

# Evaluation of the National Scholarship Programme – Year 3

*Report to HEFCE by CFE Research and  
Edge Hill University*

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## EXECUTIVE SUMMARY

*The formative evaluation of the National Scholarship Programme (NSP) has been examining the implementation and delivery of the NSP over its first three years of operation. This report explores the evidence at the end of Year 3 of the impact of the Programme and how changes to the NSP are affecting students and higher education institutions (HEIs).*

1. This report has been produced by CFE Research and Edge Hill University for the Higher Education Funding Council for England (HEFCE). It summarises the key findings from the third year of the formative evaluation of the NSP which will conclude in October 2015. The findings from the first two years of the evaluation are available to download from: <http://www.hefce.ac.uk/pubs/rereports/year/2012/nspevaluation/>

### Context

2. The NSP was announced in October 2010 and rolled out to students in the academic year 2012-13 to coincide with the rise in tuition fees. The main objective of the NSP is to provide an additional financial benefit to students from disadvantaged backgrounds as they enter higher education (HE). Students from families with an income of less than £25,000 per year are eligible for the NSP, but only those who meet the national criteria and any specific institutional criteria are eligible to receive an award. Each full-time award recipient currently receives a benefit to the value of not less than £3,000. Part-time students who are studying a minimum of 25 per cent intensity of the full-time equivalent (FTE) receive a pro rata amount in the form of a fee waiver.
3. A number of changes to the NSP were announced in 2013, effective from 2014-15. These include:
  - a reduction in the Government's contribution,
  - a revised funding allocation model,
  - the removal of the requirement to provide 50 per cent match funding for institutions charging fees of less than £6,000,
  - a new menu of options for part-time students,
  - a reduction in the minimum value of the award, and

— the removal of the cap on cash awards.

4. The NSP will cease after 2014-15 and the £50m fund will be re-purposed to support progression into taught postgraduate (PGT) education in England, with the aim of stimulating participation by students who would not otherwise progress to this level.

## Approach

5. The role of the formative evaluation of the NSP is to help policy-makers and institutions understand 'what works' in terms of the design and delivery of the Programme, and to offer insights into its impact on access, retention and success. In the context of the reforms to the NSP, the evaluation will also explore how institutions manage the transition and the challenges and opportunities it presents. Finally, the evaluation seeks to inform the development of institutional approaches to financial aid in the future, and to capture lessons that can be applied to supporting participation in postgraduate education from 2015-16.
6. The third year of the evaluation took place between February 2014 and August 2014. A wide range of stakeholders were consulted through online surveys and individual and group interviews, including institutional staff, NSP award recipients and potential HE students. This primary research supplements an analysis of HEFCE end-of-year and in-year monitoring data.
7. This report is designed to build on previous reports from the formative evaluation of the NSP. The focus is on new data and emerging findings that add to understanding of the NSP and financial aid more generally, rather than on data that confirm earlier findings and conclusions.

## Key Findings

### The NSP in 2013-14

8. Total funding for the NSP in 2013-14 is forecast to be £225,525,756, including £100m from the Government. The number of institutions participating in the NSP has increased from 183 to 225 and the number of beneficiaries is forecast to be 59,606, which equates to 57,009 FTE students.<sup>1</sup>
9. There is flexibility for institutions to offer the NSP in a variety of forms, which differ in terms of timing, use of match-funding, eligibility criteria and the package of benefits.

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<sup>1</sup> See Outcomes of HEFCE's in-year monitoring of the National Scholarship Programme for 2013-14 <http://www.hefce.ac.uk/pubs/year/2014/201418/name,88034,en.html> (Accessed on 12/9/14)

Our analysis shows that there are 24 out of a possible 32 delivery models in place in the institutions that responded to the survey. However, the emphasis across the sector is on using match-funding to maximise the number of awards available, allocating awards in the first year of study only, and offering a combination of benefits rather than a fee waiver only.

10. The number of students who meet the national eligibility criteria continues to exceed the number of awards. It is, therefore, necessary for the majority of institutions to apply specific local criteria in addition to the national criteria. A range of criteria linked to family characteristics, prior academic achievement, geographical location and/or other income-related factors are in place.
11. Assessing and verifying student eligibility is potentially burdensome. A minority of institutions are revising their criteria for the final year of the Programme to make them simpler to administer.
12. In the absence of a national mechanism to verify the eligibility of part-time students, one in five institutions offering part-time programmes took a strategic decision not to allocate NSP awards to part-time students in 2013-14.
13. Only a small minority of institutions are in a position to guarantee an NSP award to all applicants who meet the national eligibility criteria. Most are unsure what proportion of their student population is likely to be eligible, making it difficult to offer any form of guarantee. Being clear about who is eligible is important if financial aid is to influence decision-making.

#### **The NSP in the context of other financial support**

14. The NSP is one of a number of schemes providing financial aid to undergraduates from disadvantaged groups. In the majority of cases NSP award recipients can access some or all of the other types of support.
15. Very few institutions have replaced existing provision with the NSP. It is, therefore, perceived to have added value rather than displaced existing provision in the majority of institutions.
16. Information about financial aid (including the NSP) is widely available and is largely regarded as useful, clear and accurate. Despite this, only a minority of potential HE students are aware of the Programme. Furthermore, a substantial proportion of NSP award recipients are not aware that their financial aid is funded through the NSP.

17. Students apply for the NSP in just over half of institutions. Applicants are broadly satisfied with the process, although a minority report that it is time-consuming. Just over a third of institutions also use the application process to verify student eligibility.
18. Most institutions report that they will be revising their scheme in response to the changes to the NSP that will come into effect next year. The package of benefits is most likely to be affected, with some institutions taking advantage of the opportunity to lift the cap on cash. Others will make minor refinements in view of the fact that the NSP will not be running from 2015-16.
19. Changes to the Government's contribution to the NSP in 2014-15 as well as to the funding allocation model will result in a reduced allocation for some institutions. Institutions will alter the way they use their match-funding rather than increase their eligibility criteria to manage this change.
20. There is a risk that the removal of the NSP allocation from 2015-16 will have a negative impact on the level and amount of financial support available to students in the future. The reduction in funding could also impact on institutional priorities for widening participation (WP), the way in which resources are managed and deployed, systems and procedures for administering and monitoring financial support, and an institution's ability to compete and/or attract sufficient student numbers.

### **Impact of the NSP**

21. Institutions remain divided over the ability of the NSP to improve access to HE; while some institutions report that the NSP has had a positive effect, a slightly higher proportion perceive that it has not encouraged students who otherwise would not have applied to HE, or improved participation amongst disadvantaged groups.
22. The extent to which the NSP can be used as a mechanism to encourage potential students to apply to HE is limited because most institutions cannot state with any certainty whether a prospective student will receive an award prior to their enrolment. The lack of a guarantee, coupled with a general lack of awareness of the NSP and variation in the level, type and timing of the support available, reduces the influence of the Programme on initial decision-making for most students.
23. Recipients who are attending institutions that offer a guaranteed NSP award are more likely to report that the possibility of receiving financial aid influenced their choice of institution. Offering a guarantee could be a way of attracting applicants to a particular institution but not necessarily widening access to the HE sector as whole.
24. The NSP is perceived by institutions to be having more of an impact on retention than access, particularly if it is delivered in the form of cash or institutional services.

However, robust evidence is currently limited. Financial aid that helps to enhance the student experience (by enabling students to purchase resources, participate in enrichment activities, live away from home and/or reduce the amount of part-time work undertaken) is perceived to enhance student engagement, leading to improved retention and, potentially, improved academic performance.

25. The majority of NSP award recipients confirm that they would have found it difficult to remain on their course without financial help and that they are more likely to complete as a result of receiving it. Our cohort survey confirms that those who received an NSP award in their first year only are finding it more difficult to meet the costs of HE and more likely to undertake part-time work than those who continue to receive some form of support either through the NSP or another source. However, a lack of financial aid is not necessarily the main reason why students leave HE; factors relating to family circumstances, the course and/or the institution can also play a key role in the decision.
26. It is interesting to note that students who received the NSP award only in the form of fee waivers report that the financial aid has a positive effect on their student experience. One possible explanation is that fee waivers release resources that otherwise would have been spent on fees, even if this is somewhat indirect form of financial assistance (because individuals do not receive the money directly). However, it is also possible that financial aid offers wider benefits, including reduced financial anxiety or a greater sense of wellbeing. Further research is required to explore this beneficial aspect of the NSP.
27. Institutions are more equivocal about the impact of the NSP on achievement and success. Although some institutions recognise that financial aid has the potential to enhance student achievement, it is relatively early in the HE lifecycle of NSP award recipients to assess the impact on achievement and success and, as with retention, current evidence is limited.

#### **The future of financial aid: 2015-16 and beyond**

28. Postgraduate (PG) study is important to the UK economy and provides benefits to individuals and employers. However, the number of PG students is declining. Since the introduction of higher level fees, undergraduates are accumulating substantial levels of debt. There is a risk that this debt, coupled with a lack of financial support, could adversely affect PG progression rates, particularly amongst those groups who are already under-represented in the sector.
29. Early indications from the cohort study suggest that although accumulated debt is an important consideration, the overall cost of PG study and the availability of financial support are likely to have more influence over decision-making.

30. Some institutions currently offer financial support to postgraduates; others are planning to introduce it or are trialling different approaches. A key lesson from the previous years' evaluation of the NSP is that students prefer cash. However, the needs of PG students are different, and a fee waiver may well be an attractive option for those who are largely self-financing their studies at this level.
31. There is evidence that debt is increasingly a concern for undergraduates and that, given a choice, some may prefer to opt for a fee waiver in the future.
32. Although cost can be a barrier to progression for any student, things that are perceived to be barriers for disadvantaged groups include a lack of confidence, a lack of awareness of PG study options and/or or a feeling that PG study is 'not for them'. Non-financial help may be required to address these issues and ensure students are supported to study and succeed at a higher level.
33. Defining 'disadvantage' and determining appropriate eligibility criteria continue to present a challenge for institutions delivering financial aid at undergraduate and PG levels, as does the wider issue of local criteria for eligibility versus national entitlement to support.
34. Institutions perceive that they are best placed to determine appropriate packages of support for their students. However, there is also a desire for more consistency across the sector. A key message from current and prospective students is that financial support schemes should be clear and simple to understand and they should offer greater certainty for students at the application stage, even if this means that the size of the award is reduced.

#### Areas for consideration during year 4

35. The nature of formative evaluation is that it evolves as the programme under investigation changes in response to the evidence that is produced. Although providing an account of the operation and effectiveness of the NSP remains a key priority for the final year of the evaluation, the scope of the research is broadened so that wider issues can be explored pertaining to WP and financial aid.
36. The fourth and final report of the evaluation will bring together evidence from all previous years of the evaluation and the wider literature. Consideration will be given to:
  - how institutions have **managed and delivered the NSP** in the context of their wider offer of financial aid;
  - the extent to which financial issues and the possibility of receiving financial aid (including the NSP) **impact on student decision-making** about entering HE;

- the perceived **strengths and limitations of different models** and approaches to financial aid (including overall value, composition of package and timing of awards);
- any **changes over time in perceptions and experiences of the NSP**;
- any **changes to the management and delivery of the NSP** implemented by institutions in response to the revised guidance for 2014-15.

37. A broader focus for the final year will enable us to investigate new issues arising from Year 3 that warrant further exploration, including:

- the **direct financial and wider impacts of financial support** (including the NSP) and particularly on **student retention and achievement**;
- the extent to which financial issues (such as cost or accumulated debt) and/or the possibility of receiving financial aid impact on student decision-making about **progression to PG study**;
- the anticipated **impact of the ending of the NSP** and how financial aid for undergraduate students from 2015-16 is likely to change.

## INTRODUCTION

*The formative evaluation of the National Scholarship Programme (NSP) has now been running for three years, and two cohorts of undergraduates have benefited. This report builds on those of previous years to explore the evidence to date on the impact of the Programme and to identify how changes to the NSP have affected students and higher education institutions (HEIs).*

38. This report has been produced by CFE Research and Edge Hill University for the Higher Education Funding Council for England (HEFCE). Building on the first two years of the formative evaluation of the NSP, it summarises the key findings from HEFCE monitoring information and primary research with institutional staff, NSP recipients and potential higher education (HE) students undertaken between February 2014 and August 2014 to explore the ongoing delivery of the NSP, the perceived impact of the Programme and key lessons learned.

### The National Scholarship Programme

39. The NSP was announced in October 2010 and was rolled out to students for the first time in the academic year 2012-13. The main objective of the NSP is to provide an additional financial benefit to students from disadvantaged backgrounds as they enter HE. Students from families with an income of less than £25,000 per year are eligible for the NSP, but only those who meet the national criteria and any specific institutional criteria are eligible to receive an award. Each full-time award recipient currently receives a benefit to the value of not less than £3,000. Part-time students who are studying a minimum of 25 per cent intensity of the full-time equivalent (FTE) receive a pro rata amount in the form of a fee waiver.

40. A number of changes to the NSP were announced in January 2013, effective from 2014-15. These include a revised allocation model that takes account of:

- the proportion of potentially eligible students (not just overall student numbers);
- the removal of the requirement to provide 50 per cent match-funding for institutions charging fees of less than £6,000;
- a new menu of options for part-time students.

41. In November 2013, the Chancellor of the Exchequer announced that the Government's contribution to the NSP in 2014-15 would be reduced from the £150m originally committed to £50m. At the same time, institutions are expected to provide

the same level of match-funding committed in their access agreement, but the minimum value of the award has been reduced from £3,000 to £2,000 and the cap on the amount of cash that can be awarded has been removed. The NSP will cease after 2014-15 and the £50m fund will be re-purposed to support progression into taught postgraduate (PGT) education in England. The Government aims to ensure the continued success of PGT provision by working with universities and employers to stimulate participation by students who would not otherwise progress to this level. A total of 20 postgraduate support schemes (PSS) are currently being piloted across 40 institutions using other funds.<sup>2</sup>

## Evaluation Aims and Objectives

42. The role of the formative evaluation of the NSP is to help policy-makers and participating institutions to develop a fuller understanding of 'what works best and why' in relation to the design and delivery of the Programme and to offer insights into the impact and influence that the NSP has on HE decision-making, participation and retention amongst under-represented groups. The original objectives for the evaluation set out by HEFCE were to:

- review and report on the set-up and operation of the NSP;
- report on the continuing set-up and operation of the first year 2012-13;
- deliver a longer term, formative evaluation including both qualitative and quantitative evidence of the operation and effectiveness of the Programme during its first three years from 2012-13 to 2014-15.

43. The first objective was achieved during the first year of the evaluation. Year 2 of the evaluation addressed the second objective and also contributed to the longitudinal evaluation of the Programme over its first three years of operation. However, the nature of formative evaluation is that it evolves symbiotically along with the programme being evaluated. In the context of the reforms to the NSP which will come into effect in 2014-15, Year 2 of the longitudinal study also sought to identify and understand:

- how institutions are managing and delivering the NSP in order to provide a baseline and capture learning on effective practice and key lessons;
- which attributes of the NSP may be most effective in attracting and retaining disadvantaged students to support institutions to create a package of benefits that best meets their widening participation (WP) objectives and students' needs;

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<sup>2</sup> <http://www.hefce.ac.uk/news/newsarchive/2013/news85254.html> (Accessed on 12/9/14)

- how institutions are managing the transition to the revised programme, including the challenges and opportunities the transition gives rise to and the impact of the changes on institutions.

The findings from the first two years of the evaluation are available to download from HEFCE's website.<sup>3</sup>

44. The changes to the NSP (described in paragraphs 39 and 40, above) continue to have implications for the evaluation in its third year. It was agreed with HEFCE and the evaluation steering group that the study should continue to capture the good practice and lessons learned from the NSP, but that the focus should be broadened to develop a fuller understanding of the role that financial aid fulfils in relation to WP. As well as providing an account of the impact of the NSP, Years 3 and 4 of the evaluation will contribute evidence to inform the development of ongoing financial aid for undergraduates and provision for students seeking to study at postgraduate (PG) level.<sup>4</sup> In order to address the final objective of the evaluation, therefore, the Year 3 report explores:

- how institutions are managing and delivering the NSP in the context of their wider offer of financial aid;
- awareness of financial aid (including NSP) and the extent to which financial issues (such as cost or accumulated debt) and/or the possibility of receiving financial aid (including the NSP) impact on student decision-making about entering HE and progression to PG study;
- the purpose of financial aid (including the NSP) and the perceived strengths and limitations of different types of financial aid (including the overall value, the composition of the package, and the timing of awards);
- the perceived impact of financial aid (including NSP) on recipients' ability to participate in academic and wider student life, institutions and the achievement of wider WP objectives;
- the lessons learned that will inform institutional approaches to delivering financial aid in the future, including the revised NSP in 2014-15;
- any lessons that can be applied to supporting participation in PG education from 2015-16.

## Methods – Year 3

45. The re-focused evaluation objectives were achieved without substantial changes to the overall methodology but through adapting the data collection tools. Fieldwork and data

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<sup>3</sup> See <http://www.hefce.ac.uk/pubs/rereports/year/2013/nspevaly2/#d.en.83766> (Accessed on 12/9/14)

<sup>4</sup> The 20 PSS pilots are being evaluated independently by Dr Paul Wakeling on behalf of HEFCE and ESRC: <https://www.york.ac.uk/education/research/cresj/news/2014/wakeling-hefce-funding/> (Accessed on 12/9/14)

collection for Year 3 ran from February 2014 until August 2014. It included consultation with a wide range of stakeholders through a mixed-methods approach and was supplemented by analysis of HEFCE's end of year returns for 2012-13 and in-year monitoring data for 2013-14. Where data exist for the sector as a whole, such as monitoring data, the findings are based on this information. In all other instances the findings are based on a sample of respondents who participated in the primary fieldwork.

### **Higher education institutions**

46. All HEIs in receipt of an NSP allocation were given the opportunity to contribute to the formative evaluation via an online survey. The survey link was distributed to the WP contact at each institution in March 2014. The survey explored the departments involved in the management and implementation of the NSP, the relationship between the NSP and other forms of institutional financial support, the delivery of NSP awards and the perceived impact of the Programme on recipients, institutions and WP objectives more broadly.
47. Issues raised in the survey were followed up in more depth during a series of semi-structured telephone interviews with staff in the case study institutions that were recruited during the first year of the evaluation and who have been consulted annually. The sample of case study institutions was selected to represent the range of types of institution participating in the NSP (see Appendix 1). The sample selection method also took account of performance against two WP indicators: percentage of students from low participation neighbourhoods (LPN) and the rate of non-continuation in HE. It also took account of key features of the NSP model in operation: whether the match-funding was used to increase the number or value of awards and the presence of additional eligibility criteria.

### **NSP award recipients**

48. The online survey of NSP award recipients was launched in April 2014 and remained open until June 2014. The link to the online survey was sent to all participating institutions. Institutions then forwarded the link to all their NSP award recipients on CFE's behalf. The survey replicated many of the questions from the survey of NSP award recipients undertaken in Year 2 of the evaluation. However, given the revised scope of the evaluation, some questions were broadened to explore financial aid in general. Specific questions relating to the NSP were directed to those who reported that they were aware that their award was fully or in part funded through the NSP.
49. A series of follow-up interviews and focus groups were conducted with a sub-sample of NSP award recipients studying at a range of providers including inclusive, selective and specialist HEIs as well as further education colleges (FECs). The interviews were designed to explore the issues raised in the survey and to understand how perceptions

of the cost of going to university influence decisions about HE and the role that financial aid plays in encouraging students to apply and remain on their course. All interviewees were asked questions about the NSP, which covered the topics of eligibility criteria, forms of financial aid, and other types of student support.

### **Cohort survey of 2012-13 NSP award recipients**

50. Respondents to the 2012-13 recipient survey were invited to join a recipient cohort who would be surveyed in the remaining two years of the national evaluation to track their experience of financial aid and its perceived impact. The survey was launched in April 2014 and remained open until the end of May 2014. An online survey link was sent directly to individual respondents. The survey explored the financial aid respondents were in receipt of in 2013-14 and how this compared to the support they had received the previous year. The extent to which the costs associated with different aspects of student life were causing respondents difficulty was also explored along with the extent to which financial aid is perceived to help alleviate financial pressures. The reasons why some members of the cohort had left HE were also explored and what role, if any, additional financial aid could have played in encouraging them to stay.

