



Llywodraeth Cymru
Welsh Government

RESEARCH, DOCUMENT

A review of the Education Maintenance Allowance in Wales: summary

The report presents findings on the following areas: the impact of EMA on learners; the eligibility criteria and value of the support and whether the current scheme is the most effective and efficient model.

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Introduction

The Welsh Government's Education Maintenance Allowance (EMA) aims to reduce the financial barriers for students from lower-income families to remain in full-time education after the age at which compulsory schooling ends. The scheme was intended to help close the gap in education attainment between those from poorer and more affluent backgrounds and widen access to further education.

EMA is a financial allowance available to 16 to 18 years olds (and some 19-year-olds ^[footnote 1]) which was first introduced as a UK-wide scheme ^[footnote 2] for eligible 16-year-olds in 2004/05, extending to 17-year-olds in 2005/06 and then 18-year-olds during 2006/07. Learners qualify for the EMA if they live in a household which:

- has an annual income of £20,817 or less if the applicant is the only dependant, or
- has an annual income of £23,077 or less if there are other dependants in the household (dependents are aged 15 or under or aged 16 to 20 and in full-time non-advanced education or training, and eligible for child benefit)

The Student Loans Company (SLC) administers the EMA scheme in Wales, on behalf of the Welsh Government, and applicants submit their application to the SLC. A paper-based only application process was in place until October 2023, when a new on-line application was also introduced ^[footnote 3].

EMA is a weekly allowance of £40, paid fortnightly to eligible Welsh domiciled learners attending schools or further education institutions in Wales or elsewhere in the UK. Payment of the EMA is linked to satisfactory attendance and achievement of agreed learning goals as stipulated by their school or further education institution (FEI). Learners are required to sign an annual EMA Learning Agreement with their school or FEI.

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Welsh Ministers decided to uplift the weekly allowance from £30 to £40 in April 2023 to help learners with the reality of the cost of studying ^[footnote 4].

Aims and objectives of the review

The aim of the review was to explore the impacts of the EMA in Wales and review the current eligibility criteria and value of the award. The review was also expected to provide recommendations to inform future policy and decisions relating to future investment in the scheme.

The review was expected to assess:

- the impact of the EMA on learners' decisions to engage in further study (considering the previous £30 rate and new uplifted rate from 2023)
- the impact of the EMA on learners' engagement with their studies once they have enrolled
- the impact of the EMA on learners' ability to cope with financial pressures more generally, specifically in light of the cost-of-living crisis
- the eligibility criteria and value of support of the EMA
- how the criteria and value of support should be kept under review in future years
- whether the EMA model is the most effective and efficient model to support learners or whether alternative models should be considered

Method

The review was undertaken between October 2023 and May 2024. It involved:

- an inception phase, including a small number of scoping interviews
- a desk-based review of relevant policy and strategic documents as well as scheme documentation and data

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- an online survey of 2,731 EMA applicants
- visits to five colleges and five schools based in Wales, and interviewing a total of 26 staff, 52 EMA recipients, 23 non-EMA recipients and 16 Year 11 learners
- gathering feedback from 12 care experienced young people. All but one had, or were in receipt of, the EMA
- interviewing 17 previous EMA recipients
- interviewing six parents/guardians with children in post-16 education. Five were parents of EMA recipients
- interviewing two staff and one learner at two England-based colleges/sixth form settings located close to the English-Welsh border
- facilitating two focus group discussions, one with eight FEI staff and the other with four school staff
- interviewing six representatives from four stakeholder organisations, as well as three Welsh Government staff, and facilitating a focus group with members of the Local Authority Young Carers Officers Network (COLIN)
- interviewing nine representatives from the Northern Ireland Executive, the Scottish Government and the Department for Education, UK Government to discuss comparable further education finance support provision
- synthesising the findings of the desk research, fieldwork and survey data; presenting the findings to Welsh Government policy officials; and preparing a report

Main findings

Take up of the EMA and the profile of recipients in Wales

Since 2010/11, the number of learners applying for, and supported by, the scheme has decreased year on year. During the academic year 2023/24, SLC Management Information data as of February 2024 show that a total of 17,102

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applications were received and 16,153 awards were made.

