

Formative Evaluation of the National Scholarship Programme

Summary of year one findings submitted to
HEFCE by CFE and Edge Hill University

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1| Introduction

1.1 This document has been produced by CFE and Edge Hill University for the Higher Education Funding Council for England (HEFCE).. It provides a summary of the key findings from the first year of the formative evaluation of the National Scholarship Programme (NSP) which ran from October 2011 until September 2012. Appendix 1 contains a list of abbreviations used in this document.

1.2 Year 1 of the evaluation captured perceptions of the design and implementation of the NSP prior to the roll out to recipients which occurred during the 2012/13 academic year. The summary draws upon evaluation activity undertaken which included:

- a review of existing documentation and UK and international literature on student financial aid;
- scoping interviews with members of the NSP Steering Group chaired by David Willets;
- an online survey of 104 higher education (HE) providers;
- case study visits with 24 representative providers; and
- an online survey of 500 potential HE students.

1.3 The summary provides key messages for both policy-makers and HE providers and addresses the following issues:

- the allocation of NSP funding and the impact of this on the design and implementation of the NSP at an institutional level;
- how institutions plan to use their match funding and the potential impact of this requirement on other widening participation activity;
- perceptions of the value of fee waivers and their use by institutions as part of the NSP package;
- the marketing of the NSP;
- perceptions of the impact of NSP on institutions and student choice; and
- the offer for mature and part-time learners.

1.4 The detailed findings from Year 1 of the evaluation are presented in a report: Formative Evaluation of the National Scholarship Programme (May 2012)¹. An addendum to this report was published in February 2013. It provides additional findings from institutional case study visits and a survey of potential HE students².

¹ Available to download at: www.hefce.ac.uk/pubs/rereports/year/2012/nspevaluation/

² Formative evaluation of the National Scholarship Programme: Addendum to May 2012 Report to HEFCE by CFE and Edge Hill University. Available to download from www.hefce.ac.uk

2| The NSP in context

2.1 The NSP is designed to deliver additional, direct financial support to specific students who meet national and, in some instances, institutional eligibility criteria. NSP funds are intended to complement rather than replace existing awards, bursary programmes and other widening participation (WP) activities.

2.2 The introduction of the NSP forms part of a suite of changes to HE funding and student support which are located within a framework of wider reforms designed to reduce the current deficit and stimulate economic recovery in the UK. In the context of these reforms, policy remains focussed on increasing young people's engagement in post-compulsory education and training, and supporting social mobility. Widening access and improving participation in HE in England for those groups who have typically been underrepresented contribute to the achievement of these wider objectives and remain at the heart of HEFCE's overarching mission.

2.3 The Department for Business, Innovation and Skills (BIS) sets the overall policy and provides funding for the NSP. HEFCE, as the body responsible for distributing funding to HE institutions in England, is charged with allocating and monitoring the NSP. As part of this remit, HEFCE issues guidance to institutions. The guidance for the 2014/15 academic year was issued in January 2013. A number of changes to the NSP are reflected in this guidance; these have been made in response to feedback from the sector captured during this evaluation and during individual consultations.

3| Key messages for policy makers and HE providers

Policy-makers

3.1 The NSP is not perceived to be a national scheme because of the lack of standardisation in student eligibility and the variation in the composition of support packages. This is perceived to be impacting negatively on the branding and promotion of the scheme, as well as on student awareness and the extent to which it influences student choice.

3.2 Fee waivers are not expected to have as great an impact on access or retention as other types of benefit. Students appear to value cash and help towards immediate (rather than deferred) costs such as accommodation most highly. **Institutions will be afforded greater flexibility in the composition of the package they can offer from 2014/15; however, cash will remain capped at £1000 for full-time students (pro rata for part-time students).**

3.3 Some students do not receive a decision and/or an award until three or four months after they have enrolled in HE because of a lack of certainty about the actual number of eligible students enrolling at each institution, associated concerns about under or overspending, and variations in institutional approaches to allocating awards.

3.4 In most institutions (more than 80 per cent) demand for NSP support will exceed the number of scholarships available and additional eligibility criteria will be applied. The range of eligibility criteria means that students with similar circumstances will receive very different levels of support, ranging from the maximum of £6,000 to nothing, depending on the institution they attend.