### **Potential students of HE**

51. A survey of students with the potential to enter HE in 2014-15 was carried out on behalf of CFE by YouthSight. The sample was drawn from two panels managed by YouthSight, The Applicant Panel and Youth Panel. YouthSight also bought in an additional sample from Onepoll<sup>5</sup> in order to boost the number of respondents aged 21 and over. As in previous years the sample parameters were:

- residents of England and the European Union (EU) who have applied for a place in HE starting in the academic year 2014-15 and who meet the national eligibility criteria on income for the NSP;
- residents of England and the EU who have achieved the qualifications necessary to study at HE level<sup>6</sup> but have not applied for a place in HE starting in the 2014-15 academic year or have not taken up a place in the past.

This results in two cohorts which are referred to throughout the report as ‘applicants’ and ‘non-applicants’. The survey was a repeat of that used in the two previous years of the evaluation and explored awareness and impact of the NSP on decision-making and the role that financial aid plays in encouraging potential students to apply.

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<sup>5</sup> [www.onepoll.com](http://www.onepoll.com) (Accessed 02/08/2013)

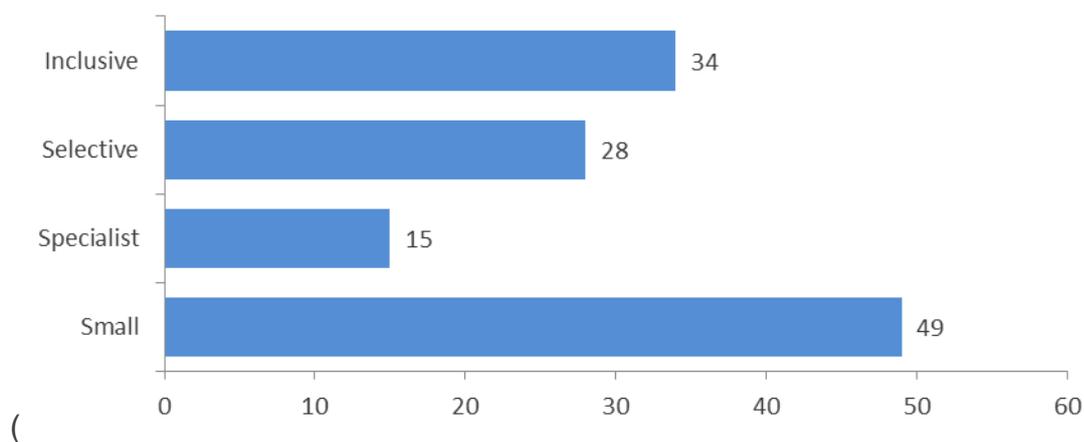
<sup>6</sup> For the purpose of the survey this was defined as a Level 3 qualification such as A Level, NVQ Level 3, Advanced Apprenticeship, Advanced National Certificate in Education, BTEC National Certificate/Diploma or Access to HE.

52. A series of follow-up interviews were conducted with survey respondents designed to explore the issues raised in the questionnaire. Different questions were asked depending on whether interviewees had applied to HE or not. All interviewees were asked questions on the NSP, which covered the topics of eligibility criteria and forms of financial aid, as well as questions on other types of student support.

## Respondent Profile

### Higher education institutions

53. The institutional online survey was emailed to 225 participating institutions. A total of 127 valid responses were received by the deadline, giving a response rate of 56.4 per cent. The sample represents a cross section of institutions, classified according to a typology that was developed in the first year of the evaluation



54. Figure 1).

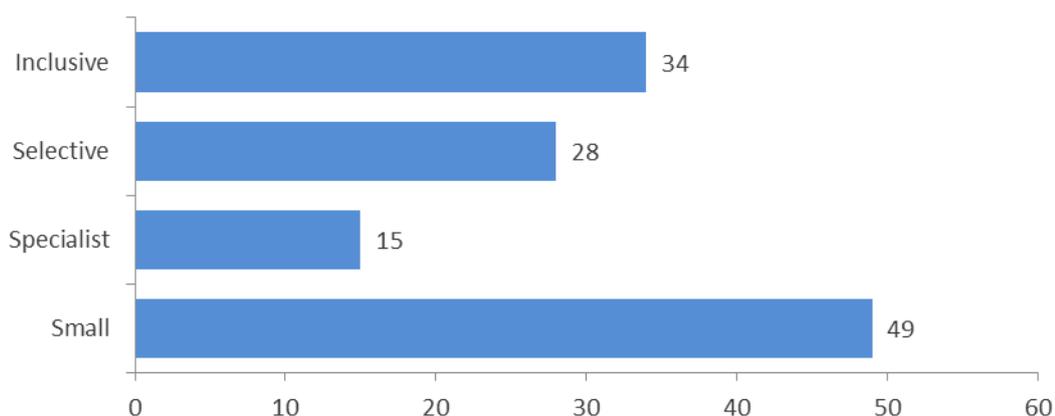


Figure 1: Number of institutions by institutional type (base = 126).<sup>7</sup>

<sup>7</sup> See Glossary in Appendix 2 for definitions of the terms used in this typology.

55. The survey data were supplemented with in-depth interviews with staff representatives from 20 out of the 24 case study institutions that have been engaged with the formative evaluation since its inception.

### NSP award recipients 2013-14

56. The survey of 2013-14 recipients generated 4,172 valid responses from students attending 106 of the 225 institutions taking part in the programme. The sample represents approximately 7.0 per cent of all recipients. The sample is 35.6 per cent male and 62.9 per cent female.<sup>8</sup> Respondent ages range from 17 to 66. Half (50.6 per cent) are aged 18 and just over a fifth (22.6 per cent) are 21 or over. One in 10 respondents declares a disability or learning difficulty (10.1 per cent). Most (68.6 per cent) describe their ethnicity as 'White' (Figure 2).

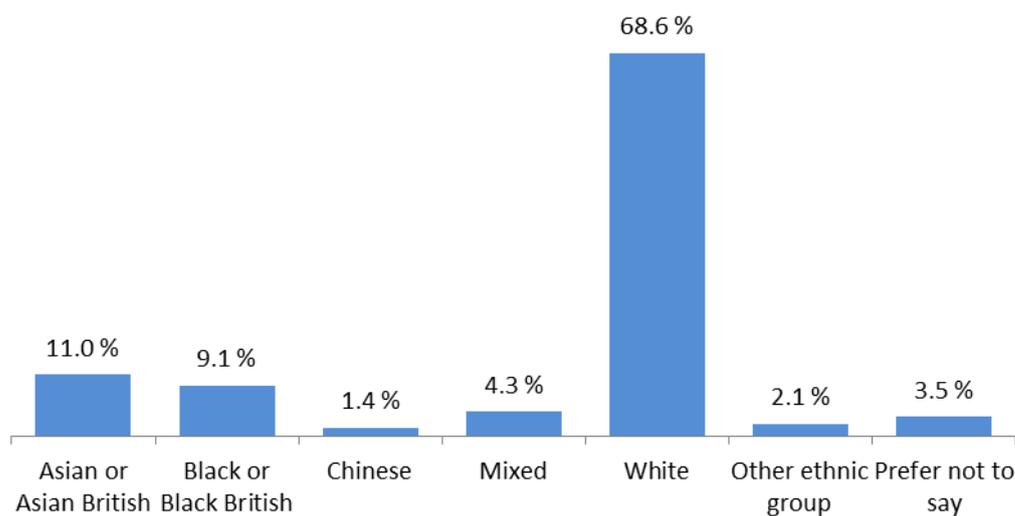


Figure 2: Ethnicity of respondents to NSP recipient survey (base = 4172).

57. Virtually all respondents are studying full-time (98.5 per cent) but a third (32.4 per cent) also undertake paid work alongside their studies. Around two-thirds of employed students work part-time throughout the year and one third work only in the holiday periods. The national eligibility threshold for the NSP is a household income of less than £25,000. However, as the number of students who meet the national criteria exceeds the number of awards available through the NSP, most institutions apply additional criteria, including a lower income threshold. The recipient survey demonstrates that the majority of beneficiaries are from families in lower income categories, with three-quarters of respondents (73.6 per cent) reporting a household income of less than £20,000.

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<sup>8</sup> One and a half per cent of respondents preferred not to state their gender.

58. A total of 19 recipients were consulted through a series of follow-up interviews and focus groups to explore the issues raised in the questionnaire in more depth. The respondents were selected to ensure recipients studying at different types of institution were represented. Focus groups were conducted with students studying at two selective institutions. As it was not possible to arrange focus groups in other types of institution in the timeframe available, individual interviews were conducted with recipients studying at other types of HE provider including FECs.

### Cohort of 2012-13 NSP award recipients

59. The cohort survey generated 249 valid responses from a sample of 936 2012-13 NSP award recipients who consented to be contacted, representing a response rate of 26.6 per cent. The demographic profile of the sample largely mirrors that of the 2013-14 recipient survey respondents: the sample is 36.1 per cent male and 63.7 per cent female<sup>9</sup>. Three-quarters of respondents describe themselves as White (74.3 per cent) and 14.1 per cent indicate that they have a disability or learning difficulty. Respondent ages range from 18 to 62 but respondents are most commonly aged 20 (42.6 per cent).

### Potential students of HE

60. The panel survey of potential HE students generated 531 valid responses against a target of 500. Four-fifths (80.9 per cent) of respondents had applied for a place in HE starting in autumn 2014, the majority of whom were aged 19 or under (88.8 per cent). In terms of ethnicity, the profile of the sample broadly reflects that of the recipient survey, with almost three-quarters (72.9 per cent) describing themselves as White. Similarly, just over one in 10 (11.7 per cent) report having a disability.

61. A total of 10 respondents to the potential HE student survey, who had given their consent to be contacted, were recruited to take part in a follow-up telephone interview. Table 1 sets out the characteristics of participants:

		Frequency
Gender	Male	5
	Female	5

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<sup>9</sup> One respondent did not provide a response.

<b>Age</b>	18-21	7
	22+	3
<b>HE status</b>	Applicant	7
	Non-applicant	3

**Table 1: Profile of potential HE student interviewees**

## Structure of this Report

62. This report is designed to build on and complement previous reports from the formative evaluation of the NSP. The focus is, therefore, on new data and emerging findings that add to our understanding of the NSP and financial aid more generally, rather than on data that confirm earlier findings and conclusions. Following this introduction, the report is set out in five further chapters. Chapter 2 sets out how the NSP has been delivered in 2013-14. Chapter 3 examines the management and implementation of the Programme and the likely impact of the changes which will come into effect for 2014-15. Chapter 4 explores perceptions of the impact of the NSP and Chapter 5 considers the lessons learned from the NSP that could help inform the future development of financial aid for undergraduates and postgraduates. The concluding chapter pulls together the key findings and identifies areas for further exploration in the fourth and final year of the formative evaluation.

## 01. THE NATIONAL SCHOLARSHIP PROGRAMME IN 2013-14

*In this chapter we set out how the NSP has been delivered in its second year of operation. The use of match-funding, the composition and timing of awards and institutional eligibility criteria are all explored, including the extent to which institutions can guarantee NSP awards. We finally revisit the models of delivery identified in Year 2 to examine whether they reflect the approaches being implemented in 2013-14.*

63. The Government's contribution to the NSP in the academic year 2013-14 was £100m; total NSP funding forecast to be committed, including institutional match-funding, is £225,525,756. The number of institutions participating in the NSP has increased from 183 in 2012-13 to 225 and there is also expected to be a corresponding rise in the total number of students who receive an award. According to the end of year monitoring data,<sup>10</sup> 34,606 students received an NSP award in 2012-13. The latest HEFCE in-year monitoring data indicate that the total number of students who have received or who are forecast to receive an NSP award in 2013-14 is 59,606, which equates to 57,009 FTE.<sup>11</sup>
64. Institutions charging fees of more than £6,000 are currently required to match-fund their Government allocation at 100 per cent and to submit their institutional delivery plans, including any specific eligibility criteria, in their monitoring returns to HEFCE. Those institutions intending to charge £6,000 or less can opt out of the Programme. However, those who opt in are currently required to match-fund the Programme at 50 per cent (this requirement will not apply in 2014-15) and to submit the necessary information in an addendum to their Widening Participation Strategic Assessment (WPSA). Institutions can choose to use their match-funding to increase the value of their awards, to offer additional awards, or adopt a mixed approach. The match-funding contribution can be delivered in full during the first year of study or spread over subsequent years in equal or disproportionate amounts but the Government's contribution must be allocated in the first year only. The amount of cash delivered

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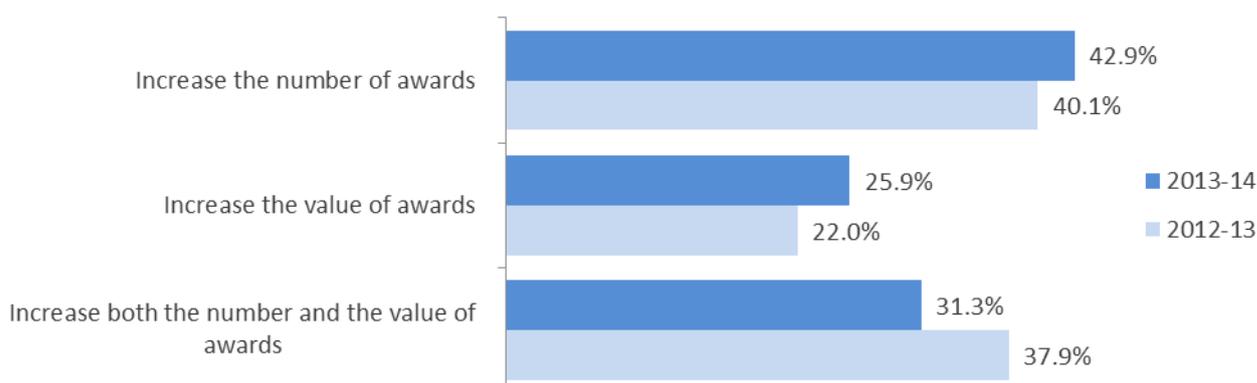
<sup>10</sup> [http://www.hefce.ac.uk/media/hefce/content/pubs/2014/201415/HEFCE2014\\_15.pdf](http://www.hefce.ac.uk/media/hefce/content/pubs/2014/201415/HEFCE2014_15.pdf) (Accessed on 12/9/14)

<sup>11</sup> <http://www.hefce.ac.uk/pubs/year/2014/201418/name,88034,en.html> (Accessed on 12/9/14)

through the Programme is currently capped at £1,000 per student for full-time students (although this cap will be lifted for 2014-15); the balance can be delivered through fee waivers and/or institutional services.<sup>12</sup>

## Use of Match-funding

65. The majority of institutions (83.1 per cent) responding to our survey use tuition fees to match-fund the NSP. As noted above, institutions have a degree of flexibility both in terms of *how* they use match-funding (to increase the number of awards, the value of awards, or both), and *when* they allocate it to students (all in the first year or spread over one or more years of study). A comparison of the way in which institutions are using their match-funding across the NSP’s first two years of operation using HEFCE monitoring data for the sector as a whole demonstrates that substantial minorities are adopting all three approaches. It is more common for institutions to use their match-funding to increase the number rather than the value of the awards. The proportion of institutions adopting a mixed approach has increased 6.6 percentage points between 2012-13 and 2013-14 (Figure 3).



**Figure 3: Use of match-funding (base = 224 institutions for 2013-14; 182 institutions for 2012-13). [Source: HEFCE monitoring data<sup>13</sup>]**

## Eligibility Criteria

66. The number of students who meet the national eligibility criteria for the NSP far exceeds the number of NSP awards available overall and, as a result, not all those who meet the criteria will receive an award. The institutional survey results indicate

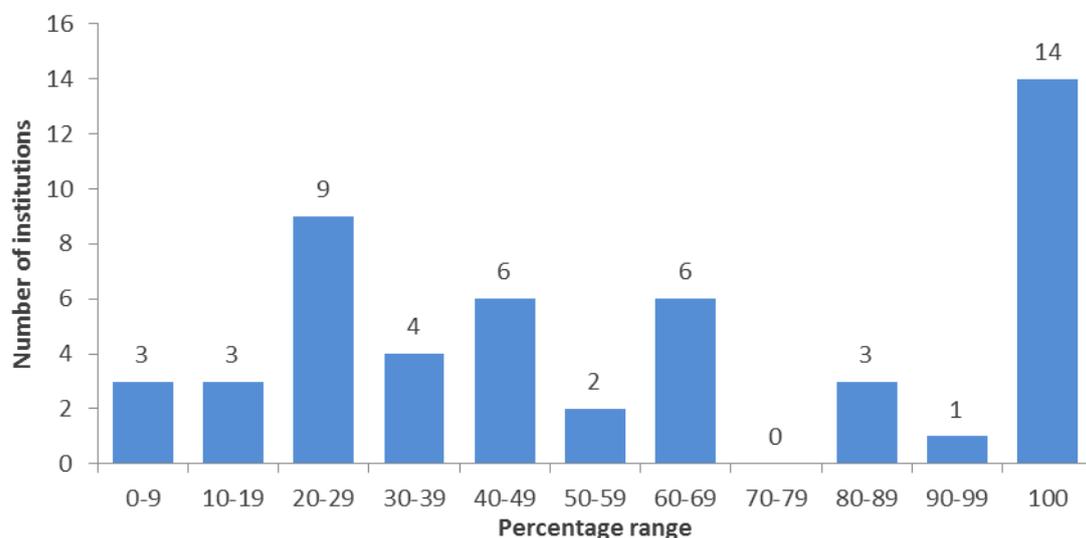
<sup>12</sup> Part-time students are currently only permitted to receive an award in the form of a fee waiver. This will change from 2014-15.

<sup>13</sup> HEFCE end-of-year monitoring data for 2012-13:

<http://www.hefce.ac.uk/pubs/year/2014/201415/#d.en.87734> (Accessed on 12/9/14). Note that Figure 5?? compares data between 2013-14 in-year and 2012-13 end-of-year. The end-of-year data are a more reliable indicator of activity but end-of-year data for 2013-14 are not yet available.

that year-on-year there is a degree of uncertainty within individual institutions regarding the proportion of their new student intake that will meet the national criteria and, therefore, what proportion of their eligible students will receive an award.

67. Just over two-fifths (41.9 per cent) of survey respondents are aware of the proportion of their 2013-14 FTE student population who meet the national eligibility criteria. Based on estimates from these institutions, on average just under three-fifths (57.5 per cent) of those who meet the national eligibility criteria for the NSP will actually receive an award. However, this proportion varies significantly amongst institutions, from as low as 2 per cent to as high as 100 per cent (Figure 4). There are likely to be a variety of reasons for this, including that the current allocation model is based on total student numbers and does not take account of the proportion of the population from low income households. The disparity between the number of eligible students and the number of awards available in institutions with small overall populations but high proportions of students from low income households is therefore likely to be greater than the disparity in institutions with large populations of students but relatively low numbers from low income households. Indeed, further analysis reveals that of the 14 institutions that will allocate NSP awards to all those who meet the national eligibility criteria, half are selective institutions which typically have smaller proportions of WP students. It is important to note that the funding allocation model for the NSP will change in 2014-15 to take account of the proportion of WP students within an institutional student population and help to redress this imbalance.



**Figure 4: Numbers of institutions and the proportion of their eligible students who will receive an NSP award (frequency per percentage range. Base = 51)**

68. Given that the number of students who meet the national eligibility criteria exceeds the number of awards available, institutions are permitted to apply additional local criteria

to decide who gets the awards. According to HEFCE in-year monitoring data<sup>14</sup> the majority of institutions (80.8 per cent) continue to use their own institutional eligibility criteria in conjunction with the national criteria in order to allocate their NSP awards. The type of eligibility criteria used also continue to relate to family characteristics, prior academic achievement, geographic location and/or other income-related factors, such as zero-income households. Three-fifths (61.5 per cent) of institutions ensure that students from particular groups receive the award.

69. Asked how the eligibility criteria will change in the next academic year (2014-15) in light of the changes to NSP funding, 42.4 per cent of institutions report that they will introduce *different* criteria, and 36.4 per cent report they will *reduce* the number of criteria (Figure 5). The over-arching reason given for reducing the number of criteria is to improve efficiency by reducing the administrative burden of processing applications. In a few cases, institutions will introduce new criteria to target specific courses where they are seeking to increase participation from specific under-represented groups. In these cases, the criteria will be narrower to limit the number of eligible students and ensure that all those who meet the criteria are guaranteed an award.