The drop in EMA applications and approvals has coincided with a drop in the overall 16- to 18-year-old student population over the five-year period between 2015/16 and 2019/20. Student population numbers have since recovered to their 2016/17 level whilst EMA applications and approvals have continued to fall. During the 2015/16 academic year, EMA approvals accounted for 41% of the overall 16- to 18-year-old student population. This had dropped to 25% by the 2022/23 academic year.

The proportion of approved EMA applicants based at Further Education Institutions (FEIs) has increased over time and in the 2023/24 academic year, accounted for 76% of all approved EMA applications. Of all post-16 learners in 2023/24, 66% of enrolments were at FEIs. EMA recipients are over represented at FEIs despite the majority of post-16 learners attending FEIs.

31% of EMA approved applicants were studying either A or AS level qualifications during the 2023/24 academic year. Just under a quarter, at 23%, were studying for a BTEC qualification and another quarter, at 24%, were studying for an NVQ.

During the 2023/24 academic year, care experienced EMA recipients accounted for 3.5% of all recipients.

A third (36%) of survey respondents received free school or college meals and a quarter (27%) received free or subsidised school or college transport. A quarter of all survey respondents (24%) did not receive any other financial help or support, and this increased to 52% of unsuccessful EMA applicants studying at a school or college (41 of 79 respondents) ^[footnote 5].

Around half of all survey respondents (both approved and unsuccessful applicants) had experienced some form of food hardship over the previous 12-month period in that they had experienced hunger or not eaten properly at

some point over that time. Around a fifth of those surveyed had experienced more severe food hardship, such as going without eating for a whole day or their household having ran out of food. Higher proportions of young carers who responded to the survey reported experiencing food hardship over the previous 12-month period, with 27% living in households which had ran out of food during that time.

EMA design

There was a broad consensus to see the EMA continue, and for it to focus on supporting learners from low-income households as well as the exempt groups [footnote 6] currently covered by the guidance. There is scope to extend the eligible exempt groups to include young carers as well as learners who received FSM during Year 11.

There was a unanimous view from all types of contributors that the household income threshold for the EMA was now too low, and there was much criticism amongst Learning Centre staff, stakeholders, and non-EMA recipients that this had not been revised upwards in recent years to keep pace with rising incomes and inflation.

The number of learners being supported by the EMA has more than halved since the 2010/11 academic year, from just over 36,000 to just over 16,000 by 2023/24, likely attributed to unchanged income thresholds during this time. The previous evaluation recommended that the scheme be better targeted at learners most in need i.e. those from lower income households and from households with other siblings still in education. However, the feedback gathered via this review would suggest that the proportion of 16- to 18-year-old learners in education who are being supported via the EMA, at 25%, is now too low. On the basis that no broader changes be made to the support available for post-16 learners, there is a strong argument that the EMA should support a slightly wider cohort of learners and adopting a higher household income

threshold would allow for this.

Contributors thought it appropriate that the current criteria differentiated between households with one or more other dependents, but there was a strong suggestion that the criteria should be expanded to take into account the number of other dependents still in education.

It was suggested that it would be worth exploring the inclusion of young carers as an exempt group to qualify for the EMA, and/or setting higher household income thresholds for them.

There was broad welcome of the payment uplift made in April 2023. Further increases to the allowance was not considered a priority. It also remains the case that the EMA, at up to £1,600 per annum ^[footnote 7], compares favourably with the financial support available across other home nations.

EMA's fit with other financial support

The Welsh Government provides funding to FE colleges in Wales, via the Financial Contingency Fund (FCF), to support learners who might be facing financial difficulties or might otherwise leave their education because of financial issues. FE colleges can set their own income threshold criteria for the FCF, however, in practice most use the EMA thresholds for determining eligibility for the scheme. This means that low income learners often access support from both schemes, whilst learners who come from households with an income just above the EMA eligibility threshold miss out on financial support.

Most recipients spend their EMA on costs relating to their education, and most of the FCF allocated to FE colleges to support learners is spent on these same provisions across college settings i.e. food in college, college books or equipment, or college travel costs.