3.5 Institutions would, on the whole, favour an allocation process based on the number of eligible students they have rather than on the total number of full time equivalent (FTE) students. This would, however, have implications for match funding and would have a disproportionate impact on those institutions that recruit a large number of students from low income families if the requirement to provide 100 per cent match funding remained unchanged. **The new guidance issued in January 2013 indicates that the allocation model for 2014/15 will change to ensure that the distribution of the funding is more closely aligned with the number of students from low income backgrounds. Corresponding changes to the match-funding requirements will**

also be introduced to ensure institutions with a high proportion of eligible students are not penalised.

3.6 The current scheme is not well-developed for mature and part-time students, both in terms of benefits and administrative process, including verifying income. **Changes to the NSP outlined in the guidance for 2014/15 are designed to address some of the current shortcomings of the scheme and will ensure that part-time students have access to the full range of benefits and not just fee waivers in the future.**

3.7 There is scepticism about the likely impact of the NSP on social mobility, including access to HE, and choice of institution or course. Emerging evidence and international research suggests that financial aid will have a greater impact on retention and attainment, rather than access to HE.

Higher education providers

3.8 Potential students have limited awareness of the NSP and the evidence suggests that it is having a limited impact on decisions to enter HE and on subject or programme choice. It is possible that the NSP will have a greater impact on retention and success, rather than access, as a result. **In order to ensure potential HE students have all the information they need to make an informed decision about entry into HE, further guidance regarding the information institutions are required to provide for potential NSP beneficiaries is included in the guidance for 2014/15.**

3.9 Financial support may encourage some individuals who have the appropriate level qualifications but have chosen not to enter HE in the past, to apply to HE in the future; help with accommodation costs would be most likely to influence their decision, along with a cash bursary.

3.10 Some institutions have opted not to use an application form for the NSP, drawing instead on information supplied when applicants apply to HE and for a student loan. This approach ensures that the circumstances of all eligible students are reviewed and that potential recipients are not deterred by a complex application process, but it may result in a delay in the allocation of awards.

3.11 Most institutions are offering NSP recipients a range of benefits, including a cash bursary, fee waiver and help with accommodation costs. Students value accommodation support and cash bursaries more than fee waivers.

4| The allocation of NSP funding

4.1 Although changes to the allocation model will be introduced in 2014/15, NSP allocations are currently based on the number of FTE students at an institution and do not take account of the proportion that are likely to be eligible for the award³. Although the introduction of the NSP is likely to increase the proportion of students in receipt of financial aid overall, in most institutions (84 per cent), demand for the NSP is anticipated to exceed supply. It is estimated that in approximately half of all institutions less than half of the eligible students (based on the national criteria of having a family income below £25,000) are likely to receive a scholarship.

4.2 Institutions are currently required to match-fund their NSP allocation. A small number of institutions are contributing more than the required amount to ensure that all their students who meet the national eligibility criterion receive an award. However, the majority (67 per cent) are imposing additional local eligibility criteria to manage any shortfall in their allocation (as recommended by BIS and HEFCE). The extent and nature of these criteria vary considerably and are based on financial, academic and/or personal factors including lower family income levels, place of residence and prior academic achievement. There is evidence that some institutions are also using the NSP to

³ As the programme increases in size for 2013-14 and again in 2014-15 more students will be able to benefit from the NSP.

encourage applicants to select their institution as 'first choice' and/or to encourage applicants to choose specific subject areas.

4.3 Designing local eligibility criteria that ensure the NSP allocation is neither under nor over spent is perceived to be a challenge for institutions and can add to their administrative burden, especially when the nature of their student cohort is uncertain or changing. The need to identify a precise number of eligible students to receive an NSP award and the choice of local eligibility criteria has implications for the design of application and award processes.

4.4 In our study, 16 of the 24 case study institutions do not require students to complete an application form for the NSP. Instead, eligibility is assessed using data from HE and student loan applications. These institutions perceive an application process as burdensome, unnecessary and potentially off-putting to the kinds of students that the programme is aiming to attract and support. Conversely, an application form and associated deadline has the advantage of allowing the institution to confirm awards more quickly.