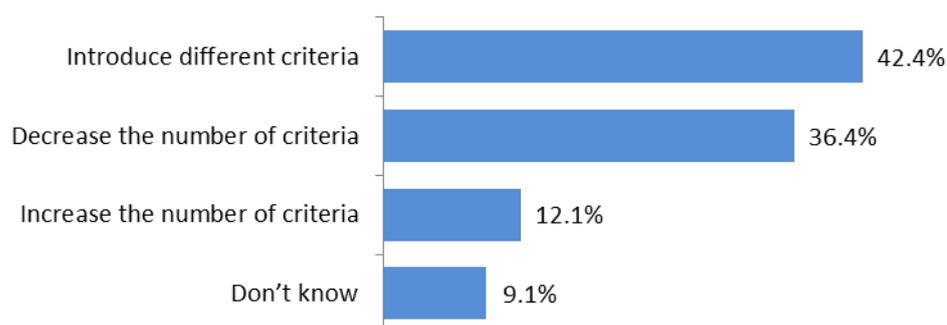


Figure 5: Changes to NSP eligibility criteria in the academic year 2014-15 (per cent, base = 33)

## Guaranteeing Awards

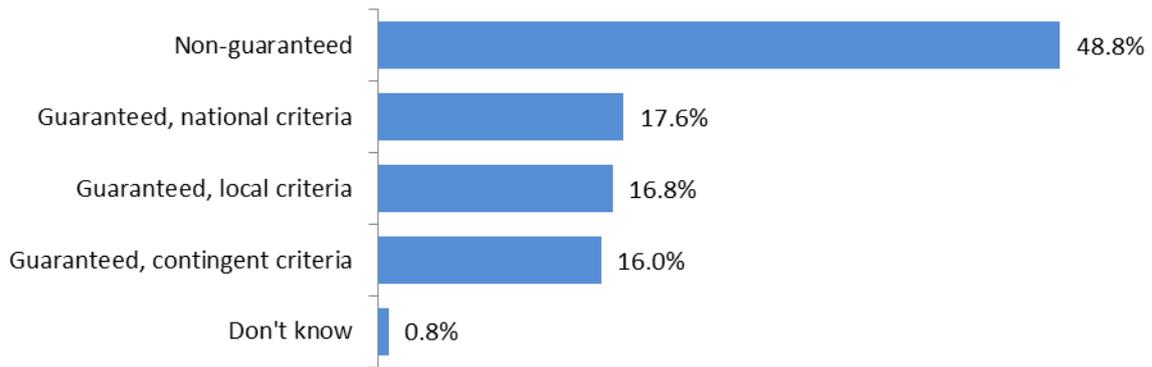
70. Our survey data reveals that a majority of institutions do not know with any certainty what proportion of their student population is likely to meet the national eligibility criteria for the NSP prior to enrolment (see previous section: Eligibility Criteria, paragraph 64 onwards). This lack of certainty makes it problematic to make any assurances about the degree to which a student can be guaranteed financial aid through the NSP. Furthermore, among those institutions that are aware of the proportion of eligible students, in the vast majority of cases the number who meet the national criteria far exceeds the number of NSP awards available. Through our analysis of the Year 2 data, we developed a typology to define the extent to which

<sup>14</sup> <http://www.hefce.ac.uk/pubs/year/2014/201418/name.88034,en.html> (Accessed on 12/9/14)

institutions are able to guarantee an NSP award. This typology was used in the Year 3 institutional survey to ascertain the extent to which institutions are able to guarantee awards in 2013-14. Our analysis confirms that institutions fall into one of the following four categories:

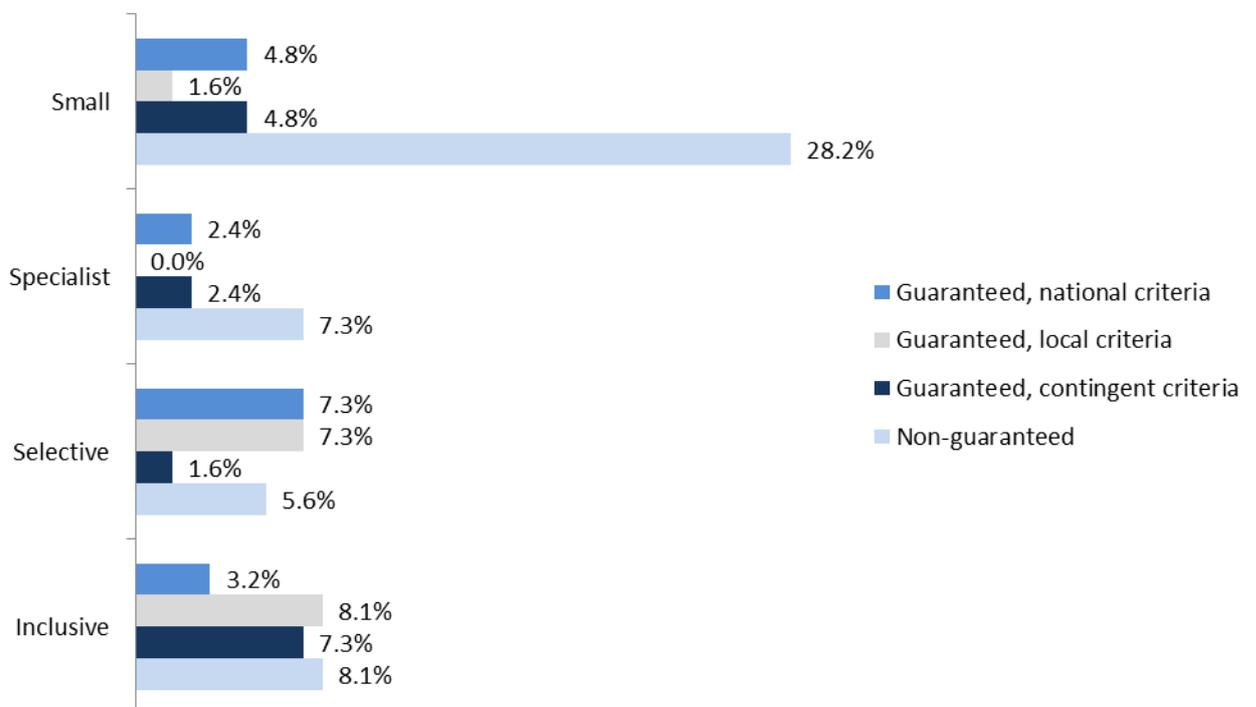
- **Guaranteed, national criteria:** Institutions able to guarantee that all students who meet the national eligibility criteria will receive an NSP award at the application stage. Typically the Government allocation is sufficient to allocate awards to all eligible students in these institutions. Where it is not, a strategic decision has been taken to over-match the Government allocation in order to increase the number of awards and issue a guarantee.
- **Guaranteed, local criteria:** Institutions able to guarantee that all students who meet national and local eligibility criteria will receive an NSP award at the application stage. Typically a strategic decision has been taken to over-match the Government allocation and/or to use the match-funding to increase the number of awards in order to make a guarantee in these institutions.
- **Guaranteed, contingent criteria:** Institutions able to guarantee a sub-group of students who meet national and minimum local eligibility criteria will receive an NSP award at the application stage, e.g. students from zero-income families or care leavers. The remaining awards are allocated when the total eligible population is known and appropriate thresholds for additional local eligibility criteria can be set. Awards for some students in these institutions are, therefore, contingent on the demographic profile of the student intake and the proportion that meet the national and minimum local eligibility criteria.
- **Non-guaranteed:** Institutions not able to make any assurances about the likelihood that a student will receive an NSP award until the total eligible population is known and appropriate thresholds for additional local eligibility criteria are set. Such institutions typically attract very large cohorts of students who meet the national eligibility criteria, and are unable to commit the substantial amount of additional match-funding that would be required to make a guarantee.

71. The degree to which institutions are able to guarantee NSP awards is illustrated in Figure 6, which shows that just under half (48.8 per cent) of institutions are not able to guarantee an NSP award to any groups of students prior to enrolment. Conversely, just over half of institutions *are* able to make some form of a guarantee to students, depending on their household income and, in some instances, their personal circumstances or characteristics.



**Figure 6: Extent to which institutions were able to guarantee an NSP award (per cent, base = 125)**

72. Further analysis by institution type reveals that small institutions are much less likely to offer guaranteed NSP awards than other institution types (Figure 7). Small institutions, which include FECs, are often highly inclusive and so students from disadvantaged groups represent a significant proportion of a relatively small student population. The number of eligible students will often exceed the number of available awards in this type of institution, impacting on their ability to issue any guarantees. Furthermore, small institutions are also significantly less likely to know how many of their students meet the national criteria for the NSP (42 per cent compared with 73 per cent or more of other institution types) which, as discussed above, can impact on planning, including in relation to student financial aid.

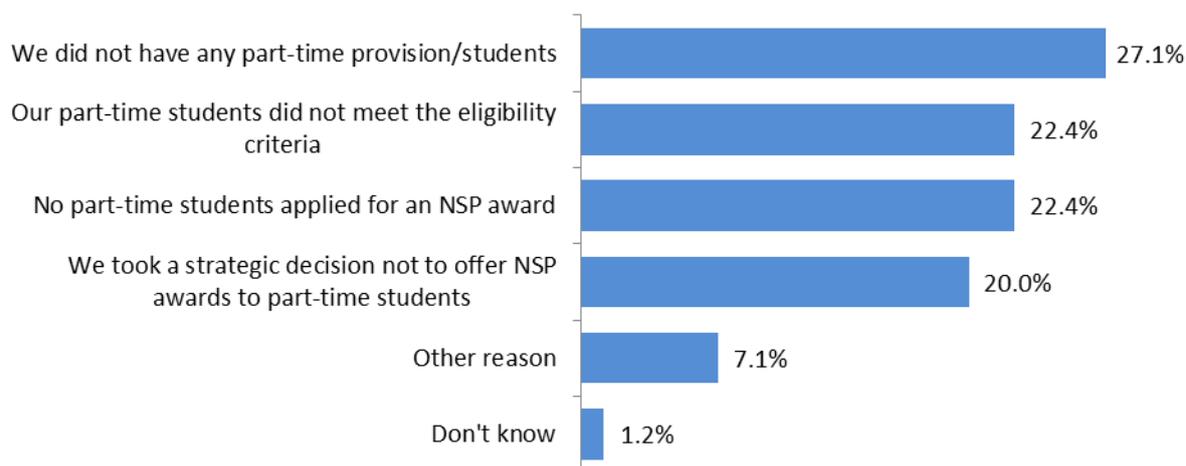


**Figure 7: Types of NSP award guarantee, by institution type (per cent, base = 124)**

73. The inability to guarantee an NSP award to certain groups of students or to be specific about other criteria or the level of household income below which students will receive financial support limits the potential of the programme to influence decisions about applying to HE and/or selection of institutions/programmes of study. See Chapter 4 for further information on the impact of the NSP on access to HE.

## Eligibility of Part-Time Students

74. Last year, only a small proportion of NSP awards were allocated to students studying part-time. The reasons for this were explored in the Year 3 institutional survey. A range of reasons are provided, including a lack of part-time students/provision (27.1 per cent) and a lack of applicants and/or part-time students who meet the eligibility criteria (22.4 per cent). One fifth of institutions report that they took a strategic decision *not* to award the NSP to part-time students in 2012-13 (Figure 8).



**Figure 8: Reasons why institutions did not make any NSP awards to part-time students in 2012-13 (per cent, base = 85).**

75. In 2013-14, just over three-quarters (76.7 per cent) of institutions with part-time provision that responded to the survey said they would allocate awards to part-time students who meet the eligibility criteria. In the remainder, a strategic decision has been taken not to allocate the NSP award to part-timers. Further analysis suggests that these institutions are more likely to be small or inclusive rather than specialist or selective. Although this finding is based on small numbers and should be treated with caution, it is logical to assume the institutions with large numbers of full-time eligible students and/or a small NSP allocation are less likely to include part-time students, particularly when the additional administrative burden of verifying their eligibility is also taken in account.

## Package of Support

76. Figure 9 shows the proportion of institutions offering the different packages of benefits that are possible through the NSP. According to HEFCE in-year monitoring data, the majority of institutions (70.1 per cent) are offering a combination of awards, and most of the rest (27.1 per cent) are offering fee waivers or discounts only. In last year's survey, 25 per cent of institutions said that they would change their package of benefits for academic year 2013-14. The reasons for changing were largely to offer a wider range of options to eligible students, including increasing the benefit for those with issues relating to transport or childcare. In a couple of cases, institutions adapted the package of benefits in response to feedback from students (e.g. changing the discount on accommodation to a discount on tuition fees, or including credits for printing services alongside other discounted services). As new guidance on the package of benefits comes into effect in 2014-15, particularly for part-time students, it will be interesting to see whether further changes are implemented.

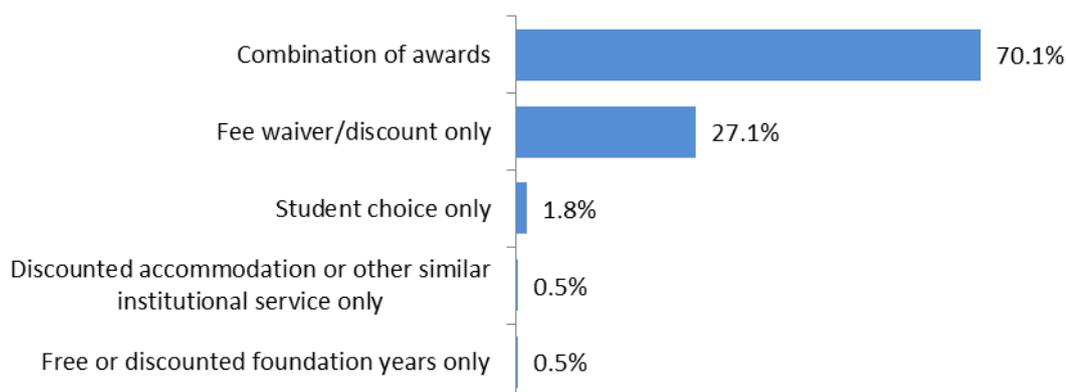


Figure 9: Package of benefits offered with the NSP award (base = 221) [Source: HEFCE monitoring data<sup>15</sup>]

## Timing of Award and Payments

77. Just under two-thirds (63.5 per cent) of institutions allocated the NSP award in the first year of study, and just over one third (36.5 per cent) spread it over two years or more. There is little change from last year, when 66.3 per cent of institutions awarded the NSP in the first year of study only.

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<sup>15</sup> HEFCE end-of-year monitoring data for 2012-13:

<http://www.hefce.ac.uk/pubs/year/2014/201415/#d.en.87734> (Accessed on 12/9/14). Note that Figure 5?? compares data between 2013-14 in-year and 2012-13 end-of-year. The end-of-year data are a more reliable indicator of activity but end-of-year data for 2013-14 are not yet available.

## Delivery Models

78. Last year’s analysis found that the NSP was being delivered in a variety of forms, with variation in terms of the use of match-funding, eligibility criteria applied, the package of support, and the timing of the award. The predominant models last year were Delivery model 1 (NSP awards allocated in a single year and allocated more awards of relatively lower value) and Delivery model 2 (NSP awards allocated over more than one year, and fewer awards of relatively greater value allocated). However, analysis by delivery model revealed very few statistically significant differences between the groups.
79. This year, a wider range of approaches to administering and delivering the NSP are reported. There are now 32 possible approaches to delivery when the variable parameters outlined in Table 2 are taken into account.<sup>16</sup>

Category	Parameter	Parameter number
Delivery	All in first year	1
	Spread over two years or more	2
Match-funding	Increase the number of awards	1
	Increase the value of awards	2
	Increase both the number and the value of awards	3
	Other	4
Eligibility	National criteria	1
	National criteria with own institutional criteria	2
Package of benefits	Fee waiver/discount only	1
	Combination of benefits <sup>17</sup>	2

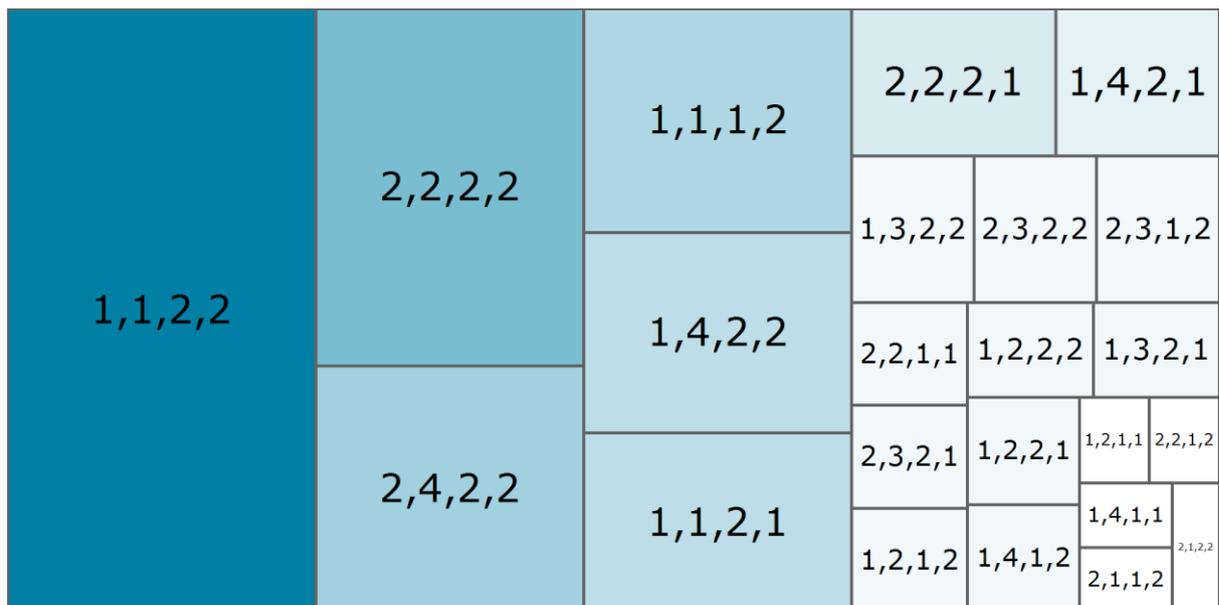
**Table 2: Categories and parameters for NSP delivery models**

80. Our analysis demonstrates that 24 of the 32 possible models are in operation within the institutions that responded to the survey in 2013-14. The two models that emerged last year no longer predominate as a greater number of institutions move to mixed approaches. The most common approach in use in 2013-14 has the following

<sup>16</sup> This number is derived from the number of different combinations of delivery parameters:  $2 \times 4 \times 2 \times 2 = 32$ .

<sup>17</sup> This parameter groups together different categories of package used in HEFCE monitoring data: ‘Combination of awards’, ‘student choice only’, ‘discounted accommodation or other similar institutional service’ and ‘free or discounted foundation year’.

characteristics: awards delivered in first year of study only; match-funding used to increase the number of awards; institution-specific criteria applied; and combination of benefits offered. This model can be represented by the following combination of parameter numbers: 1,1,2,2. However, even this model is only in place in a quarter of institutions that responded to the survey. The range of models in operation is summarised in Figure 10, which shows that only 23 of the possible 32 delivery models are actually in use this year. Further details on this analysis are provided in Appendix 2.



**Figure 10: Tree map of frequency of delivery models (area is proportional to frequency). Only models with frequency ≥ 1 are shown (original base = 125)**

81. Given the number of models in operation and the small number of institutions in each category, ‘model of delivery’ has not been used as a variable for analysis in the Year 3 survey. However, cross tabulations based on institutional type and individual elements of the models have been undertaken and are reported where statistically significant differences are revealed.

## Summary

82. Over 90,000 students will have benefited from the NSP by the end of the Programme’s second year of operation. Although a range of delivery approaches are in place, the emphasis across the sector is on maximising the number of awards. Institutions are most commonly allocating awards in the first year of study and offering a combination of benefits rather than a fee waiver.

83. Although the Government’s contribution to the NSP increased to £100m in 2013-14, the number of institutions participating in the Programme also increased. As a result,

the number of students who meet the national eligibility criteria continues to exceed the number of awards. It is, therefore, necessary for the majority of institutions to apply specific local criteria in addition to the national criteria.

84. A range of eligibility criteria are in place across the sector. Assessing and verifying student eligibility is potentially burdensome and as a consequence a minority of institutions are revising their criteria for the final year of the Programme to make them simpler to administer. In the absence of a national mechanism to verify the eligibility of part-time students, one in five institutions offering part-time programmes have taken a strategic decision not to allocate NSP awards to part-time students in 2013-14.
  
85. Only a small minority of institutions are in a position to guarantee an NSP award to all applicants who meet the national eligibility criteria. Most institutions are unsure what proportion of their student population is likely to be eligible making it difficult to offer any form of guarantee. A revised funding model will be applied for 2014-15 which takes account of the proportion of eligible students within an institution's student population which may lead to a larger number of institutions offering at least a partial guarantee for some students. Being clear about who is eligible, the likelihood of a student receiving an award and the package of support is important if financial aid is to influence decision-making. The extent and nature of the influence of NSP on potential students' decisions about HE are explored in Chapter 3.

