

Operational Sub-Group

16-19 Bursary Fund

Item No: 5

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Summary This paper provides an update on the allocation of the 16-19 Bursary Fund for 2011/12.

Recommendations OSG members are asked to discuss the present situation regarding the Bursary Fund.

1 Background

- 1.1 On October 18 2010 the Government announced as part of the Spending Review that it would be abolishing Education Maintenance Allowance (EMA) for pupils in 16-19 education and training. EMA would be replaced by an increased discretionary fund for institutions to allocate to learners. The total funding available to support young learners would reduce from c£550m to £80m.
- 1.2 Following consultation in March the Government unveiled plans for a new 16-19 Bursary Fund worth 180m per year to be launched in 2011/12. Bursaries would be allocated at the discretion of learning providers although certain groups of vulnerable young people (such as those in care) would be guaranteed £1,200 bursaries.
- 1.3 Additionally, given extensive lobbying from a range of organisations including London Councils YPES, £194m would be made available during 2011/12 to support existing students already in receipt of EMA. Those who first applied successfully for EMA in 2009/10 would continue to receive the full amount if they remain in learning during 2011/12. Those who first applied successfully for the full £30 per week amount of EMA during the present academic year will continue to receive £20 per week during 2011/12, and will also be eligible to apply to the bursary fund for additional support if necessary.

2 Recent Developments

- 2.1 Following further consultation the Government announced its intention to proceed with the Bursary Fund on 17 June 2011. The Young People's Learning Agency (YPLA) then wrote to learning institutions notifying them of their allocations under the scheme. This letter attached as Appendix 1 highlighted that the bursary scheme for 2011/12 would only be allocating c£108m discretionary funding during 2011/12, explaining that:

“The total value of the 16-19 Bursary Fund in 2011/12 remains £180m. However, a proportion of the fund will be directed via the nationally administered transitional arrangements in the first year. This reflects the fact that a proportion of young people in their second or third year of post-16 study who may be expected to benefit from a 16-19 Bursary will continue to receive weekly payments under the transitional support provision.”

- 2.2 This development had not been highlighted in the Bursary Fund consultation which had inferred that the £194m transitional would be *additional to* not *complementary with* the £180m Bursary Fund.
- 2.3 The implications for London is that the YPLA has allocated slightly in excess of £16m of funding to London providers based on 84, 295 learners (allocations are made on the basis of the number of young people that a provider previously had receiving Education Maintenance Allowance at the £30 rate in 2009/10 multiplied by the standard funding rate of £190 per eligible young person). This compares with approximately £81m of EMA funding which was spent in 2009/10 on London resident learners - 89% (85,186) of which were on the higher £30 rate).

3 Allocation Principles

- 3.1 Following the announcement of the Bursary Fund proposal in March London Councils YPES has been working closely with the Association of Colleges (AoC) seeking to agree that colleges have broadly comparable criteria for targeting support. This will minimise the possibility of young Londoners choosing post-16 provision on the basis of ‘the best offer’ financially rather than what is best for their long-term future.
- 3.2 Prior to the YPLA’s letter a set of voluntary draft principles had been agreed with colleges and these were set to be passed to Association of School and College Leaders (ASCL) and the London Work-Based Learning Alliance (WBLA) to try and extend them to schools and other providers. However, the reduced allocation from that expected by providers has jeopardised the legitimacy of these principles and they are now being reviewed. The most significant changes anticipate a lower level of funding support (c£200 per annum) and adopting a higher eligibility threshold (free school meal £16,190 rather than the EMA threshold of income £21,167) at which support for learners can be offered. The current draft is attached as Appendix 2.

4 Implications

- 4.1 We continue to be concerned about the impact of the diminution of learner support funding and its potential impact on participation and retention. In addition greater targeting of financial support will inevitably impact adversely on child poverty in London. There is no level of confidence that the funds will be sufficient to address need when transitional support ceases.

5 Recommendations

- 5.1 OSG members are asked to discuss the present situation regarding the Bursary Fund.