The provision of free meals and transport to post-16 learners across Wales is inconsistent and FE colleges are increasingly providing free food and/or meal allowances to learners. It would be worth considering how this inconsistency could be addressed, for instance by providing free transport and free meals to learners from low-income households across both school and FE college settings. If these direct educational engagement costs could be addressed via other means, then the need for the EMA (and FCF) would reduce in future years.

The £40 allowance does not take into account what other financial support learners could access and what their actual educational costs are. In essence, the EMA makes no distinction between learners on the basis of what other funding they could access and the costs they are likely to face.

The most appropriate long-term solution would be to address the further education support offer more broadly, to ensure that public funds be targeted towards addressing the actual costs incurred by learners from engaging with further education, regardless of their choice of setting.

The FCF is utilised effectively to support FE college learners with the costs incurred from engaging in education, with an annual allocation of £6.88 million. If the EMA thresholds were to be increased, FE colleges are more likely to increase their FCF threshold to align with EMA, widening the number of learners they support.

Hearing about and applying for the EMA

Most learners come to hear about the EMA at the start of Year 12 and the scheme is promoted effectively at this point. Schools tend to tailor their communication about the scheme whilst colleges adopt broader promotional methods to target a wider audience.

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Learners have little awareness of the scheme prior to Year 12, and there is scope to improve on this.

Care experienced learners come to hear about the EMA from a wider range of sources than non-care experienced learners, but there is a need to improve understanding amongst social workers, as they play a vital role in supporting some learners to apply.

The introduction of an online application form is welcomed and much needed. Those who had completed an online application reported a more positive experience than those completing a paper-based application, not least because the form is shorter due to the use of routed questions.

Many learners, particularly those with Additional Learning Needs (ALN) or who have parents with ALN, found the application form questions and terminology difficult, and there was a desire to see the language simplified.

EMA Learning Agreements and monitoring attendance

Learner's recollection of EMA Learning Agreements was vague, but despite this learners had a good understanding of their implications in terms of the attendance required of them to receive their EMA payments.

The level of attendance required of learners varies from one Learning Centre to another, as the EMA Learning Agreement is developed between the learner and the Learning Centre.

Based on the feedback gathered from Learning Centres who contributed to this review, schools were more proactive than FE colleges in verifying issues of unauthorised absences prior to reporting attendance data to the SLC due to having lower number of EMA learners at their setting.

Most contributors thought that attendance is an effective way of awarding the EMA but whilst awarding the EMA on the basis of acceptable attendance is effective, strict attendance requirements may disadvantage learners, particularly disabled learners, those with poor health and those with caring responsibilities.

Missed payments was the biggest issue raised by EMA recipients and this was found to cause much anxiety and concern for learners. Learners considered it particularly unfair that they lost the total £40 weekly payment for only having missed one lesson or registration period.

Many learners struggle to meet the attendance requirements set by their Learning Centre and a wide range of factors accounted for these unauthorised absences, including issues on the part of the Learning Centres. It was suggested that the Welsh Government explores how greater flexibility could be incorporated into the attendance-based payment model and whether a shift towards daily, rather than weekly allowances, would cause less stress and anxiety for learners.

Importance attached to the EMA and the difference it makes

The EMA alleviates financial stress and anxiety amongst learners and their families and plays a key role in contributing to learner's wellbeing. It is considered essential or fairly important by most recipients and reduces learner's dependency on their families for financial support. In comparison, there is convincing evidence that non-EMA recipients (assumed to be from low-income households) face financial hardship, go without essential items, and are very concerned about their financial situations.

The EMA does not have much impact upon learners' decisions to engage in further study, as most learners would have continued their education anyway and make their decision in advance of hearing about the allowance available to

them. Individuals choose to continue in education for positive reasons as they place a value on their education and have ambitions for a future career and/or higher education.

Feedback from Learning Centres and EMA recipients suggests that the EMA does positively impact attendance rates amongst recipients, as the fear of losing their payments is a strong motivator for attending. There is some anecdotal evidence from Learning Centres that the recent uplift in the allowance to £40 has further improved attendance levels.