## 02. MANAGEMENT AND IMPLEMENTATION OF THE NSP

*In this chapter we consider how the NSP fits with other financial support provided by institutions. It explores how the NSP is promoted and awards allocated. We also consider how changes to the NSP for 2014-15 are being managed by institutions.*

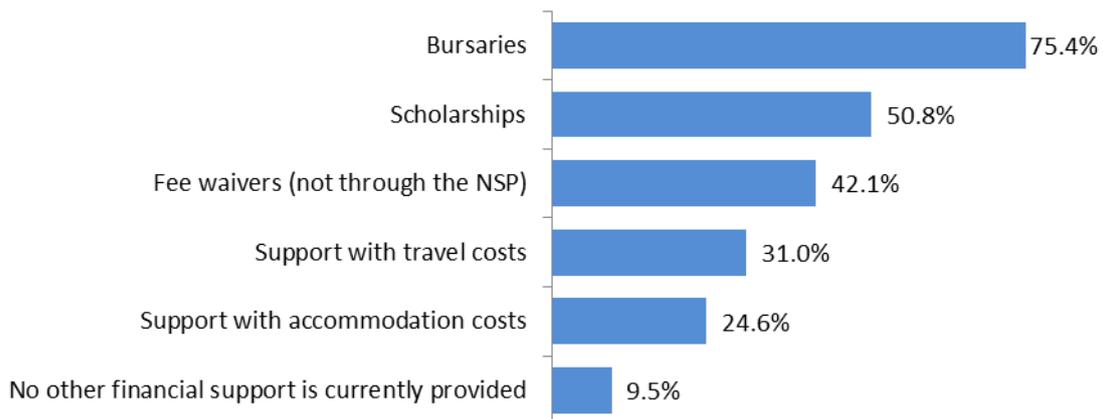
### The NSP in the Context of Other Financial Support

86. Institutions have traditionally offered a range of financial support to students. However, particular emphasis has been placed on provision for students from low income families since the introduction of variable tuition fees in 2006/07 and resulting concerns about the impact this could have on participation amongst lower socio-economic groups. The Government's NSP allocation represents just one source of funding for institutional financial support. In addition, institutions charging fees above £6,000 per annum are required by the Office for Fair Access (OFFA) to detail their fee limits in an access agreement and set out how they will utilise this additional fee income to promote fair access, retention and success among under-represented groups, including through financial aid and non-financial support. The majority of institutions are also in receipt of resources from the Government to help meet the additional costs associated with WP, principally HEFCE's Student Opportunity (SO) allocation. However, the SO allocation is to support WP infrastructure for institutions rather than the provision of financial support for individual students.
87. The introduction of the NSP allocation has impacted differently on different institutions across the HE sector in terms of the way they have subsequently managed and implemented their financial aid programmes. The vast majority of institutions continue to offer other forms of financial support to eligible students in addition to the NSP (90.5 per cent); those that do not are most likely to be small, typically FECs. Last year's survey revealed that recipients of an NSP award were not permitted to access other forms of financial aid in a small number of institutions. Staff in these institutions perceived that the requirement to make a choice between the NSP and other packages of financial support had had a detrimental effect on demand for the NSP, particularly if the other packages offered a greater amount of cash<sup>18</sup>. It is, therefore, interesting to note that being in receipt of an NSP award does not preclude students from accessing some or all of these other forms of financial

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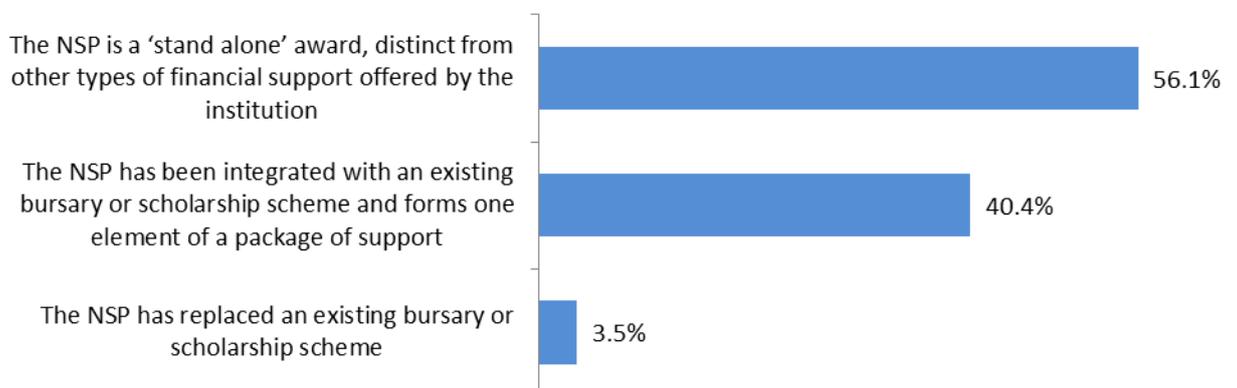
<sup>18</sup> The amount of cash awarded to students through the NSP is currently capped at £1,000.

support in almost all institutions that responded to our survey in Year 3 (95.6 per cent). The most frequently offered additional forms of support are bursaries (75.4 per cent), which are usually awarded according to eligibility criteria linked to household income, and scholarships (50.8 per cent) which are usually awarded based on non-income related criteria such as academic performance. Fee waivers are also a common form of financial assistance (42.1 per cent), followed by support for travel (31 per cent) and accommodation (24.6 per cent) (Figure 11).



**Figure 11: Forms of financial support offered to students in addition to the NSP (per cent, base = 126)**

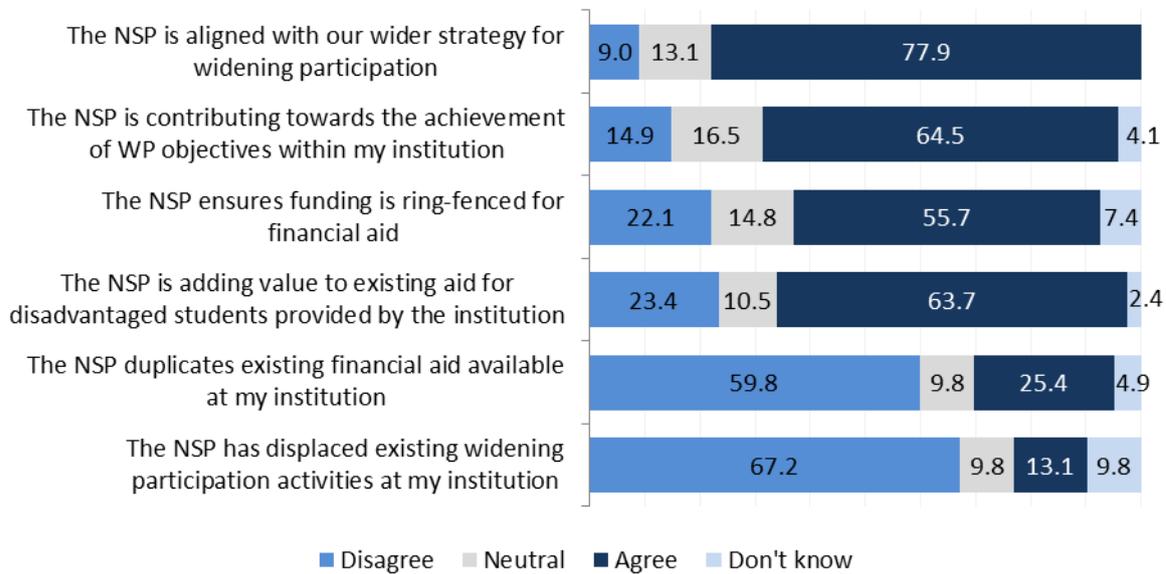
88. The extent to which the NSP has been integrated into existing financial aid programmes also varies across the sector. A potential risk identified early in the evaluation was that the NSP might simply replace rather than add value to existing support. However, this appears not to have transpired. Just four institutions responding to our survey report that the NSP has replaced an existing bursary or scholarship scheme (3.5 per cent). The majority have implemented the NSP as a ‘stand-alone’ award (56.1 per cent) with two-fifths (40.4 per cent) integrating it with other schemes (Figure 12).



**Figure 12: Ways in which the NSP relates to other forms of financial support (per cent, base = 114)**

89. The findings suggest, therefore, that the NSP is providing additional support rather than merely replacing existing provision. Furthermore, Figure 13 shows that

institutions tend to *disagree* that the NSP has *displaced other WP activities* and *agree* that the *NSP is aligned with and makes a contribution to their WP strategy*, ensures *ring-fenced funds for financial aid* and *adds value* to what is already provided.



**Figure 13: Extent of agreement with statements on impact of NSP on participating institutions**

90. These findings give some indication as to the potential impact that the ending of the NSP will have on financial support in 2015-16. Although the changes will not necessarily leave institutions without financial support for undergraduates, there is a risk that it will negatively impact financial support and WP activities more broadly. Several institutions responding to our survey highlighted that financial support for undergraduates would be reduced in value and/or that fewer students would benefit as a result of the changes.
  
91. The case study interviews provide further evidence of the potential impact of the removal of NSP funding on the level of financial support available to disadvantaged students overall. However, according to some respondents, the ramifications of the changes in the context of wider reductions in Government funding for HE will be felt at an institutional as well as individual level, potentially impacting on institutional priorities for WP, the way in which resources are managed and deployed, systems and procedures for administering and monitoring financial support, and an institution’s ability to compete and/or attract sufficient student numbers:

*We have a lot of deprived areas and students who need financial support to get them out of the circle that their families live in...With cutbacks in the student opportunity and widening participation funding that we're getting, it's balancing it [financial aid] with [for example] being able to maintain the terms and conditions for an HE lecturer which enables them to give the support to the student. I'm really unsure at the moment about the way bursaries are going to go... Maybe we do something like a loyalty one which will be for either our level three students or students coming from the [ ] area, then offer them a smaller bursary.... I'm worried... students will look at if somebody else is offering £1,000 bursary with the same course and think, 'Well, I'll go there.'*

Small institution

We explore institutions views on the changes further in the concluding section to this chapter, 'Managing Change'.

## Raising Awareness of the NSP

92. High level information for potential recipients about the NSP is contained on websites such as GOV.UK<sup>19</sup> and HEFCE<sup>20</sup>. However, as student entitlement to the NSP, along with the total value and composition of the award, is determined by individual institutions, they are also an important source of information for potential and existing students who may be eligible. At the outset of the programme, HEFCE issued guidance<sup>21</sup> on the information that institutions should make available to potentially eligible students about the NSP, including on their website.
93. Our Year 1 survey of institutions revealed that most, but not all, institutions were complying with the guidance and using their website to promote NSP (86.5 per cent). The Year 3 survey findings demonstrate that institutions are using a range of methods for communicating information about the NSP. All institutions are now using their website to raise awareness of the financial support available to students and the vast majority (96 per cent) are making *specific* reference to the NSP in their promotional materials, including on their website. This compares with 77.7 per cent of institutions that reported in Year 2 that they had produced information specifically about the NSP. Figure 14 demonstrates that, in addition to internet-based information, institutions continue to make widespread use of printed brochures (78.6

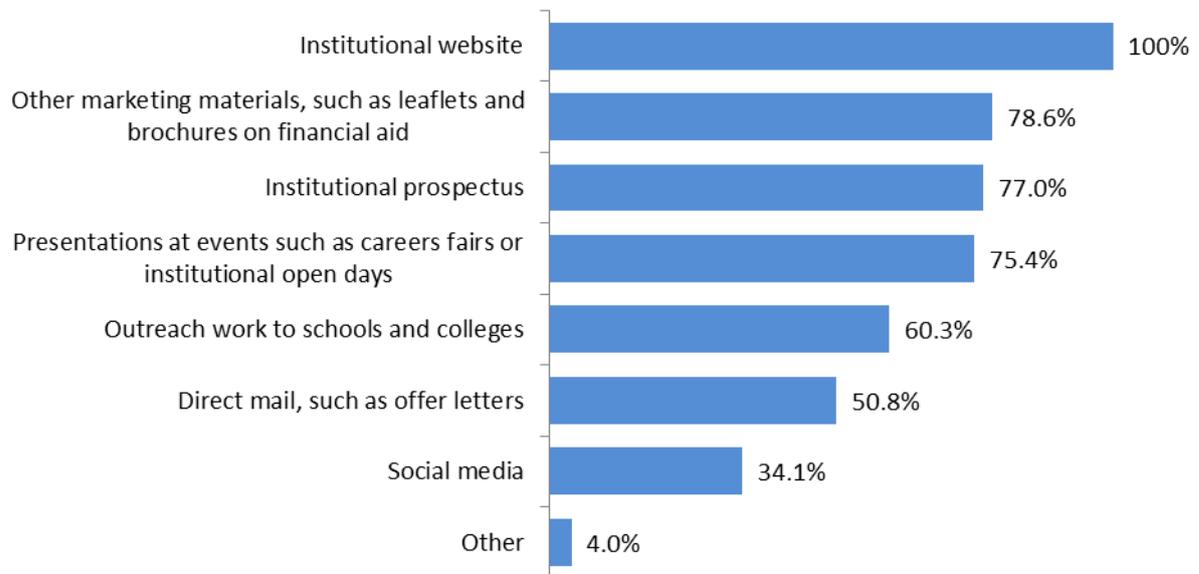
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<sup>19</sup> See: <https://www.gov.uk/extra-money-pay-university> (Accessed 10/09/2014)

<sup>20</sup> See: <http://www.hefce.ac.uk/whatwedo/wp/currentworktowidenparticipation/nsp/> (Accessed 10/09/2014)

<sup>21</sup> For the guidance issued for 2012-13 see National Scholarship Programme: Guidance for Institutions 2012-13, page 8, paragraph 49: <http://www.hefce.ac.uk/data/year/2011/nationalscholarshipprogramme2012-13guidanceforinstitutions/> (Accessed 10/09/2014). The latest guidance can be found in the *National Scholarship Programme: Guidance for Institutions 2014-15*, paragraph 73-82: <http://www.hefce.ac.uk/pubs/year/2013/201302/#d.en.76329> (Accessed 10/09/2014)

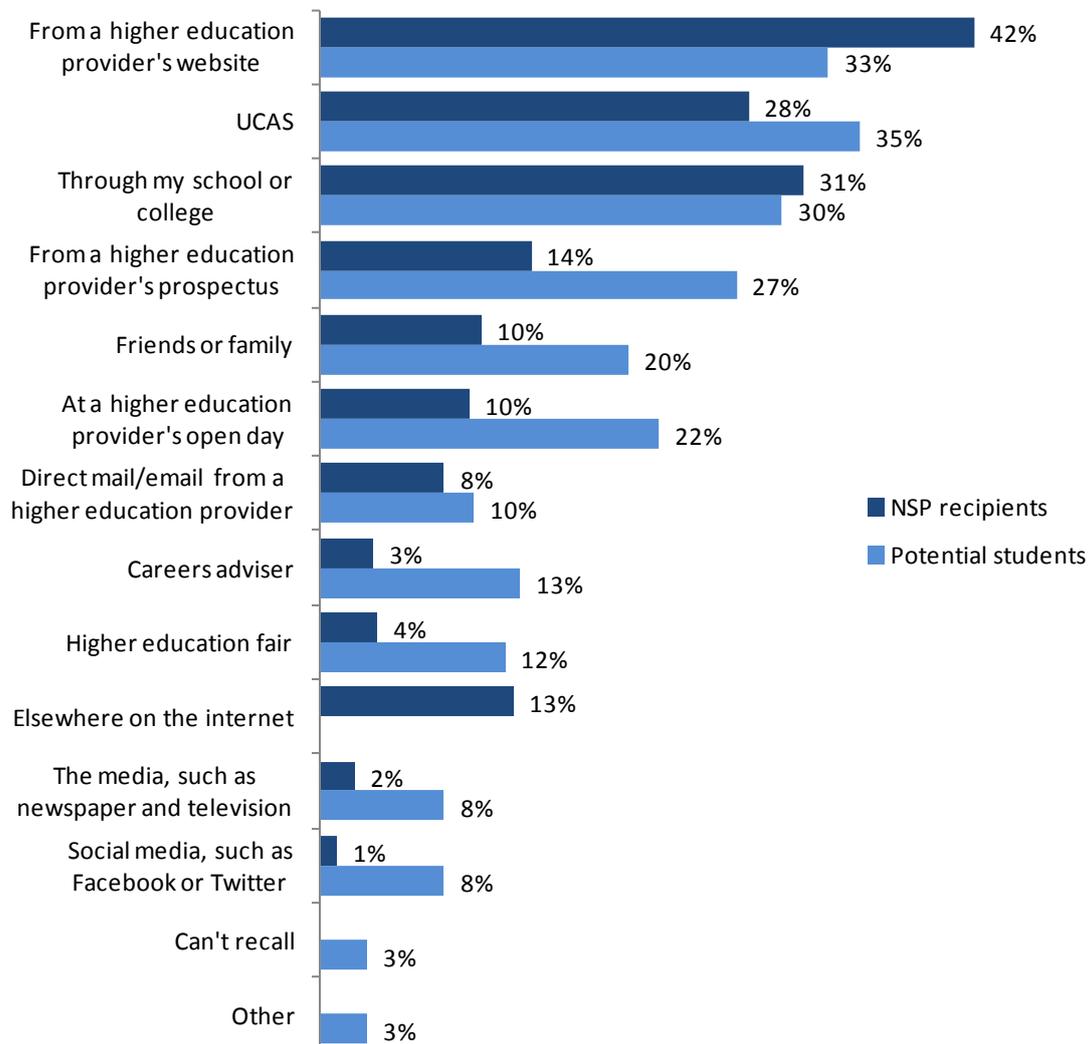
per cent), prospectuses (77 per cent) and presentations at events such as careers fairs and open days (75.4 per cent) to raise awareness of financial aid, including the NSP. The proportion of institutions using social media has increased from 29.8 per cent in Year 1 to 34.1 per cent in Year 3, but this figure is lower than the 46.2 per cent that indicated in Year 1 that they intended to make use of this mechanism for promotional purposes.



**Figure 14: Modes of communication used for raising awareness of the NSP (per cent, base = 126)**

94. The way in which institutions approach the marketing of the NSP may change depending on their experiences of delivery (for example if they experience an under- or over-spend), and/or in light of the forthcoming changes to the NSP. Most institutions completing the survey last year did not anticipate a change in the level of marketing for coming years. However this was before the significant reduction in Government funding for 2014-15 was announced, along with the ending of the NSP in 2015-16. We will explore the impact of this on marketing the NSP in future phases of the evaluation.
95. A minority of both potential HE students (37.0 per cent) and NSP recipients (27.5 per cent) report that they were aware of the NSP before they applied to/entered HE. Those who were aware of the NSP had heard about it from a variety of sources. Given the widespread use of institutional websites to promote financial aid, it is perhaps not surprising that this is one of the most common sources of information for recipients and potential HE students. However, schools, colleges and UCAS are also among the main sources of information. Conversely, both groups are least likely to have learned about the NSP through traditional and social media (see Figure 15). Although, as noted in Figure 14 above, three-quarters of institutions (75.4 per cent) promote the NSP through open days, just over a fifth of potential HE students (22 per cent) report that this was one of the ways they had learned about the NSP and only

10 per cent of recipients report that they *first* heard about the NSP through this mechanism.

