of students aged 25 or more. We have found that the Learner Support Funds are indeed reaching students who are in greatest need. In addition to younger students aged 16 to 18, female students are particularly likely to benefit from learner support funding, as are younger students aged 16 to 18, students from ethnic minority groups and disabled students. More specifically, we have observed that:

- Access Fund recipients are most likely to be female, under 19, from an ethnic minority group, studying full-time, disabled and/or from areas of social disadvantage.
- Recipients of childcare support share similar characteristics to Access Fund recipients, but are more likely to be over 18 years old and less likely to have a disability.
- Recipients of Residential Bursaries on the other hand, are more likely to be male, white, aged 16 to 18, studying full-time, non-disabled and/or from areas of low social deprivation.

Essentially though, the Learner Support Funds appear to be reaching those students towards whom they are targeted. However, there are a number of students who do not receive LSF but for whom a need has been identified, including:

- students just above the income threshold, and
- estranged pupils aged 16 to 19, who live independently, or without parental support.

As participation in FE continues to grow, we might envisage that there will be new demands for LSF from students for whom the funds were not originally designed but who still need assistance. Flexibility and responsiveness will be required to meet these new needs as they are identified.

6.3 Value of the funds

Learner Support Funds appear to contribute significantly towards the costs associated with studying, for those eligible to receive them. In many cases, more than 70 per cent of the costs of travel, childcare, books and accommodation are being met by learner support funding, and this figure is likely to be higher if the value of in-kind support, such as travel vouchers, was imputed. However, many students in receipt of LSF continue to experience financial hardship, and many report that they find it harder to manage their finances than they had expected. There are a number of areas where students would like further financial support, including additional help with books and equipment, transport and general living costs.

These findings raise the important issue of awareness of the costs of studying. This study has found that many students were not at all aware of the costs of fees, books, materials or equipment, travel and/or childcare prior to coming to college. Moreover, many students had limited knowledge of the potential sources of support (including the Learner Support Funds) in advance of beginning their studies. There is no common (or necessarily systematic) method of marketing LSF prior to the start of the academic year, and many colleges reported that they had not received notification of their LSF allocation in time to actively market the funds to potential students. Some colleges also reported that they were wary of marketing LSF in case it generated a level of demand that could not be met. As such, there is little evidence to suggest that the LSF is improving access to FE per se. Rather, we have identified the need for:

- More information on the realistic costs associated with studying to be given to students when they are making their decision to go into FE.
- More pro-active marketing of the financial/in-kind support that is available to students at the same time.

6.4 Impact of the funds

Where the Learner Support Funds seem to be having the greatest impact is on student retention. Our analysis of the Individualised Student Record has shown that students in receipt of LSF are more likely to be retained within further education than students who do not. Twenty per cent of non-LSF recipients withdraw from their studies, compared to between ten and 13 per cent of LSF recipients.

Having said this, students in receipt of LSF generally have lower rates of achievement in terms of the qualifications gained when compared to students who do not receive LSF. This is likely to reflect (at least in part) the fact that students experiencing hardship, and who are thus in receipt of LSF, have a greater 'distance to travel' in terms of achieving positive qualification outcomes than students who experience less hardship and do not receive LSF.

6.5 The future of LSF

As with the general policy climate, the Learner Support Funds are undergoing some transformation. A number of pilot approaches with regard to childcare support and Residential Bursaries are already being tested (see Sections 2.4.3 and 2.4.4), offering greater flexibility and support to students in need to attract them to, and maintain them in, their studies. Further education institutions are using LSF monies to work with LEAs, Connexions, LSCs and transport authorities to ensure that younger students, and particularly disabled students, have access to transport services that allow them to (physically) attend college. LSF policy in recent years has responded flexibly to changing needs and shifting priorities.

The Learner Support Funds are now moving into a new phase (particularly for younger students) as the Education Maintenance Allowance programme is rolled out nationally. As we have noted, the EMA is an entitlement-based payment, directly linked to need, and offers a 'something for something' approach for younger students engaged in learning. Students in receipt of an EMA, who are on low incomes and who experience severe/additional financial difficulty, will now receive a coherent and seamless package of financial support which includes EMAs and LSF (for example, LSF may be payable to meet high transport costs or the cost of childcare, in addition to the EMA payment). Again, LSF policy has responded to the need for a further safety net to be put in place for students in receipt of EMAs, in recognition of the fact that the entitlement-based payment may not be sufficient to cover all costs incurred by students.

