

Written Response to the Enterprise and Learning Committee's Report on the Education Maintenance Allowance by Jane Hutt, Minister for Children, Education, Lifelong Learning and Skills

2 July 2009

I would like to welcome the Enterprise and Learning Committee's report from their inquiry into the Education Maintenance Allowance (EMA) and I am pleased to note the broad support demonstrated for the scheme in this report. I would also like to state on record my congratulations to the principal petitioner Catrin-Anne Davies for her participation in the inquiry and her thoughtful and considered use of our petitions process. I concur with the Committee's statement that she has given us an inspiring example of how young people can engage with the democratic process.

The recommendations contained in the report are very close to our current policy direction and I am very pleased to be able to accept them. Some require further consideration regarding the details, however, I fully support in principle the intent behind them and I look forward to working toward achieving the intended outcomes.

In accepting the recommendations, I am pleased to be able to indicate that work on implementing many of them has been progressing for some time. This report, and the evidence presented during its preparation, has provided crucial information to assist us in that process. I thank the committee again for its constructive role and support for the EMA Scheme in Wales. I have set out below my detailed responses to the Report's individual recommendations.

The Committee recommends that:

1. We have sympathy for the petitioner's personal circumstances where her parents do not support her financially in continuing with her studies, and we applaud her positive attempts to change the system by petitioning the National Assembly. Yet we also acknowledge that given the limited resources available, the Education Maintenance Allowance should be focused on those students who come from the lowest income households. We do not therefore support the call for the Allowance to be spread thinly across the board but targeted effectively where it can make the greatest difference.

Response : Accept

I accept this recommendation. All the evidence thus far from the initial pilot schemes in England and Scotland, our own evaluation, evidence given at the

Committee by FForwm and work done by other UK administrations indicates that the EMA should be targeted towards those who need it most and where it can make the most impact.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

The Committee recommends that:

2. The Welsh Assembly Government allocates sufficient resources to respond to the likely additional demands on the system – both in terms of the numbers of students applying for the Allowance and the additional pressures on the budget available.

Response : Accept

I accept this recommendation. The EMA scheme is demand led and will provide support for all eligible students. The Welsh Assembly Government accepts that there may be increased demand for EMA as a result of the present economic climate and are currently looking at ways to forecast any potential increase in the numbers of eligible students for the scheme. We have already implemented greater flexibility for assessment of household income through the use of current year income levels, where appropriate, in order to be as responsive as possible to any change in circumstances.

Financial Implications – None. Any additional costs will be drawn from programme budgets.

The Committee recommends that:

3. Attempts should be made to redress anomalies in the calculation of household income to remove any unfairness in the system.

Response: Accept in principle

I do not wish to see any unfairness in the assessment process and agree that any anomalies which emerge must be addressed. However it is important to emphasise, as I said to the committee (para148 transcript) we have a prudent and balanced system for measuring household income. It is both familiar and understood by families and is consistent with wider government systems to determine eligibility for other support and benefits. The annual household income assessment is not unique to EMA and is considered to be a fair measure of the financial resources each household has in which to meet its needs.

With regard to areas of potential unfairness I think that one area for consideration is the impact upon families with more than one child in full time education. It would be possible to disregard a proportion of income per

dependent child within the household in a similar way to that used for calculating statutory support for higher education. Work to explore different options will be taken forward.

In answer to the specific issue raised at the Committee concerning support for households with twins. I understand that this scenario was considered during the pilot schemes. The evidence from the pilot schemes indicated that EMA was most beneficial to those in the £20,000 income earning bracket, however when the national EMA scheme was introduced the upper threshold was set deliberately higher at £30,000 to be as inclusive as possible and take account of household circumstances such as twins.

Financial Implications – None. Any additional costs will be drawn from programme budgets.

The Committee recommends that:

4. The Welsh Assembly Government carries out a thorough evaluation so that it can use its powers of intervention to achieve even greater benefits for student achievements in target subjects.

Response: Accept

I accept this recommendation. The Welsh Assembly Government recognises the need to identify fully the impact of the EMA scheme in Wales. A first stage evaluation has been undertaken. We will establish a framework to collect and analyse both primary qualitative evidence and secondary quantitative data in order to increase the positive outcomes regarding participation, attainment and retention. The evaluation will consider if the EMA is an appropriate scheme with which to target student achievement in priority subject areas.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

The Committee recommends that:

5. Unacceptable delays in Education Maintenance Allowance payments “will not happen again” and we trust that systems have been put in place to ensure that students’ studies are never put in jeopardy as a result of administrative failure.

Response : Accept

I accept this recommendation. I stated during my appearance before the committee that this will not happen again. I am confident that the lessons from this year have been learnt. In light of evidence from last year, the SLC in

partnership with Welsh Assembly Government officials have identified and are implementing the required actions to ensure this will be the case including:

- monitoring of the scheme, will include a more detailed breakdown of the work stages underpinning the performance indicators and an undertaking by SLC to actively seek to improve their performance where possible year on year;
- increased capacity for processing applications with 28 part-time temporary members of staff at the peak period of activity between August and October;
- birth certificate promoted as primary evidence in order to discourage use of passports;
- removal of the identity form within the initial application process which it appears accounted for a significant increase in incomplete applications and caused significant processing delays; and
- post approval sample checks on applications using birth certificates as primary evidence

These changes I hope will bring SLC's performance level back to what it was previously and also improve it further. I believe a new understanding between the Welsh Assembly Government and our delivery partners SLC has emerged from this inquiry which will provide an improved and more responsive service for young people applying to the scheme.

I also understand that the Learning and Skills Council (LSC) who are responsible for the EMA scheme in England have agreed with Welsh Assembly Government officials to ensure closer communication on any issues that may have cross border implications. The LSC has also indicated that they do not anticipate any problems with the delivery of the EMA scheme in England for 2009/10 at this stage.

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

The Committee recommends that:

6. The Welsh Assembly Government should conduct a more thorough review into the effects of the Education Maintenance Allowance on the educational performance and attainment of Wales's young people

Response : Accept

I accept this recommendation. The Welsh Assembly Government recognises the need to identify fully the impact of the EMA scheme in Wales. I refer you to my response under Recommendation 4

Financial Implications – None. Any additional costs will be drawn from existing programme budgets.

The Committee recommends that:

7. The Welsh Assembly Government should commend the principal petitioner in lobbying the National Assembly and we congratulate her for using the petitions process. We believe this is an excellent example of how young people can engage in the democratic process.

Response : Accept

I accept this recommendation. As I stated in my opening paragraphs in this response, I fully agree with the committee's sentiments regarding Catrin Ann Davies's use of the Assembly's petitions process and her brave and commendable performance when giving her evidence before the committee.

Financial Implications- None