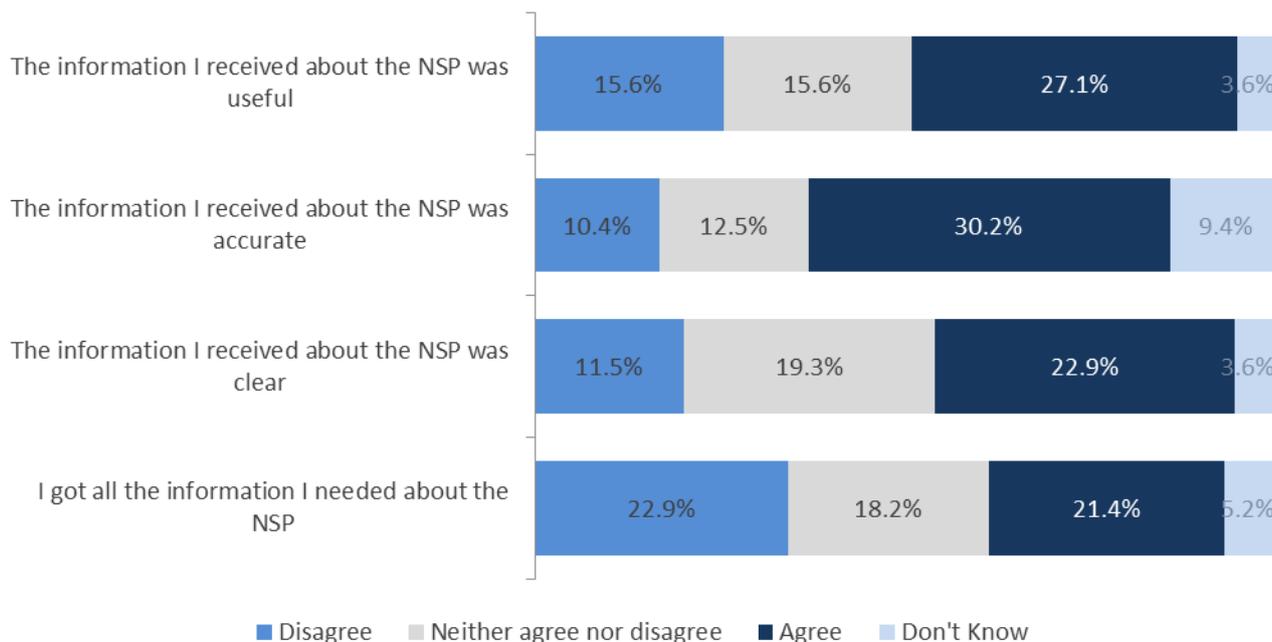


**Figure 15: How NSP recipients *first* heard about NSP and the sources of information that potential HE students accessed about the NSP (recipients base = 1908, potential HE students base = 198).**

### Quality of information

96. The majority of recipients are happy with the quality and relevance of the information they received about the NSP. However, the proportion agreeing that the information was useful (81.4 per cent) and accurate (81.4 per cent) has fallen slightly since last year when the figures stood at 85 per cent and 84 per cent respectively. A substantial minority remain unsure as to whether they had got all the information they needed about the NSP (28.8 per cent) and there is still scope to improve the clarity of the information according to a third of respondents (33.3 per cent).

97. Compared with NSP recipients, potential HE students are more equivocal about the quantity and quality of the information available about the NSP (Figure 16). Less than a third of respondents who are aware of the NSP agree that the information is useful, accurate and clear and only a fifth (21.4 per cent) agree that they have all the information they need.

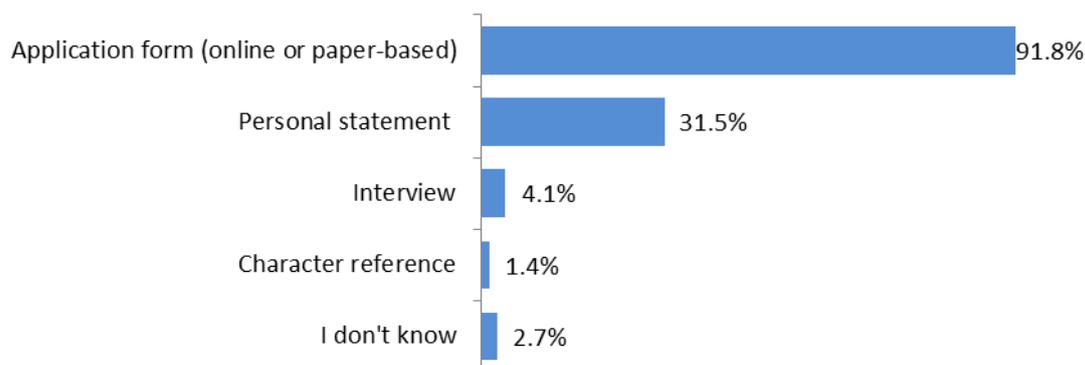


**Figure 16: Views from potential HE students on statements about the quality of information about the NSP (per cent per band, base = 192).**

98. Whilst recipients are, on the whole, satisfied with information they received about the NSP prior to entering HE, more than half are unaware that the financial aid they are currently receiving is, at least in part, funded through the NSP (51.8 per cent). There are likely to be a number of reasons for this, including that in two-fifths of institutions the NSP is integrated as part of a wider package of financial support (see Figure 12); while these institutions provide general information about the NSP, they do not necessarily make explicit that a proportion of the financial aid an individual student actually receives is (part-) funded in this way. Furthermore, 23.8 per cent of institutions allocate their NSP awards as fee waivers. Given that the fee reduction is made by the institution on behalf of the recipient and, as a result, the recipient never actually sees the money, they may be less aware that they have received it and/or of how it is funded, particularly when the recipient is also in receipt of a cash bursary or scholarship funded through another source.

## Allocation of Awards

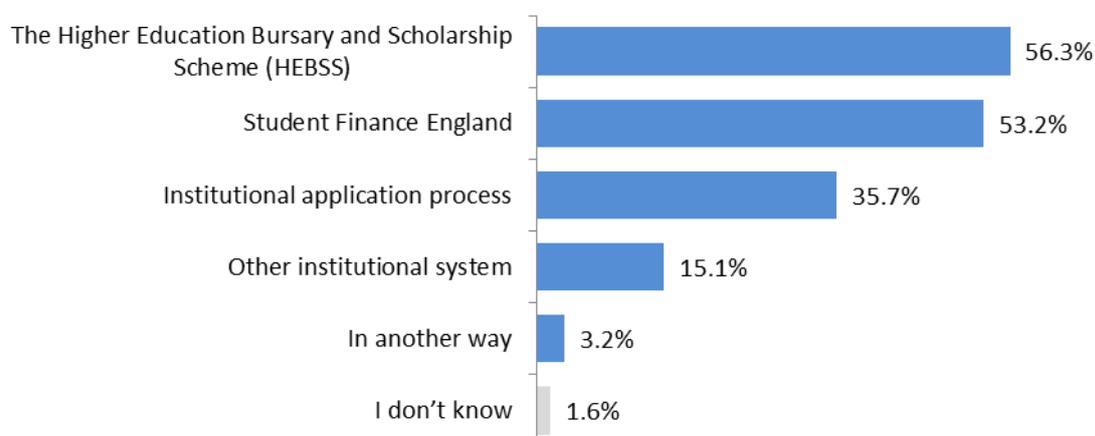
99. In Year 2, two-thirds (67 per cent) of respondents to the institutional survey reported that they required some or all of their potential NSP recipients to go through an application process and just over half (51.5 per cent) of respondents to the recipient survey reported that they applied for the NSP. The proportion of respondents reporting that an application process is in place at their institution in Year 3 has fallen to 55 per cent. The majority (84 per cent) of institutions with an application process in place require all potential recipients of the NSP to apply; the remainder only require some groups, such as part-time students where there is no nationally held data on their income or circumstances available, to apply. Like last year, the process in most institutions (91.8 per cent) involves an application form (online or paper) (Figure 17). A small minority of respondents (n = 13) intend to review their application process in the next academic year, 2014-15, however, only one intends to discontinue using a process.



**Figure 17: Items involved in the application process for the NSP (per cent, base = 73).**

100. Last year we found that, contrary to the views of some institutions, an application process does not appear to be a barrier to take-up of the NSP although there appeared to be scope to simplify processes. Just over two-fifths of 2013-14 recipients who are aware that some or their entire financial aid package is funded through the NSP report that they applied for an NSP award either as part of an application for other financial aid or separately (42.6 per cent). Satisfaction with the application process has increased in Year 3, with a greater majority of recipients reporting that the application process was clear (86 per cent, compared with 76.8 per cent last year) and straightforward (85.5 per cent compared with 78.9 per cent last year). However, a fifth continues to regard it as time-consuming (19.2 per cent, compared with 19.4 per cent last year). This view may be in part informed by students who are having to provide financial information to a number of organisations (e.g. Student Loans Company) but could also suggest that there is still scope to further streamline the NSP application process.

101. There are a number of ways in which the allocation process could be streamlined. For example, some institutions mitigate the need for an application process by ordering eligible students according to their household income, lowest to highest, and allocating awards starting with those with the lowest income until their allocation is exhausted. While this provides an easy-to-administer solution, it does mean it is impossible to indicate to students in advance of them applying for a place whether they might receive an award. Evidence from last year also shows that allocating the NSP on the basis of information institutions already have access to (for example, through the HEBSS (Higher Education Bursary and Scholarship Scheme) system) without the need for an application form, simplifies the administration of the Programme from the point of view of the institution and the student. However, as we have seen, many institutions have additional local criteria because demand for the NSP exceeds their allocation; this necessitates the collection of additional information from students, often via an application process.
102. Once a student has applied for an NSP award, institutions need to verify their eligibility. They currently use a variety of methods for this process. Figure 18 illustrates that over half of institutions use HEBSS (56.3 per cent) and/or data from Student Finance England (53.2 per cent), with most of the remainder using some form of internal data or system, including an application process.



**Figure 18: Ways in which institutions are verifying eligibility for NSP (per cent, base = 126).**

103. All institutions should have a ‘transparent and fair’ process in place for making NSP awards which includes clear guidance for students wishing to appeal against a decision<sup>22</sup>. Just half of institutions responding to the Year 2 survey indicated they had an appeals process in place or in development; this proportion remains unchanged in

<sup>22</sup> See National Scholarship Programme: Guidance for Institutions 2012-13, page 7, paragraph 48: <http://www.hefce.ac.uk/data/year/2011/nationalscholarshipprogramme2012-13guidanceforinstitutions/> (Accessed 29/04/2013)

Year 3 as does the proportion reporting that an appeals process is not applicable because all students who meet the national eligible criteria receive an NSP award (23 per cent). The vast majority of NSP recipients who responded to the survey were successful in their application for an NSP first time (97.9 per cent); the remainder were allocated an award following a successful appeal.

## Managing Change

104. As noted in the introduction to this report, a number of changes to the NSP will come into effect for the academic year 2014-15 including:

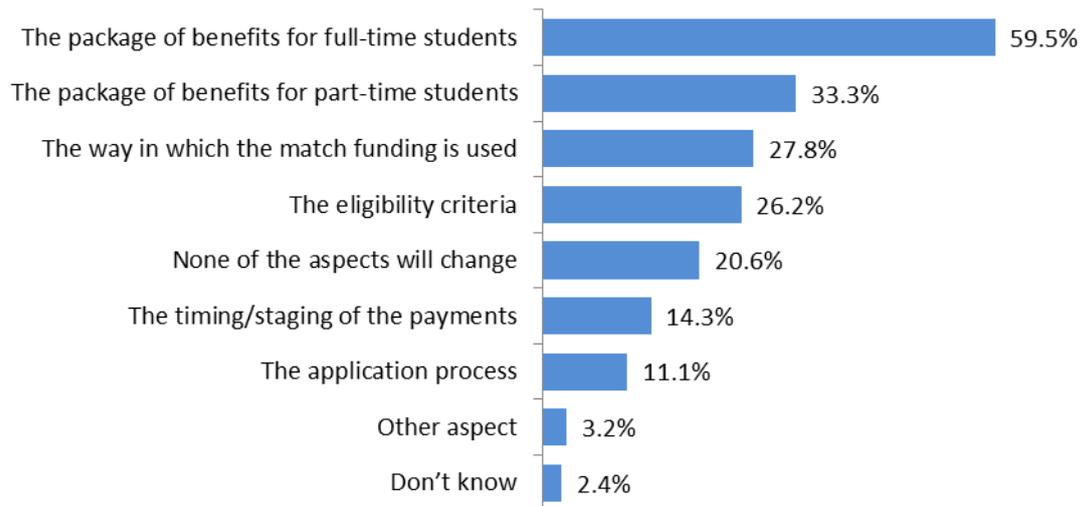
- a reduction in the amount of Government funding for the NSP;
- a revised funding allocation model;
- the removal of the requirement to provide 50 per cent match-funding for institutions charging fees of less than £6,000;
- a new menu of options for part-time students;
- a reduction in the minimum award; and
- the removal of the cap on the amount of cash.

Our findings demonstrate that these changes have impacted on the management and implementation of the NSP at some institutions. The extent and nature of these changes are considered in the section below.

105. The academic year 2014-15 will be the final year of the NSP. From 2015-16, the £50m fund will be re-purposed to support progression into PGT education in England and to stimulate participation by students who would not otherwise progress to this level. In preparation, a range of PSS are currently being piloted across 40 institutions. Initial perceptions of the impact of these changes and the lessons emerging from the NSP which could help to inform the development of support for postgraduates in the future are considered in Chapter 5.

### Changes in 2014-15

106. Given the major changes to the allocation of funding and the guidance on delivering the NSP for 2014-15, it is perhaps unsurprising that most institutions report that they will be revising their NSP for the coming year - only 21 per cent of survey respondents will not make any changes. Figure 19 illustrates the range and scale of changes proposed. Three-fifths of institutions (59.5 per cent) will make changes to their package of benefits for full-time students and a third will make changes to their package of benefits for part-time students (33.3 per cent).



**Figure 19: Changes to elements of the NSP for 2014-15 (base = 126)**

### Package of benefits

107. Feedback received in previous years of the evaluation strongly suggested that cash is preferable to fee waivers because meeting immediate living costs is of greater concern to full-time undergraduates than reducing tuition fees which represent a deferred cost. Given that the cap on cash awarded to students through the NSP is being lifted in 2014-15, it could be expected that the planned changes to the package of benefits primarily relate to increasing the proportion of cash. The case studies suggest that while this is the case in some institutions, others are electing to make only minor refinements to their programmes. This is likely to be a reflection of the wider changes to the NSP but principally that the NSP is ending in 2014-15. In this context, a number of institutions perceive that it is not worth making major changes to the way in which their programme is delivered in its final year.

108. Just over half of the case study institutions report that they will either change their NSP package to all cash, or give all cash as a potential option alongside other options including a fee waiver. The main reason for the change is because it is administratively easier. Institutions no longer need to work with Student Finance England (SFE) to allocate fee waivers and/or maintain complex systems which allow students to utilise an element of their award for a range of institutional services.

*It's entirely a dispersal of our internal funds to our students, so it makes that allocation administratively easier and quicker. It removes the whole area of admin between us and the Student Loan Company [...]. So, Finance are much happier because the amount that we are getting in from SLC [...] is a more assured amount and a more straightforward transaction. [...] Everyone is very happy that the tuition fee waiver's gone.*

**Specialist institution**

109. Although offering the NSP as a cash award is administratively simpler, a small number of institutions highlight that offering large cash amounts through the NSP and/or other institutional financial aid schemes imposes a duty of care on institutions to ensure that recipients are able to manage the funds effectively throughout their studies. Two case study institutions report that they have provided financial advice to NSP recipients to raise awareness of the costs they are likely to incur throughout their studies and how to make best use of their award.

*Student choice is great [...] but I think a lot of time needs to go into ensuring that those students have got all the information they need to make a good choice for them. We work closely with our student union on that and we've also developed various online tools that we encourage students to use so that they can have a heads up of what to expect [...] in the second and third year in terms of the financial commitments they'll have that are different from the start of university.*

**Selective institution**

110. The shift to a cash-based award has also been driven by a perception that it will be more popular with students. A minority of case study institutions (n = 6) report that they intend to reduce the value of their awards (as is permitted under the new guidance) to offset the reduction in Government funding and maintain the same number of awards overall. Institutions perceive that offering the award in cash will help to compensate for the lower value of the award and be more attractive from the point of view of students and student representatives:

*We recognised we got less money and we had to be much more targeted if we were going to maintain the same sort of eligibility criteria. [...] so basically we had to re-draw the bands in a way that was going to be affordable, and in discussion with our student union [...] it was [agreed that it would be] beneficial, in terms of selling the change, to be able to say that all the money was going to be cash. I think that if we still had to use fee waivers that would have been a much more difficult conversation.*

**Selective institution**

111. The remaining eight case study institutions are either maintaining their existing approach or are implementing changes which do not include increasing the cash element. Positive feedback from NSP recipients and lessons learned from previous years played a part in these decisions, as did practical considerations. For example,

the changes to the NSP were announced at a point in the academic year when publicity material, such as prospectuses containing details of the scheme, had already been published by some institutions.

*Well, we had a relatively short discussion around it [...] there weren't many decisions to be made because our prospectuses were already out there telling students what they could get. We had no choice but to just carry on offering exactly the same, just funding the Government shortfall from our own funds.*

**Selective institution**

112. Institutions were concerned about potential confusion or the reputational damage that could be caused by changing the scheme after information had been made publically available. Where possible, the decision to maintain the existing offer was taken, where this was not possible, other measures, such as renaming the scheme, have been implemented:

*We still have a bursary scheme running but we've been very deliberate in re-naming this part of the financial support package because we didn't want students who'd already read up on what might be available in 2014 to think we have just changed the scheme because we felt like it. We wanted to be absolutely clear that it wasn't our choice to do this.*

**Selective institution**

### **Use of match-funding**

113. Just over a quarter of institutions (27.8 per cent) will change the way they use their match-funding, including a small number that will no longer be required to provide match-funding in 2014-15. Most institutions will use their funding to increase the number, rather than the value of awards offered. This approach will ensure, in the context of a significant reduction in Government funding, that as many students as possible continue to benefit from the NSP. This trend was reflected in the case study organisations, with most reporting that they intend to reduce the value so they can maintain the number of NSP awards available.
114. In a small number of cases, institutions intend to provide some additional match-funding to increase the value of the award above the minimum threshold of £2,000 or to maintain the level of the award provided in the first two years of operation:

*I think that the scheme is confusing for applicants anyway because every university has its own set of rules. We didn't want to complicate matters further by changing our set of rules.*

**Selective institution**

115. However, some smaller institutions in particular report that they do not have the resources to offset the reduction in Government funding so are passing on the reduction to recipients or are diverting resources from other activities in order to maintain current levels of provision.
116. A similar proportion will change their eligibility criteria (26.2 per cent), mostly by decreasing the number of criteria or introducing different criteria. This suggests that increasing the number of eligibility criteria is not being widely used as a way to manage the reduction in Government funding. However different criteria may be used to manage this change.
117. These major changes to the NSP at a policy and institutional level present an interesting opportunity for the formative evaluation which has evolved as the Programme has evolved over the past three years. The changes will facilitate a comparison of the perceptions of students receiving different types of package at different institutions as well as at the same institution but in different years.

## **Summary**

118. The NSP is one of a number of schemes providing financial aid to undergraduates from disadvantaged groups in the form of bursaries/scholarships, fee waivers and/or help with living costs such as accommodation. In the majority of cases NSP award recipients can access some or all of the other types of support for which they are eligible.
119. The NSP is typically delivered as a stand-alone award or as an integrated element of a wider package of financial support; very few institutions have replaced existing provision with the NSP. It is, therefore, perceived to add value to rather displace existing provision in the majority of institutions.
120. Information about financial aid (including the NSP) is widely available from institutional websites and prospectuses and/or through schools, colleges and UCAS. The information is largely regarded as useful, clear and accurate. Despite the availability of information about the NSP, only a minority of potential HE students are aware of the Programme. Furthermore, a substantial proportion of NSP award recipients are not aware that their financial aid is funded through the NSP.

121. Students are required to apply for the NSP in just over half of institutions. Applicants are broadly satisfied with the process although a minority report that it is time-consuming. Just over a third of institutions also use the application process to verify student eligibility.
122. Most institutions report that they will be revising their schemes in response to the changes that will come into effect next year. Changes will be made primarily to the package of benefits, with some taking advantage of the opportunity to lift the cap on cash. Others will make minor refinements in view of the fact that the NSP will not be running from 2015-16.
123. Changes to the Government's contribution to the NSP in 2014-15 as well as to the funding allocation model will result in a reduced allocation for some institutions. The evidence suggests that institutions are unlikely to increase their eligibility criteria to manage this change but rather they will change the way they use their match-funding so that they are able to maximise the number of awards still available.
124. There is a risk that the removal of the NSP allocation from 2015-16 will have a negative impact on the level and amount of financial support available to students and on WP activities more broadly. The reduction in funding could impact on institutional priorities for WP, the way in which resources are managed and deployed, systems and procedures for administering and monitoring financial support, and an institution's ability to compete and/or attract sufficient student numbers. Any impact that a reduction in financial aid has on student retention rates also needs to be carefully monitored.