6.6 Recommendations

A number of recommendations arise from this evaluation. Essentially, we have found that the Learner Support Funds reach their intended target groups and have a positive impact on retention. In just a few short years, learner support for students in FE has changed significantly and offers an invaluable safety net to a great number of students. However, we have also found that students often do not know about the availability of the Learner Support Funds prior to starting their college courses. There is a need for the department to work closely with the LSC, Connexions and FEIs to ensure that clear and effective marketing information about the funds is made available to students, at a time when they are making their decision to study. In addition, more consideration should be given to informing students of how much support they are likely to receive, to assist them to plan realistically for their time spent at college. In order to do this, FEIs need early notification of their LSF allocation to assist them in planning and marketing the funds. Potential students, of all ages, need to be aware of the Learner Support Funds if they are to have any impact on access and widening participation.

There is also a need for LSF policy to respond flexibly to new student needs as they emerge. We have identified in this study a number of students who are just beyond the LSF safety net, or who present particular needs for support, such as independent young students. Also, we might expect that as new and non-traditional students enter FE (via **learnirect**, for example) the demand for LSF might increase. The DfES should continue to engage with the LSC and the FE sector as a whole, to keep abreast of student needs for LSF to inform the development of future policy.

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Appendix 2 — Technical Appendix

Tables A1 to A3 summarise the results of logistic regressions that model the characteristics of Learner Support recipients and the determinants of retention and achievement.

A logistic regression is a multivariate technique that enables us to examine the impact of several explanatory variables (eg those relating to individual or course characteristics) on a single binary variable. In Table A1, the binary variables we consider are whether or not the respondent receives Access Funds, Residential Bursaries or childcare support. The columns labelled Exp (b) provides information on the *odds ratio* of a student receiving support while the columns labelled sig report whether the results are statistically significant (figures of 0.01 or less are significant to at least the 99 per cent level of significance). Taking Table A1 as an example, the effects of studying full-time (relative to the reference category of part-time) is to increase the odds of receiving Access Funds by 7.5. This figure is statistically significant to the 99 per cent significance level (columns 1 and 2).

Table A1: Propensity of individuals to receive learner support funding

					Exp (B)	Sig.
Sex (Male)	0.66	0.00	1.20	0.00	0.31	0.00
Reference group: Female	-	-	-	-	-	-
Age (19 plus)						
Reference group: 16 to 18	0.94	0.00	0.68	0.00	3.23	0.00
Ethnicity						
White	0.74	0.00	3.66	0.00	0.65	0.00
Not reported	0.69	0.00	1.34	0.03	0.43	0.00
Reference group: minority ethnic group	-	-	-	-	-	-
Disability						
Disability reported	1.71	0.00	1.59	0.00	0.65	0.00
Don't Know	0.83	0.00	0.34	0.00	0.51	0.00
Reference group: Disability not reported	-	-	-	-	-	-
Mode (full-time student)	7.53	0.00	39.65	0.00	1.78	0.00
Reference group: part-time student	-	-	-	-	-	-
Widening participation factor	1.73	0.00	0.36	0.00	1.51	0.00
Constant	0.04	0.00	0.00	0.00	0.01	0.00

Source: IES Analysis

Table A2: Model of the determinants of retention

	Exp (B)	Sig.
Sex (Male)	0.76	0.00
Reference group: Female	-	-
Age (19 plus)	0.53	0.00
Reference group: 16 to 18	-	-
Ethnicity		
White	0.80	0.00
Not reported	0.74	0.00
Reference group: minority ethnic group		- -
Disability		
Disability reported	1.55	0.00
Don't Know	0.86	0.00
Reference group: Disability not reported		- -
Mode (full-time student)	0.59	0.00
Reference group: part-time student	-	-
Widening participation factor	0.96	0.00
Funding		
Access Funding	1.73	0.00
Residential Bursary	2.30	0.00
Childcare Support	1.73	0.00
Reference group: No LSF	-	-
Constant	11.39	0.00

Source: IES Analysis

Table A3: Model of the determinants of achievement

	Exp (B)	Sig.
Sex (Male)	0.88	0.00
Reference group: Female	-	-
Age (19 plus)	1.35	0.00
Reference group: 16 to 18	-	-
Ethnicity		
White	1.37	0.00
Not reported	1.26	0.00
Reference group: minority ethnic group	-	-
Disability		
Disability reported	0.91	0.00
Don't Know	0.95	0.00
Reference group: Disability not reported	-	-
Mode (full-time student)	1.04	0.00
Reference group: part-time student	-	-
Widening participation factor	0.80	0.00
Funding		
Access Funding	0.84	0.00
Residential Bursary	0.77	0.00
Childcare Support	0.96	0.00
Reference group: No LSF	-	-
Constant	2.35	0.00

Source: IES Analysis

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