4.5 There was much variation in when institutions expected to be able to notify students about their award. Those that were intending to award an NSP to all eligible students and/or that subscribe to the Higher Education Bursary and Scholarship Scheme (HEBSS) anticipated that they would be able to confirm awards prior to or immediately on enrolment. Others relying on the Student Loans Company to verify student data perceived that this could be a potential source of delay. In addition, institutions that intended to apply additional criteria reported that their eligibility thresholds would have to remain flexible until the total number of eligible students was confirmed, resulting in further delays.

4.6 Varying eligibility criteria and award packages have resulted in disparities between and within institutions and cohorts; students with the same household income will receive a greater or lesser amount or no award at all, depending on where they have chosen to study.

4.7 The majority of those consulted suggested that the way in which NSP allocations are currently calculated could be improved by taking into account of the proportion of students that meet national eligibility criteria within individual institutions. However, allocating NSP funding based on eligible student numbers rather than total student numbers has implications for the match-funding element of the scheme and could serve to penalise those that successfully attract a large proportion of students from low income groups. **As noted above, a revised allocation model will be implemented for 2014/15 which addresses these key issues.**

5| The match funding requirement

5.1 Institutions have the flexibility to develop their own approaches to the implementation and delivery of the NSP within specified parameters. A wide range of approaches are being implemented as a result. Although the majority of institutions that responded to our survey (57 per cent) are using their match funding to increase the number of awards on offer and maximise the number of students who can benefit, a significant minority (39 per cent) have chosen to increase the value of the award instead. The majority of institutions (57 per cent) also intended to allocate their full match-funding contribution in the first year of study.

5.2 Most respondents perceived that the NSP will have a positive impact on their institution by providing additional resources to enhance existing financial aid for WP students. Just two case study institutions reported that they anticipated that existing WP activities would be reduced or displaced as a result of the requirement to match-fund the NSP. They suggested that the match-funding will be generated by diverting resources away from other activities such as outreach and retention and/or that existing bursaries will be adversely affected. Others argued that the impact of the NSP on their institution was likely to be negligible because they already provided similar types and levels of support.

6| The use of fee waivers

6.1 Recipients of the NSP will be offered a mixture of benefits, including cash awards, fee waivers, subsidised or free accommodation, subsidised learning materials and/or help towards the cost of travel. Currently there are no significant trends in the composition of the packages available. Many institutions reported that they had consulted their Students' Union about the NSP package (and NUS were said to generally favour cash bursaries over fee waivers). A small minority had carried out other student consultation activities such as focus groups to inform the package design.

6.2 Fee waivers are perceived by potential students and institutions to be of less value than other forms of financial assistance. Although they may reduce overall debt, fees are a deferred cost which some students may never pay. As a result, fee waivers are perceived to have a limited capacity to impact on access, retention and achievement. Many of those institutions where the package includes a cash bursary said they wanted to include it because they felt it was popular with students, would be most beneficial to students or would help with retention. The survey of potential students suggested that lower fee levels are more likely to encourage individuals to apply to HE than fee waivers. This may be due to the perceived stigma of receiving a means-tested benefit or uncertainty about entitlement to a fee waiver. **As noted above, greater flexibility in terms of the composition of the package will be introduced in 2014/15 but cash will remain capped at £1000.**

6.3 Several interviewees commented on the perceived tension between marketing fee waivers as an attractive option while re-assuring students that tuition fees should not be a barrier to participation because they are only repayable on graduation and if they get a sufficiently well paid job. They felt this made marketing the fee waiver element of the NSP more difficult.

6.4 Despite these issues, most institutions are including fee waivers in their NSP package. There are several reasons for this, including: they are relatively easy to administer; there are limitations on other options such as cash; and/or the existence of wider policy drivers to reduce average fee levels, such as core and margin. The relative effectiveness of the different combinations of benefits will be examined in subsequent stages of the evaluation; however, early findings and existing literature suggest that fee waivers are likely to be less effective than bursaries.

7| Marketing the NSP

7.1 Raising awareness of the NSP and other financial aid available is a key priority for the programme and integral to its success. Institutions have a key role in helping to market and promote the NSP to potential recipients through a range of media. At present, the provision of information is highly variable and, as noted above, HEFCE has issued additional guidance to institutions on its requirements.