### 03. IMPACT OF THE NSP

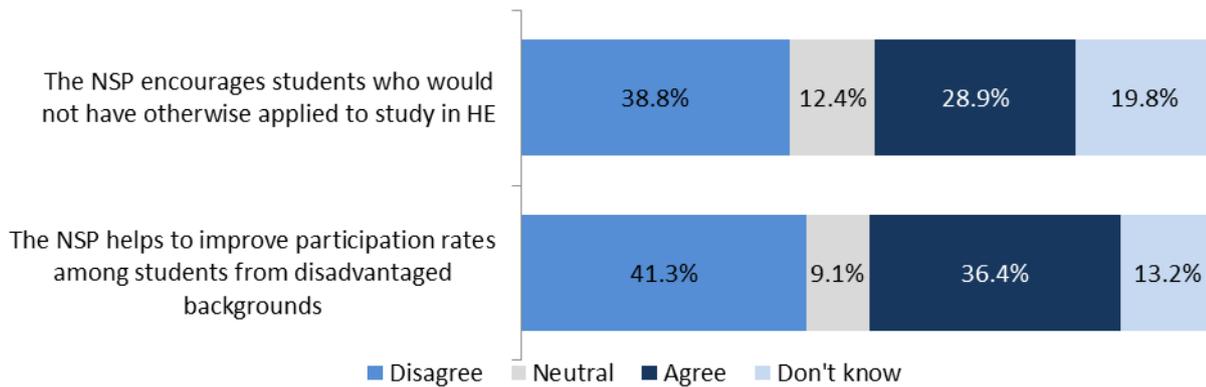
*This chapter considers the evidence to date on the impact of the NSP on access to HE, student retention and success and the HE experience. In particular we report the first results from our cohort survey of those who received an NSP award in 2012-13.*

125. Evidence from previous years of the evaluation has suggested that the extent to which the NSP can be used as a tool to widen access is limited. A number of reasons are given for this. First, awareness of the NSP amongst potential as well as current students is limited and a lack of awareness limits the extent to which a programme like NSP can influence decision-making amongst prospective students. In addition, most institutions are not in a position to guarantee potential students any form of support through the NSP prior to enrolment. Finally, the value and composition of the package of support delivered through the NSP also varies between institutions. Uncertainty about the likelihood that a prospective student will receive financial aid through the NSP, and about the nature of the support available, can also impact on the extent of its influence. As the NSP is now in its second year of operation, we once again explore perceptions of the extent to which the NSP can, and does, support widening access to HE. The perceived impact of the NSP on the student experience as well as retention and success are also considered.

#### Impact on access to HE

##### Institutional views

126. Institutions remain divided over the ability of the NSP to improve access to HE and although a significant minority remain unsure of its impact, the level of uncertainty since last year has reduced. Figure 20 demonstrates that a slightly greater proportion of institutions *disagree* than *agree* with the statements “*The NSP encourages students who would not have otherwise applied to study in HE*” and “*The NSP helps to improve participation rates among students from disadvantaged backgrounds*”. However, a substantial minority of institutions do perceive that the Programme is having a positive impact on access. For example, over a third (36.4 per cent, n=44) *agree* that the NSP improves participation from students from disadvantaged backgrounds. Further analysis reveals that these institutions represent a broad mix of institutional types (small, inclusive, selective and specialist) and include institutions with a range of types of award and eligibility criteria. However, there are no statistically significant differences in the perceptions observed by institutional type or programme configuration.



**Figure 20: Views from institutions about whether the NSP improves access to HE (Base=121)**

127. HEFCE allocates NSP funding at the start of the academic year (usually in August). However, as noted previously, most institutions apply additional criteria and have processes in place to assess and verify a potential recipient’s eligibility. As a result, most institutions are not in a position to notify students of their entitlement and allocate awards until part way through the academic year. Many of the case study institutions consulted therefore regard the NSP primarily as a tool for enhancing the student experience and improving retention and achievement rates amongst disadvantaged groups, rather than widening access, as the following quote indicates:

*If you're allocating funds halfway through a year, you could argue that it's a retention tool, but it's certainly not facilitating people's entry into higher education.*

**Small institution**

128. Indeed wider evidence to suggest that financial aid has limited impact on access has led many institutions to re-focus their WP activities. While financial support remains an integral part of most institutions’ WP strategies, the proportion of access agreement expenditure on this has reduced significantly over recent years. Analysis by OFFA of access agreements shows that there has been substantial rebalancing of expenditure from financial support to supporting access and success in 2015-16, with an 11.3 per cent decrease in cash terms from 2014-15.<sup>23</sup> It should be noted that through their guidance documents, OFFA advise that institutions should do this and move towards alternative forms of support for access and student success.

### Student views

129. The view from students broadly reflects the institutional view and also remains equivocal. Two-thirds of applicants to HE for the 2012-13 academic year who

<sup>23</sup> OFFA (2014) *Access agreements for 2015-16: key statistics and analysis* Office for Fair Access <http://www.offa.org.uk/wp-content/uploads/2014/07/Access-agreements-for-2015-16-key-statistics-and-analysis.pdf>

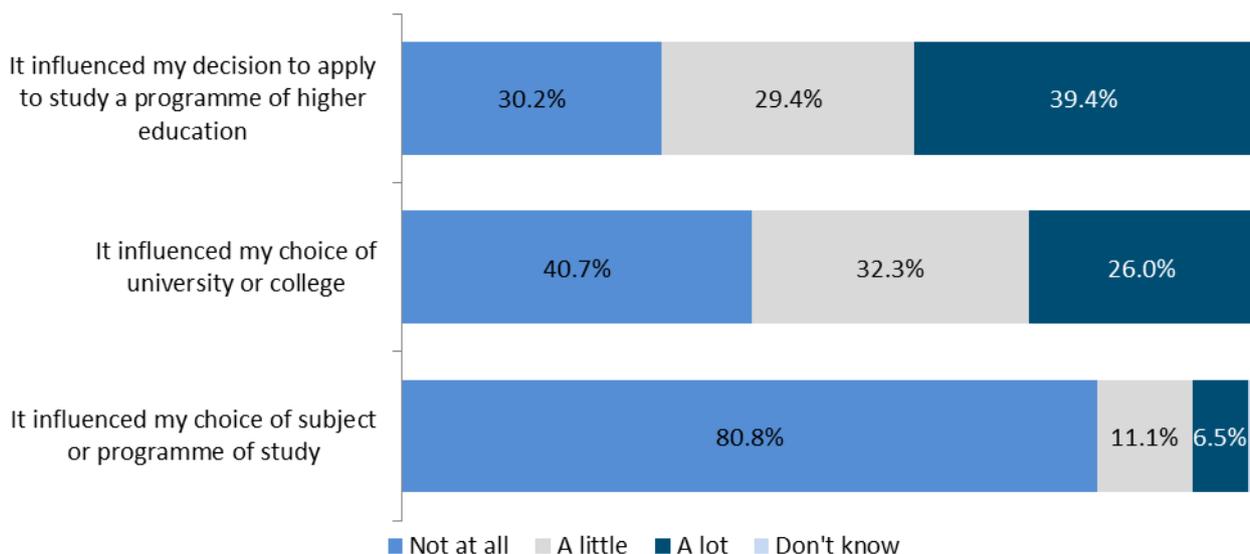
responded to our first potential HE student survey reported that the possibility of receiving the NSP had no influence at all over their decision to apply. Although the proportion of those who reported that it had no influence dropped to 56.4 per cent in Year 2 of the evaluation, perhaps as a result of the roll out of the NSP and the greater awareness of the Programme this generated, it remains almost unchanged in Year 3: 57.7 per cent of applicants to HE for 2014-15 report that the possibility of receiving the NSP had no influence on their decision to apply. A similar proportion reports that it had no influence on their choice of institution (56.6 per cent) but respondents are least likely to report that it influenced their choice of subject (70.0 per cent said it had no influence at all).

130. Recipients of an NSP award in 2013-14 were asked to rate the extent to which the possibility of receiving *financial aid* had affected their decisions about HE. A significant minority report that it had no influence (Figure 21). Comments from recipient interviewees provide further evidence that lack of awareness is a key explanatory factor:

*I didn't know I could receive it until I came to university, so the possibility of receiving support did not influence me. But whilst I was there, it did help me a lot.*

**NSP Recipient**

131. Interestingly, in contrast to the views of potential HE students, over two-thirds of respondents (68.8 per cent) report that it had some influence over their decision to study a programme of HE and almost three-fifths perceive that it influenced their choice of institution (58.3 per cent). Current students' views of the influence financial aid has on subject choice, more closely mirror the views of potential HE students (Figure 21).



**Figure 21: Extent to which the possibility of receiving financial aid affected NSP recipient's decisions about higher education**

132. There may be a number of reasons why current students rate the influence of financial aid more highly. As suggested in the end of Year 2 evaluation report, there may be a degree of post-hoc rationalisation at play, with students who have received financial aid retrospectively according it greater influence over their decision-making than it actually had, particularly if they have subsequently found it to be helpful and influencing their ability to remain on their programme and participate fully in academic and wider student life (see below). However, the broader scope of the question to include all forms of financial aid and not just the NSP could also influence respondents' perceptions. There is likely to be greater awareness of other forms of financial aid as many institutional schemes have been operating for a number of years and the criteria may be clearer and more explicit and/or institutions may be in a position to offer firmer guarantees. The form that other types of financial aid take may also differ from the NSP, for example cash rather than a fee waiver. This may be more attractive to students and potentially more influential as a result.

133. Our interviews with recipients and potential HE students, along with the survey of potential HE students who had either never applied to HE or who had not taken up a place they were offered, help us to further understand the interplay between the costs of HE and the availability of financial aid, and other factors that have been shown to influence decision-making and progression to HE. Mirroring the findings from Year 2, recipients perceive that financial aid primarily helps to alleviate any concerns or worries students have about financing HE and also facilitates an enhanced student experience. The majority of recipients who were interviewed report that they had decided to pursue a programme of HE with or without the possibility of receiving financial aid such as the NSP and as such financial aid was not a key deciding factor:

*I would have gone anyway, because I really, really wanted to do this.*

NSP Recipient

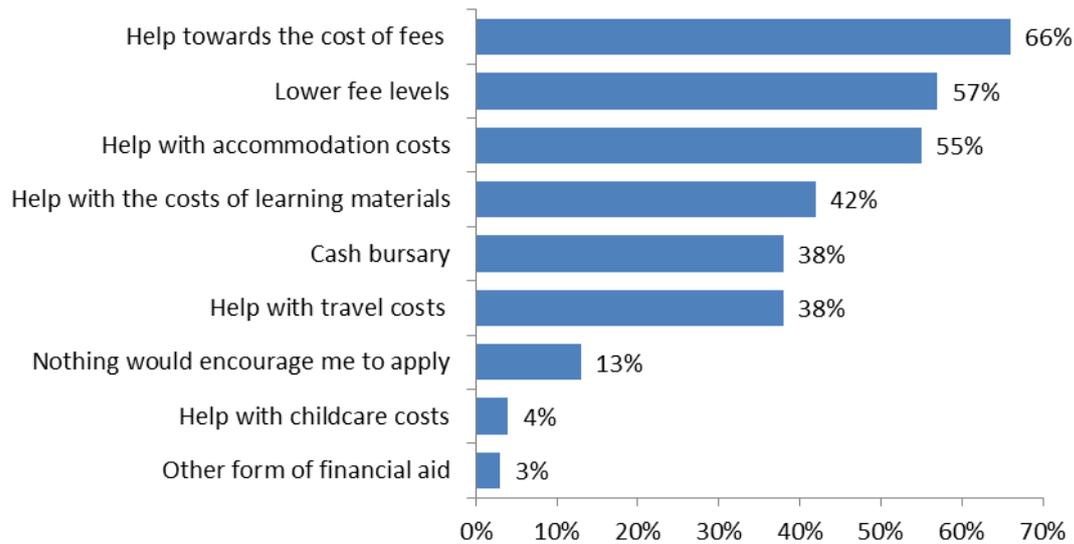
*No, I would've gone anyway. [...] I've always wanted to go to university, like, I've always wanted to move away from home.*

NSP Recipient

*It did and it didn't [influence me], it made me more likely to go, but it wouldn't have stopped me if I hadn't [received it].*

NSP Recipient

134. The views of the potential HE students who were interviewed reflect the views of recipients and suggest that although the cost of HE is an important consideration, the extent of its influence is often outweighed by other factors such as the appropriateness of the programme of study, the likelihood it will lead to a job, the location of the institution and/or the possibility to remain living at home.
135. Further analysis suggests that the extent to which an institution is able to guarantee an award does influence aspects of decision-making. Recipients are slightly more likely to report that their decision about where to study was influenced if a guaranteed award was in place. Over a quarter of recipients who attend an institution that offers a guaranteed NSP award report that the possibility of receiving financial aid influenced their choice of institution *a lot* (26.9 per cent) compared with a fifth of recipients attending an institution that did not offer a guaranteed NSP (19.8 per cent) and this difference is statistically significant. We noted in Chapter 3 that some smaller institutions are concerned that the availability of financial aid will be a deciding factor for students choosing between institutions in a particular locality offering similar provision and that larger institutions will gain a competitive advantage over smaller institutions by being able to sustain their provision even when the NSP ends. Further research is needed to explore the effects of guaranteed financial support on choice of institution.
136. Interestingly, almost nine out of ten potential HE students (87 per cent) who have not applied for a place in HE in 2014-15 (including those who have applied in the past and those who have never applied) report that some form of financial support would help to encourage them to apply to HE in the future. However, contrary to a preference for cash rather than a fee waiver expressed by the majority of current NSP recipients and potential HE students overall (not just non-applicants), help towards the cost of fees and lower fees are most commonly reported by non-applicants as the measures that would encourage them to apply to HE in the future, suggesting that fee levels could be acting as a deterrent for some groups (Figure 22). It is important to note that respondents were not asked what other non-funding related measures would help to encourage them to apply to HE so it is not possible to gauge the relative influence of financial aid from the quantitative data alone.



**Figure 22: Proportion of potential HE students who would be encouraged to apply to HE in the future by specified types of financial aid. (Base = 76)**

137. The findings overall suggest, therefore, that while cost and the provision of financial aid are important factors and those in receipt of financial aid perceive it to have a positive impact on access to HE, the lack of financial aid, or at least uncertainty over whether an individual will receive it, is unlikely to stop those with an aspiration towards HE from applying and progressing onto a programme. However the evidence about the impact on retention and student success should also be considered alongside the impact on access to determine the overall effectiveness of financial aid. Evidence from the evaluation is explored below.

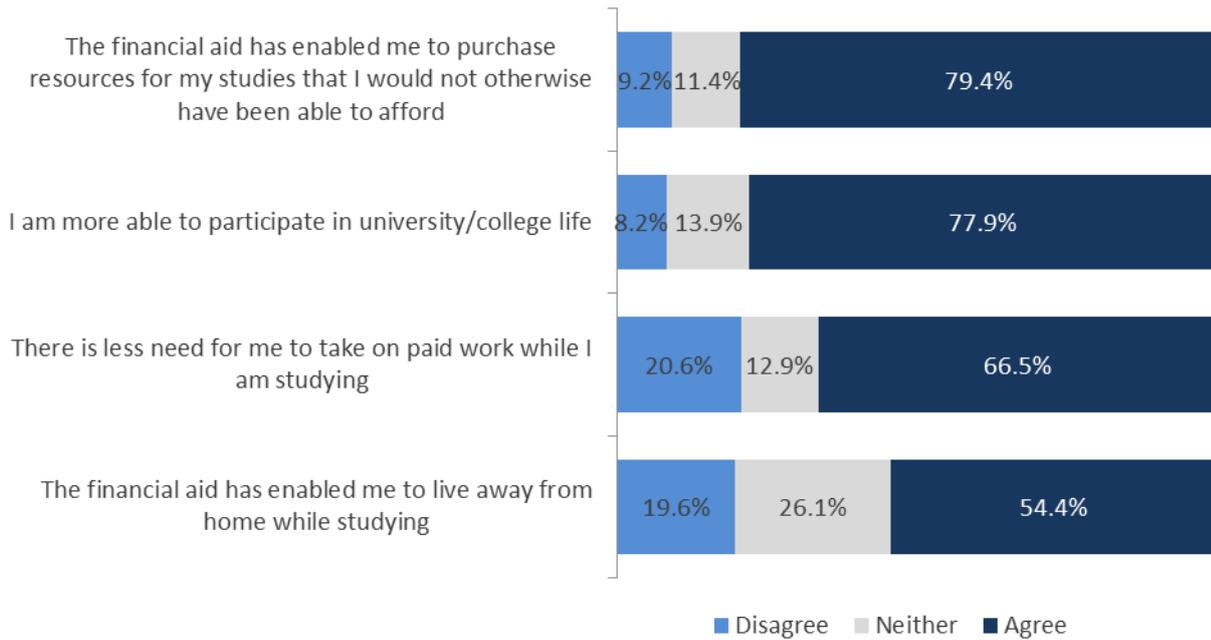
## Impact on Students' Experience of HE

138. Building on our Year 2 report, there is evidence to suggest that financial aid does make a notable difference to the quality of a student's HE experience, enabling them to more fully engage in all aspects of academic and wider student life. As Figure 23 overleaf illustrates, almost four out of five NSP recipients agree that financial aid has enabled them to purchase resources for their studies that they would not otherwise have been able to afford (79.4 per cent, n=3,312). This is particularly important for students on programmes which require specific or specialist equipment:

*It has really helped support me through my course as materials are very expensive and I needed to buy specific equipment and materials; so having financial aid/NSP was very helpful.*

**NSP recipient**

A similar proportion of respondents also agree they are more able to participate in university or college life as a result of financial aid (77.9 per cent, n=3,251).



**Figure 23: Views from NSP recipients on the impact of financial aid on their experience of HE**

139. Two-thirds of NSP recipients agree that there is less need for them to take on paid work (66.5 per cent, n=2,773) as a result of receiving financial aid. As the following comment from an NSP recipient suggests, the ability to purchase resources, do less paid work and participate more fully in student life are likely to be linked:

*The financial aid has enabled me to enjoy university life. Without it I would have had to work all year round, and this I fear would have seriously affected my university life, grades and even how happy I am.*

**NSP recipient**

140. The benefits of financial aid are, therefore, broader than directly helping students to meet the costs of HE and/or alleviate debt; financial aid also helps to create the time and space for recipients to fully engage in academic and wider student life by, for example, reducing the amount of time spent undertaking non-HE related activities such as part-time employment which can detract from an individual’s studies and limit their ability to engage in extracurricular and wider social activities. It is possible to infer that it could also contribute to recipients’ overall sense of wellbeing by reducing financial anxiety, ensuring they are able to participate in activities that enhance their enjoyment of student life as well as their academic success, and reassuring them that their institution values them and believes they are worth investing in. However, further research is required to evidence this. These issues will be explored through qualitative research during the final year of the evaluation.

141. It is important to note that despite the significant volume of positive comments from respondents, there are a few negative issues too:

*As much as the financial aid relieves some of the difficulties of living in London, it still isn't enough - I have to work 16-20 hours per week just to be able to feed myself and to be able to attend university.*

**NSP recipient**

142. Furthermore, as noted in Chapter 2, a significant minority of institutions deliver the NSP award as a fee waiver only. Fees represent a deferred cost and so a reduction in fees does not release funds which can be used to meet every day living costs for students in most instances. The impact that the composition of the package has on recipients' HE experience is considered below.
143. Just over half of NSP recipients agree that financial aid has enabled them to live away from home while studying (54.3 per cent, n=2,268). These results reflect those observed in last year's NSP recipient survey. For many respondents, financial aid represents the key difference between living at home and studying nearby, or moving away. The ability to study away from home extends student choice, affords students a greater degree of independence and exposes them to new and broader experiences.