Most learners reported they can better engage in lessons, extra-curricular activities and trips because they receive the EMA, 60% of those surveyed reported that receiving the EMA meant they were either definitely or possibly more engaged in lessons.

The perceived impact of the allowance upon educational achievement is less clear cut. Learners and Learning Centres believe there to be a correlation between strong attendance and educational achievement, and the evidence gathered does suggest that the EMA allows learners to focus on their studies as a result of financial pressures being reduced.

The financial challenges faced by learners during further education made some question their ability to afford higher education in the future, despite being aware of available financial support.

Recommendations

The review offers the following recommendations for the Welsh Government to consider.

1. We recommend that the Welsh Government continues to administer the

EMA in Wales, and that it focuses on supporting learners from low-income households.

2. We recommend that the Welsh Government explores extending the EMA exemption groups to include young carers and (previous) FSM recipients.
3. We recommend that the Welsh Government and the Commission for Tertiary Education and Research (CTER) consider how to address the wider inequity in access to support across further education in Wales, and specifically explore how it could provide free transport and free meals to learners from low income households across both school and FE college settings. The Welsh Government and CTER should map out in greater detail what transport provision is currently available and what the cost of addressing these gaps would be.
4. Should financial resources allow for it, we would recommend that the Welsh Government increases the household income thresholds for awarding the EMA, retaining the two-tiered threshold model currently in place to accommodate the circumstances of households with different numbers of dependents. We would recommend that the household income threshold be aligned with the real living wage, currently set at an annual salary of £23,400 if working on a full-time basis.
5. We recommend that no immediate change be made to the value of the allowance. Should financial resources allow for it, we would recommend that the Welsh Government considers increasing future amounts either in line with annual inflationary increases as set out by the Consumer Price Index or in line with higher education student grant support percentage uplifts.
6. We recommend that the Welsh Government, CTER and SLC ensure that schools and FE colleges make a greater effort to raise awareness and promote the EMA at an earlier stage amongst potential eligible Year 11 learners, particularly those accessing FSM and vulnerable groups such as those with care experience.
7. We recommend that the Welsh Government and its stakeholder organisations explore how social workers and key workers' understanding of the EMA can be improved so that they are better equipped to inform care

experienced learners and young carers about the EMA, support their application and ensure that the learner has direct access to the funds once received.

8. We recommend that the Welsh Government and SLC consider how the language and terminology used in the EMA application form could be simplified and made more accessible to young people.
9. We recommend that the Welsh Government and SLC explore how Learning Centres could adopt greater flexibility within their attendance policies and monitoring activity to ensure that EMA recipients do not miss out on EMA payments. It may also be worth the Welsh Government exploring whether a daily, rather than weekly, EMA attendance-based payment model would cause less stress and anxiety for learners.
10. We recommend that the Welsh Government consider commissioning a quantitative analysis of secondary data sources in the future, to enhance the evidence about the impact of the EMA in Wales.

Footnotes

[1] To be eligible at age 19, the learner must be continuing or completing an existing course or programme of study and must not have had more than two years EMA support in the preceding three years.

[2] The UK-wide scheme has since been discontinued.

[3] Although applicants can still apply using the paper-based application form, should they prefer to do so.

[4] **Wales first in the UK to increase Education Maintenance Allowance payment**

[5] It is assumed that a large proportion of unsuccessful applicants may have

just missed out on income threshold for eligibility but are assumed to be predominantly from low-income families.

[6] These are learners in local authority care, with foster parents or is a care leaver; responsible for a child of their own; in receipt of Income Support or Income based Employment and Support Allowance; entitled to an award of universal credit under the Universal Credit Regulations 2013, or in custody or detention within the youth justice system including a Young Offenders Institution, Secure Training Centre, or Secure Children's Home.

[7] Calculated on the basis of 40 weeks per year.

Contact details

Report authors: Bryer, N; Bebb, H; and Grover, T

Views expressed in this report are those of the researchers and not necessarily those of the Welsh Government.

For further information please contact:

Emma Hall

Social Research and Information Division

Knowledge and Analytical Services

Welsh Government

Cathays Park

Cardiff

Email: KASEmployabilityandSkillsResearch@gov.wales

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