7.2 The survey of potential students suggested that the majority of potential applicants were not aware of the NSP. Approximately two-fifths (38 per cent) of survey respondents who had applied for a place in HE starting in the 2012/13 academic year and who met the national eligibility criterion reported that they were aware of the NSP. Common sources of information were UCAS and school or college. Consideration needs to be given to how the NSP is marketed to those outside of education with the potential to progress into HE.

7.3 The NSP brand is not currently perceived by institutions or other stakeholders to be 'national' (given the wide variations in eligibility and composition of the package on offer) or a 'scholarship' given the basis on which it is awarded. OFFA use the term 'bursaries' to refer to money students receive on the basis of their household income and 'scholarships' to refer to awards based on other criteria such as academic achievement.

7.4 Communicating information to students, parents and other stakeholders about the NSP presents a number of challenges, particularly for those institutions with additional eligibility criteria. A small minority of institutions reported that they were taking a deliberately low-key or vague approach to marketing and promotion of the NSP in a bid to manage student expectations in the context of a scheme where only a proportion of those who are eligible will receive an award.

8| Impact of the NSP

8.1 The possibility of receiving an award appears to be having a limited impact on the decision to enter HE as well as choice of institution and subject. Applicants to HE who were aware of the NSP and who responded to our survey were asked to rate the extent to which the possibility of receiving financial aid through the NSP affected their decisions about HE. The majority reported that it had no influence at all over their decision-making. Where it did have an impact, it was most likely to have influenced an applicant's choice of institution and least likely to have influenced choice of subject or programme of study.

8.2 Survey respondents who had not applied to study in HE in 2012/13 or 2013/14, but who had an appropriate level qualification, were asked to indicate which types of financial aid would encourage them to apply in the future. The results suggest that some form of financial incentive would encourage the vast majority to apply but that help with accommodation costs would be most likely to influence their decision. Over half would also be influenced by a cash bursary.

8.3 Although most institutions agreed the NSP will ensure financial aid is targeted at those students who need it most, there is some scepticism within the HE sector that it will have a direct impact on their social mobility; only a fifth of survey respondents agreed that the scheme will help to improve social mobility amongst disadvantaged groups. The reasons for this scepticism will be explored during the next phase of the evaluation as part of our examination of the likely impact of the NSP on retention and attainment as well as access.

9| The offer for mature and part-time learners

9.1 Some elements of existing NSP packages, such as discounted accommodation, may be less attractive to mature learners.

9.2 Part-time students (many of whom will also be mature) are currently only entitled to receive the fee waiver element of the NSP. As the government contribution is delivered in the first year of study only, this may mean that part-time students receive a proportionately lower value award over the course of their studies when compared to full-time students.

9.3 As noted above, measures will be implemented from 2014/15 to ensure greater parity for part-time students and that the package of benefits is of value and attractive to mature entrants.

10| Next steps

10.1 Year 2 of the formative evaluation of the NSP commenced in January 2013. Much of the activity from Year 1 will be mirrored during the second year of the study in order to facilitate longitudinal analysis, including:

- an institutional online survey;
- institutional case study visits; and
- an online survey of potential HE students.

10.2 In addition, the evaluation team will also conduct:

- an online survey of NSP recipients;
- focus groups with recipients;
- qualitative research with potential HE students; and
- analysis of available monitoring data.

10.3 The evaluation team will report the interim results from the recipient and institutional surveys in April 2013. The end of year report containing an analysis of all the research findings from the second year of the evaluation will be submitted by the end of August 2013. The main purpose of the reports will be to provide a detailed understanding of the delivery of the NSP as well as a benchmark for future evaluation and comparisons. A particular emphasis will be placed on capturing good practice (as well as key lessons learned) that can be shared and replicated across the sector with a view to enhancing outcomes for recipients.

Appendix 1 **Explanation of abbreviations**

Abbreviations	Aligned Definitions
BIS	Department for Business, Innovation and Skills
FTE	Full Time Equivalent
HE	Higher Education
HEBSS	Higher Education Bursary and Scholarship Scheme
HEFCE	Higher Education Funding Council for England
NSP	National Scholarship Programme
NUS	National Union of Students
OFFA	Office For Fair Access
WP	Widening Participation