*It gave me the opportunity to move away from home and experience lots of new exciting things, for which I am very grateful.*

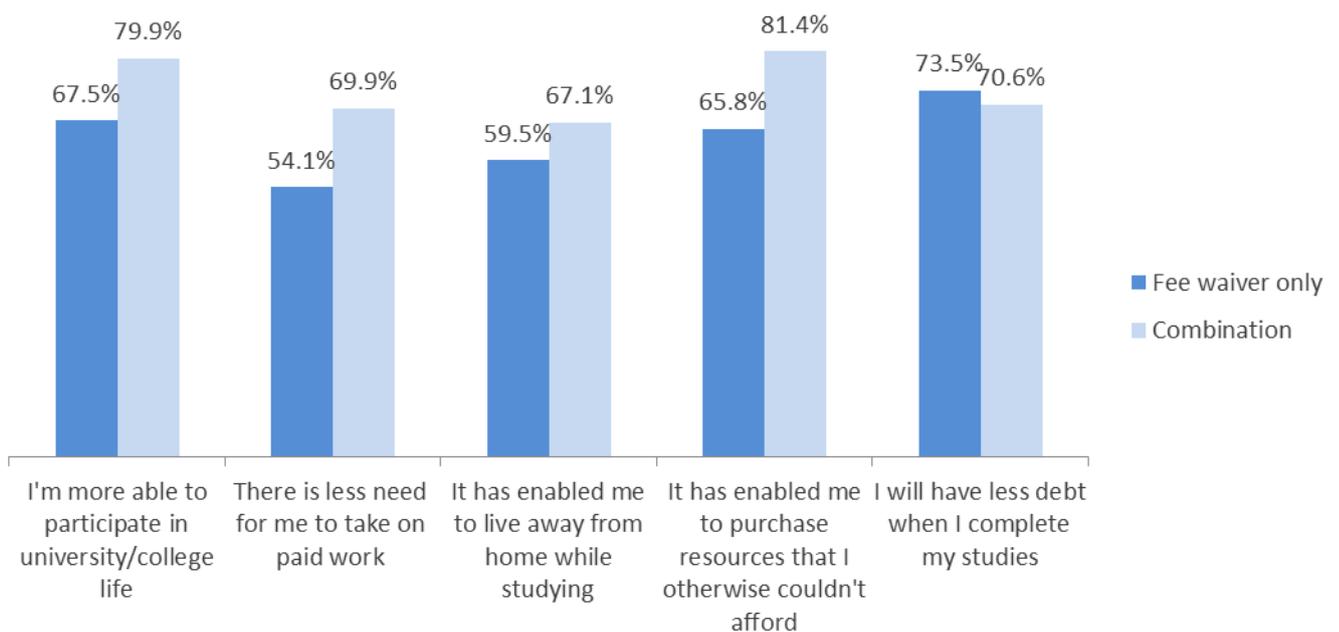
**NSP Recipient**

144. Further analysis of our recipient survey data shows that respondents' views on the effects of financial aid on their HE experience vary according to the NSP package offered by their institution. We found small but statistically significant<sup>24</sup> differences in views depending upon whether the student attended an institution offering the NSP as a fee-waiver only or as a combination of benefits (including cash awards). Figure 24 overleaf shows the percentage of NSP recipients that agree or strongly agree with each statement on the impact of financial aid. It shows that a greater proportion of those in receipt of a combination of benefits report a positive impact of their financial aid on the specified aspects of student experience. This is perhaps unsurprising given a combined package accords students greater flexibility to meet the everyday costs of living and study, such as course-related resources or accommodation, in addition to, or instead of, their tuition fees. A slightly higher proportion of those who received fee waivers only are more likely to agree that the financial aid they received will reduce the level of debt accrued while studying. Again, this is perhaps not surprising given tuition fees represent a deferred cost and so a fee waiver has a direct impact on the amount a student will repay on graduation.

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<sup>24</sup> All differences are statistically significant at the 0.05 level.

145. Conversely what is perhaps surprising is the relatively high proportion of recipients of fee waivers who also report that financial aid has benefited them, even though their NSP award could not be used to meet everyday living costs such as materials or accommodation. One possible explanation is that financial aid in this form enables recipients to divert resources towards everyday living expenses that otherwise would have been used to meet the cost of tuition. This is, however, only likely to apply in a minority of students as the vast majority of under-represented groups from low income households take a deferred, income-contingent tuition fee loan which is repayable on graduation once certain conditions are met. This suggests that other factors are shaping students' views of the way financial aid can benefit them. This could include a sense of wellbeing that being in receipt of financial aid, irrespective of the form, creates, leading students to feel more positive about their ability to engage in all aspects of university life, even if the support they receive does not have a direct, financial impact on key aspects. We revisit these issues in the concluding section of this chapter. It will also be explored further in the fourth and final year of the evaluation.



**Figure 24: NSP recipients' views on the impact of financial aid on their experience of HE by type of NSP award (Combination of benefits: base=462 Fee-waiver only: base=3,465)**

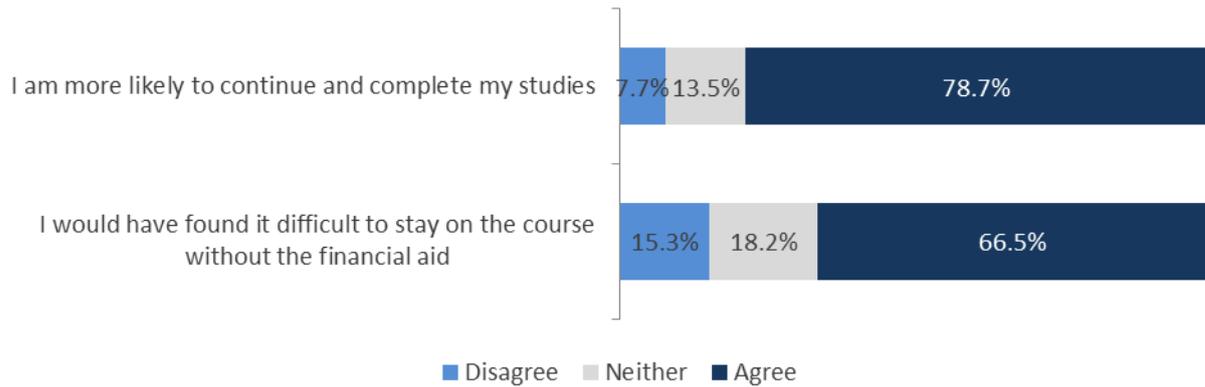
## Impact on Retention and Success

146. Given the impact financial aid appears to have on the HE experience, we might therefore also expect to see benefits in terms of improved student retention and achievement. The Year 2 evaluation report found some evidence to support this. Recipients in particular were positive about the impact of the NSP and financial aid

generally on their ability to continue with and complete their studies. Institutions were more sceptical, questioning the likely impact of fee waivers in particular on retention, and many said it was too soon to tell. Another year on, we revisit the issue and explore evidence from institutions and in particular from the cohort study of 2012-13 NSP recipients to see what more we might say about the impact of financial aid on retention and success.

## Retention

147. For this year of the evaluation we have survey data from the cohort of 2012-13 NSP award recipients who were in the second year of their course at the time of the survey. Two hundred and forty-nine students responded to the survey. Just two per cent (five respondents) had left HE altogether. While this is a small number we cannot tell how representative our survey is of NSP recipients more generally, and we do not have a comparison group. The overwhelming majority of respondents (90.8 per cent, n=226) were still studying the same course at the same HEI as in 2012-13. A small minority of students transferred to another course at the same institution (4 per cent, n=10) or transferred to another university (3.2 per cent, n=8).
148. Of the five students who had left HE, four cited financial difficulties as a main reason for their decision. Students also highlighted difficulty fitting study around paid employment, dissatisfaction with the HEI and the course and family or personal reasons as factors. This suggests that while finance is an issue, it is often coupled with other factors that may not be easily addressed with financial aid. Interestingly, three of the five individuals that left HE indicated that they would have received financial aid if they had stayed on at university. We asked what form of financial aid, if any, would have encouraged them to say in HE. None said financial aid would not have made a difference; more selected fee waiver (four responses) than cash award (two responses). Although this is a very small number of responses, it does fit with the response to the survey of potential students on the type of financial aid that would encourage them to apply to HE.
149. The recipients of the NSP award in 2013-14 are generally very positive about the impact of financial aid on their ability to stay on their course and complete it. As illustrated in Figure 25, nearly 80 per cent of respondents either agree or strongly agree that the financial aid they receive means they are more likely to continue and complete their studies. A smaller proportion, but still the majority, agrees that they would have found it difficult to stay on the course without the financial aid (66.4 per cent).



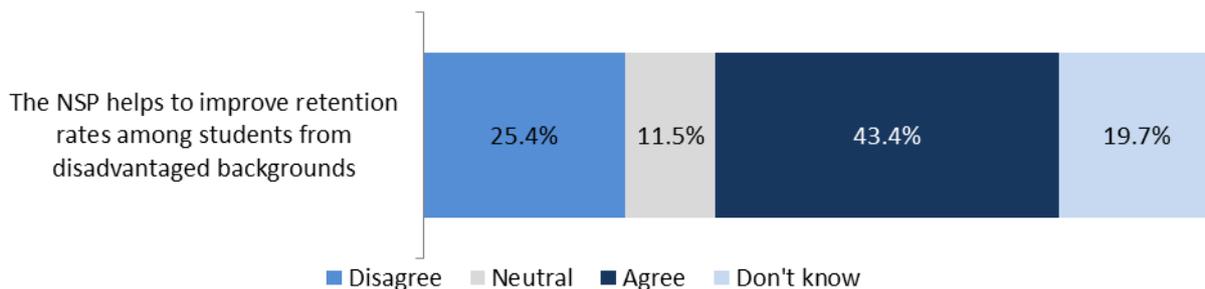
**Figure 25: NSP recipients' views on the impact of financial aid upon retention (Base=4,172).**

150. NSP recipient interviewees reflected that while financial aid can be a great help and incentive to stay on a course, the reasons for students leaving are varied and not all related to finance. In particular, poor performance, dislike for the course or general unhappiness at university are all seen as influential factors.

*I think a lot of people if they do drop out the two reasons are either they're not performing well, and that's probably due to the fact that they're not trying hard enough, and the other one could be because they just financially cannot afford it any more. I think a bursary could help people to stay on their course for the second reason.*

NSP recipient

151. Institutions responding to this year's survey are only slightly more positive about the impact of the NSP on improving retention rates amongst disadvantaged students, with 43.4 per cent (n=40) tending to agree (the figure in Year 2 of the evaluation was 37.5 per cent). However a quarter of respondents disagree and fifth still don't know – see Figure 26.



**Figure 26: Extent to which institutions agree or disagree that the NSP helps improve retention rates among students from disadvantaged backgrounds.**

152. The qualitative interviews with case study institutions provide further insight. Amongst the case study institutions many felt that financial aid does improve retention rates. Several are able to provide monitoring data or are conducting studies into the impact

of financial aid on retention to back up their assertions; this is encouraging given that the evidence from the Year 2 evaluation report found that monitoring and evaluation was patchy.

*Yes, so far, the withdrawal rate is 10 per cent of NSP recipients, rather than an overall withdrawal rate of 14 per cent. Then, it goes up again for bursaries, so if you're entitled to a bursary then the withdrawal rate was 7 per cent rather than 14 per cent.*

**Selective institution**

*I can tell you that 100 per cent of students who've received a bursary are still with us. Statistically, we would've expected one or two to drop off, but they haven't. You could argue that there's a tiny little find there, that it helps retention.*

**Small institution**

*What we do have direct evidence for based on detailed study of our student population, and this obviously has to be a little bit retrospective, is that when students get financial support at the point of study, the hard data show us that this removes the apparent disadvantage, the dropout rates that come from the lower social groups.*

**Selective institution**

153. Some institutions, including those with small numbers of students receiving financial aid, find it difficult to assess impact on retention. Data on the issue are limited and still emerging. Institutions with already high retention rates find it difficult to attribute marginal improvements in retention to the NSP or financial aid. We know that institutions often mainstream their provision of support for retention so that it benefits all students and not just students who receive the NSP/disadvantaged students.<sup>25</sup>

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<sup>25</sup> Bowes, L. Jones, S. Thomas, L. Moreton, R. Birkin, G. and Nathwani, T. (2013) *The uses and impact of HEFCE funding for widening participation: Report to HEFCE by CFE and Edge Hill University* HEFCE <http://www.hefce.ac.uk/pubs/rereports/year/2013/wpusesimpact/>

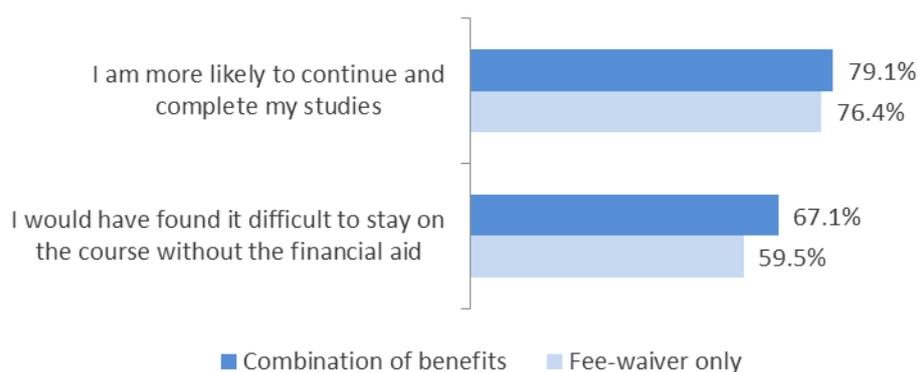
*Given the kind of institution we are, we've really got quite small numbers [...] so it's quite hard to get a statistically robust sample of how many students didn't complete. It might be one or two, or something like that, or three. You see what I mean? You're dealing with very small numbers, so one year it could be five. Is that much worse than three, or actually is that typical fluctuation?*

Small institution

*You may or may not know we have extremely good retention and the recipients of NSP were very much in line if not better than our average and that's what we would have expected.*

Specialist institution

154. Where institutions were able to provide some evidence of an impact of financial aid on retention, it tended to be cash bursaries rather than fee waivers that institutions felt make the difference. Given that almost a quarter of institutions provided the NSP in 2013-14 as a fee waiver only, this has implications for how effective the NSP is in improving retention. To investigate this further, we analysed NSP award recipient survey responses according to the type of financial aid received (this could include aid in addition to the NSP). Perhaps counterintuitively, although recipients who received a combination of financial benefits are more likely to agree that the financial aid helps them stay on course than those who received a fee-waiver only, the difference is relatively small.<sup>26</sup> We might interpret this as evidence that while cash and other institutional services that benefit students during their studies are more useful, fee-waivers are not unhelpful either. This warrants further investigation to explore whether students perceive they are financially better off as a result of receiving a fee waiver, or whether the fee waiver helps to alleviate worry over debt and thus means students are more likely to stay on their course.



**Figure 27: Proportion of NSP recipients who agree with statements about the impact of financial aid by type of award received (base=3,297).**

<sup>26</sup> Differences are significant at the 0.05 level

## The impact of a one-year financial award

155. In our report on the second year of the evaluation we highlighted the view from institutions that the potential impact of the NSP may be limited due to the fact that the Government allocation must be paid out in the first year. This remains a concern of institutions. The majority are making NSP awards in the first year of study only (63.5 per cent). The survey of the 2012-13 cohort of NSP award recipients shows that of all respondents still studying, only one in five did not receive any financial aid for their 2013-14 academic year (18.1 per cent, n=45). The majority of respondents received a cash award (58.6 per cent, n=143), and a third received a fee-waiver (33.2 per cent, n=81). This can be explained by the fact that the majority of institutions supplement the NSP with their own financial support (see Figure 12); this may well be available across all years of study and as a cash award.
156. Of those cohort survey respondents who received financial aid in 2013-14 too, just under half said they received roughly the same amount as in 2012-13 (47.7 per cent, n=95); a similar number however said they received less (43.7 per cent, n=87). We highlighted in our report last year that the need for financial support does not diminish after the first year of study; where it is not possible for support to continue throughout the programme, student expectations need to be managed. Institutions clearly recognise the risks of reducing or withdrawing financial aid in subsequent years, particularly the withdrawal of cash elements, and highlighted the potential negative impact of this on retention.

*We've seen quite a lot of people come in to our customer service desk asking, you know, when do they get their bursary. We've had to say, 'It's only a one-year benefit'. You could tell they were just devastated [...] We just send them up to the Student Support Services for them to speak to. It's the fact that it's one year, so the first year they've probably got more money than they've ever had in their life, in a lot of cases. They've got the full maintenance grant and £1,000 cash, plus a laptop, plus £500 of catering and that sort of thing. [...] then suddenly they've got to live on 50 per cent of that.*

**Inclusive institution**

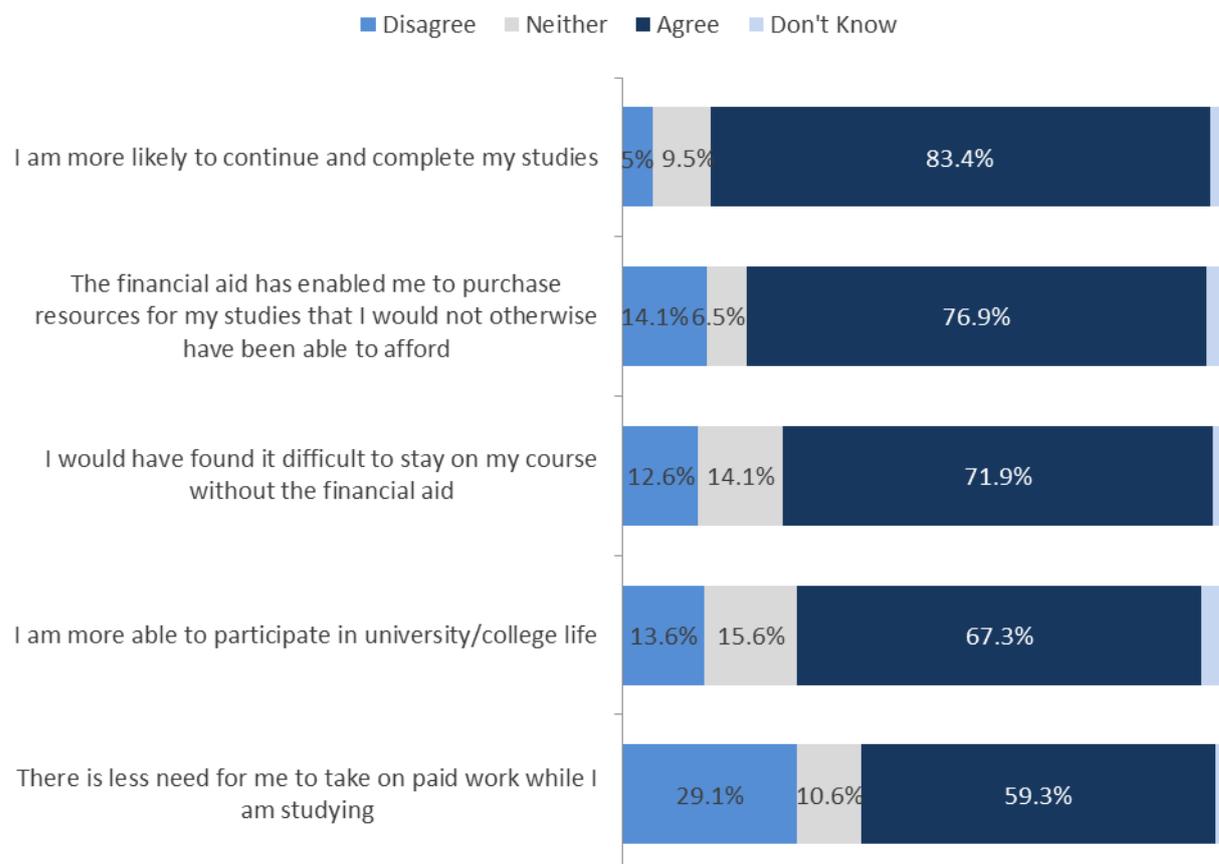
157. The concern of institutions to make it clear to students what they would receive in each year may explain why over three-quarters of the cohort survey respondents said that the amount of financial aid they received in 2013-14 was either about what they expected or more (76.9 per cent, n=513); 17.1 per cent (n=34) said they received less than expected. Even so, several of the survey respondents commented on the decrease or ending of their financial aid in the second year of study, puzzling over the rationale for not continuing the support beyond the first year.

*I am very grateful for financial aid, but I do not understand why the amount I receive should be less for the second and third years of my degree. The fees are the same and the costs are the same.*

2012-13 NSP award recipient

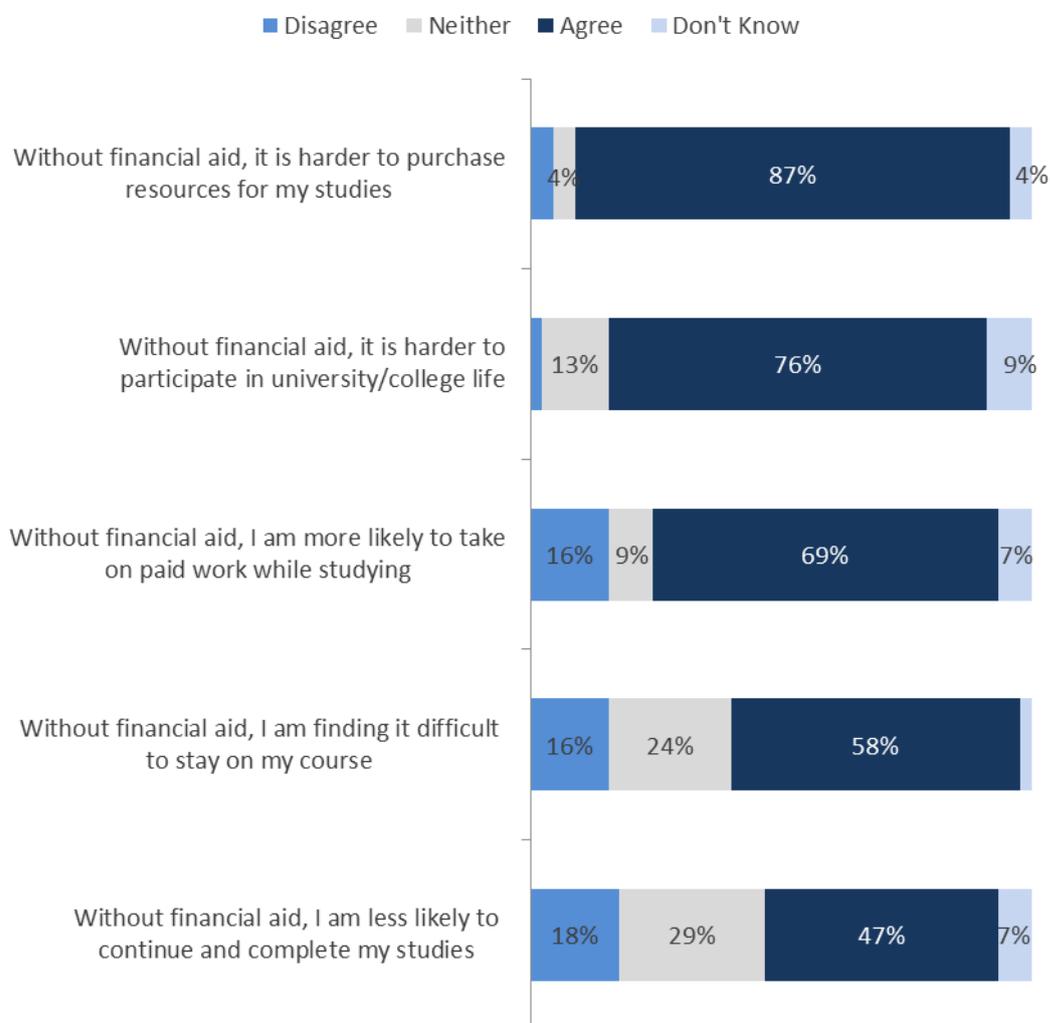
158. As might be expected, cohort survey respondents who did not receive any financial aid in 2013-14 reported that they found it more difficult to meet various costs of HE when compared to those respondents who received financial aid. Respondents were asked on a scale of '1' to '5', where '1' is very difficult and '5' is very easy, how easy or difficult it was for them to meet various costs including accommodation, food, transport, learning materials and extra-curricular activities. Those who received financial aid had lower mean scores than those who did not.

159. This is hardly surprising. What is more interesting is the perceived impact of finding it more difficult to meet these costs. Figure 28 below shows the views of those respondents to our cohort survey who received some financial aid in 2013-14. These students are generally very positive about the impact of the financial aid on their HE experience, with high proportions agreeing that they are more likely to continue and complete their studies and would have found it difficult to do so without financial aid.



**Figure 28: Extent to which 2012-13 cohort of NSP award recipients agree with statements about the impact of the financial aid they received.**

160. In contrast, those who did not receive any financial aid in 2013-14 appear to feel the impact of this most in terms of ability to purchase resources for their studies and participate in university/college life. Although 57.8 per cent agreed that the lack of financial aid made it difficult for them to stay on their course, less than half agreed that they were less likely to continue and complete their studies (Figure 29). Clearly it is harder for students without financial aid. Students who receive funding are keen to emphasise its perceived impact on their ability to stay on the course; however this does not translate to those who do not continue to receive financial support suddenly leaving. It should be noted however that those who did not receive financial aid in 2013-14 and responded to the survey questions about the impact of this on their studies had, by definition, continued with their studies.



**Figure 29: Cohort respondents' perceptions of the impact of a lack of financial aid in their second year of study**

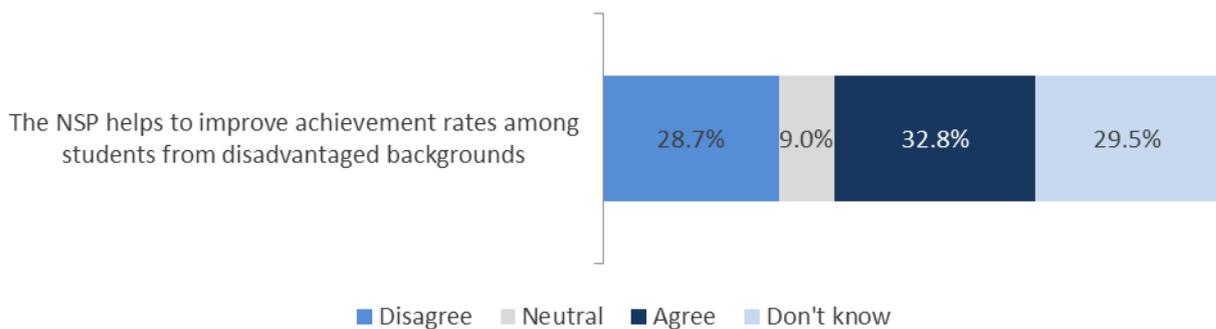
161. A substantial proportion (68.9 per cent) of those students who did not receive financial aid in 2013-14 agreed that as a result they were more likely to take on paid work while studying. A number of the comments in the survey alluded to the difficulty

of balancing work with study. Taking on additional paid work or working more hours may have a detrimental impact on student achievement and it is to this issue we now turn in the final section of this chapter.

162. Overall the evidence for the impact of financial aid on retention appears encouraging. We will continue to track the 2012-13 cohort of NSP award recipients and in the final year of the evaluation will seek to explore further how financial aid supports retention, achievement and success. Institutions will have a further year of monitoring data to draw on and it will be interesting to see the effects of the lifting of the cap on cash NSP awards.

### Achievement and success

163. Institutions are equivocal about the impact of the NSP on improving the achievement of students from disadvantaged backgrounds. As Figure 30 below shows, almost as many institutions disagree that the NSP has an impact in this regard as agree.



**Figure 30: Extent to which institutions agree that the NSP helps improve achievement rates among students from disadvantaged backgrounds**

164. Most of our case study institutions indicated that it was too early to determine the impact of the NSP on achievement rates and attainment. One inclusive institution indicated that there was some emerging evidence to suggest that pass rates were slightly higher for NSP recipients than other students, but that it was too soon to conclusively make this assessment. There was recognition among institutions that achievement is ultimately tied to successful retention and that anecdotally at least, alleviating financial concerns through the NSP and bursaries would make it more likely for students to complete their studies, with less worry about financial problems.

165. At this stage we have no evidence from students on the direct impact of financial aid on achievement and success. This is something we will return to in Year 4 of the evaluation. What is clear is that finance is a worry for many students from disadvantaged backgrounds, whether it is in terms of meeting living costs or accumulating large debts. The picture emerging is that financial aid has an important

role in alleviating student worry and stress and enabling them to take full advantage of the opportunities on offer. This may impact on not just retention and achievement, but on the extent to which students have a positive HE experience and gain wider transferable skills that will benefit them on graduation and beyond.

## Summary

166. The extent to which the NSP can be used as a mechanism to encourage potential students to apply to HE is limited because most institutions cannot state with any certainty whether a prospective student will receive an award prior to their enrolment. The lack of a guarantee, coupled with a general lack of awareness of the NSP and variation in the level, type and timing of the support available, reduces the influence that the Programme has over initial decision-making for most students. As a result, institutions remain divided over the ability of the NSP to widen access to HE by encouraging participation amongst students from disadvantaged groups who otherwise would not have applied.
167. The NSP is perceived by institutions to be having more of an impact on retention than access, particularly if it is delivered in the form of cash or institutional services. However, robust evidence of impact is currently limited. Financial aid that helps to enhance the student experience by enabling students to purchase resources, participate in enrichment activities, live away from home and/or reduce the amount of part-time work undertaken are all perceived to enhance student engagement leading to improved retention.
168. The majority of NSP award recipients confirm that financial aid has enhanced their student experience. Most would have found it difficult to remain on their course without financial help and are more likely to complete as a result of receiving it. Our cohort survey reveals that those who received an NSP award in their first year only are finding it more difficult to meet the costs of HE and more likely to undertake part-time work than those who continue to receive some form of support either through the NSP or another source. However, a lack of financial aid is not necessarily the main reason why students leave HE; factors relating to family circumstances, the course and/or the institution can also play a key role in the decision.
169. Institutions are more equivocal about the impact of the NSP on achievement and success. Although some institutions recognise that financial aid has the potential to enhance student achievement, it is relatively early in the HE lifecycle of NSP award recipients to assess impact and, as with retention, current evidence is limited.

## 04. 2015-16 AND BEYOND

*The NSP will end in 2015-16 but the evaluation provides learning that can be applied to the design and delivery of financial aid to undergraduates more generally. In this chapter we begin to draw out key lessons, exploring student views on the design of financial aid. The NSP funding is to be re-purposed to support postgraduate students. Therefore, we begin this chapter by looking at how institutions are responding to this and evidence from our evaluation on the financial barriers to postgraduate progression.*

### Supporting Progression to Postgraduate Study

#### Context

170. Postgraduate study is important to the UK economy and society, providing benefits to individuals and employers. Postgraduates benefit from better employment and earning outcomes than those with a first degree only.<sup>27,28</sup> PG qualifications have also become increasingly important for accessing professional careers.<sup>29</sup> Employers value postgraduates' specialist knowledge and their skills are vital in addressing business challenges, generating innovation and driving growth.<sup>30</sup> Postgraduates also contribute significantly to the UK research output; the strength of the research base plays an important role in attracting companies to the country.

171. The UK PG sector offers three broad types of course: postgraduate research programmes (PGR) (for example, MPhil, PhD, EdD); postgraduate taught courses (PGT) (for example, MA, MSc, MEng); and other PG courses (Other PG) (for example, PGCE). During the past decade in England, there has been a general upward trend in the overall number of students entering PG study. However, more recently numbers have begun to decline, particularly for PGT and Other PG courses.<sup>31</sup> Recent Higher Education Statistics Agency (HESA) data suggest that most young people, including those from low income families, do not appear to have

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<sup>27</sup> Department for Business, Innovation & Skills (BIS) (2010) *One step beyond: Making the most of postgraduate education* BIS

<sup>28</sup> Centre for Economic Performance, London School of Economics (2010) *The social composition and future earnings of postgraduates* Sutton Trust, London

<sup>29</sup> The Panel on Fair Access to the Professions (2009) *Unleashing Aspiration: The Final Report of the Panel on Fair Access to the Professions*

<sup>30</sup> BIS (2010) *One step beyond: Making the most of postgraduate education* BIS

<sup>31</sup> HEFCE (2013) *Postgraduate education in England and Northern Ireland*, Overview report 2013 HEFCE

been deterred by the increase in fees for undergraduate courses starting in 2012-13. However, many students are now accumulating high levels of debt during their undergraduate studies and this could adversely affect progression rates to PG study.<sup>32</sup> PG fees are not regulated and so institutions are free to set fees at the level they wish. Furthermore, there are no Government finance or loans available to PG students comparable to that which is available at undergraduate level. As a result, the majority of PGT students self-finance their studies.

172. There are differences in participation in PG study by socio-economic background. Analysis of progression into PG study by Participation of Local Area (POLAR), school type and parental socio-economic group shows that students from less privileged backgrounds are less likely to progress into PGT but more likely to take up Other PG courses.<sup>33</sup> HEFCE is supporting WP in PG education in a number of ways. This includes the PSS. The PSS comprises an initial £25m fund, which has been distributed as grants of between £500,000 and £3m to universities and colleges to encourage them to test different ways of financing PGT study, attract under-represented students and work with industry to enhance the contribution PG education makes to the economy and society during 2014-15. From 2015-16, £50m will be allocated to institutions to support such schemes. In this section of the report we explore findings from the NSP evaluation that may be of value to the design and delivery of PG financial support.

### Barriers to postgraduate study

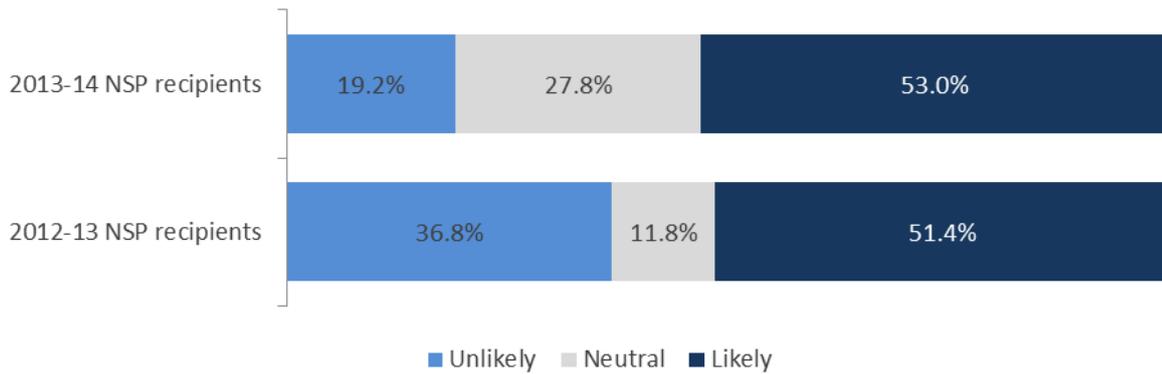
173. Additional questions were included in the survey of 2013-14 NSP award recipients and the survey of the cohort of 2012-13 NSP award recipients on their intentions to study PGT courses and potential barriers to their ambition, including finance. Recipients in their first year of study are slightly more likely to report that they will apply for PG study than those in their second year.<sup>34</sup> While over half of both groups of respondents report they are likely or very likely to continue into PG study, a larger proportion of 2013-14 recipients are indifferent to PG study at this stage in their student journey and a third of the 2012-13 cohort report that is unlikely or very unlikely that they will progress (36.8 per cent; n=78) (Figure 31). We can speculate as to the reasons for this difference: as a student progresses they may gain a clearer idea of what they plan to do on graduation and the importance of a PG qualification in achieving that aim, or they may grow less enthusiastic about continuing with academic study. It may be interesting to follow-up with students in the final year of the NSP evaluation to understand how their perceptions of and plans for PG study might change over the course of their undergraduate studies.

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<sup>32</sup> BIS (2011) *Higher Education: Students at the heart of the system* BIS

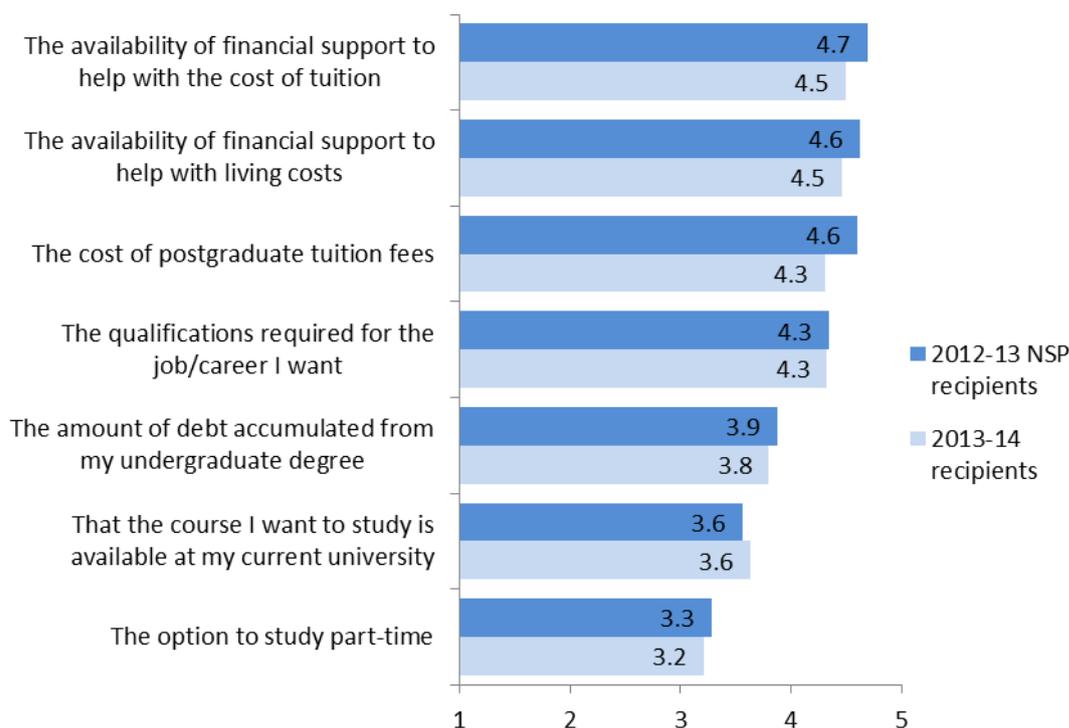
<sup>33</sup> HEFCE (2013) *Trends in transition from first degree to postgraduate study: Qualifiers between 2002-03 and 2010-11* HEFCE

<sup>34</sup> There is a statistically significant difference between mean scores,  $p < 0.05$



**Figure 31: Likelihood of applying for a course of postgraduate study on completion of current course**

174. There is little difference between the views of 2013-14 NSP award recipients and the 2012-13 cohort in terms of the importance of various factors when considering further PG study. Figure 32 shows the differing mean scores for each factor where ‘1’ is very unimportant and ‘5’ is very important. While the amount of debt accumulated from undergraduate study is a consideration (69 per cent of 2013-14 recipients say it is important or very important), the cost of PG study is more important (86.9 per cent of 2013-14 recipients say it is important or very important) as is the availability of financial support (93.1 per cent of 2013-14 recipients say the availability of help with tuition fees is important or very important, and 91.5 say the same for the availability of help with living costs).



**Figure 32: Importance of different factors when considering progression to postgraduate study**

175. These concerns are recognised by providers of PG courses. There is agreement across the case study institutions that expressed a view that finance is the key barrier to progression to PG study. In particular, funding tuition fees up front is seen as problematic in the absence of national PG student finance. There is concern that the issue is likely to be exacerbated when the first cohort of undergraduate students who studied under the new fee regime graduate with substantially larger debts in 2015. Some interviewees suggest that this barrier affects more if not all potential PG students, rather than just those traditionally identified as 'WP' at undergraduate level.

*[Potential postgraduate students] can't find the tuition fee to pay up front, or even if they pay in say three or four instalments, they just can't find that. Secondly there's the question of living expenses and there's no financial support around that, so that's a big barrier.*

**Small institution**

176. Some interviewees suggest other potential barriers to PG study for students from more disadvantaged backgrounds, such as lack of confidence, lack of awareness of PG study and/or or a feeling that PG study is 'not for them':

*I think the challenge is, do WP students, before they get to university, do they see themselves as a type of student that would go on to do postgraduate study, or do they even know what postgraduate study is?*

**Inclusive institution**

177. The interviewee quoted above went on to say, however, that they felt there was a levelling up of ambition once WP students were studying at undergraduate level, and that the 'penny drops' about their potential and that of academic study. Other institutions echoed these sentiments: cultural barriers for progression to PG study are likely to be different from those at undergraduate level as students will already have succeeded in an HE context; this highlights the general lack of understanding of just what 'WP' means in a PG context and how the barriers to progression may be different to those identified at undergraduate level.

*If I come from a low participation neighbourhood and I then have three or four years at a prestigious Russell Group institution in London, should I still be targeted on the fact that I came originally from a low participation background? [...] I don't know how you would target these awards.*

**Selective institution**

### **Current and planned provision for postgraduate financial aid**

178. Not all case study institutions have PG students. Of those that do, many (but not all) already have some financial support provision for PG students. This generally takes the form of 'loyalty' fee discounts and scholarships for students progressing to PG study at same institution. Other financial support appears to be relatively small scale and delivered on an ad hoc faculty/academic unit basis.

179. Three case study institutions are also involved in the HEFCE funded PSS pilot. Beyond these, some other case study institutions have set aside funds and are planning to implement support schemes and/or are seeking to understand how to best support PG progression. One selective case study institution is trialling a scheme offering three types of PG fee waiver: one for graduates progressing from the institution, one for those from POLAR postcodes and one based on academic performance. All awards will be in the form of fee waivers as the institution feels this would be more attractive to PG students who, as noted above, often fund their programmes of study themselves.

180. One of the inclusive case study institutions is exploring the use of the Access to Learning fund by PG students to understand where funding for this group might best be directed. Another reported they have introduced an integrated Masters course with the opportunity for more able students to switch from a three-year undergraduate degree to a Masters thus ensuring it is loan-funded. A small HEI explained how they are exploring possible financial packages to support PG study.

This has involved discussions with banks about a possible local tuition fee scheme. However, there was little enthusiasm for this from banks as it is regarded as relatively high risk.

### Lessons from the NSP for postgraduate financial support

181. Institutions with postgraduates are eagerly awaiting further information on how the £50m funding to support PG progression will be used in 2015-16 and what is expected of institutions. We asked institutions responding to our survey and case study institutions what the key lessons are from their experience of delivering the NSP that could be applied to the development of financial support for PG students. Many of the comments suggest that institutions assume that the funding will be allocated across institutions for use in a similar fashion to the NSP – perhaps because the £50m allocated to support PG progression in 2015-16 was re-purposed from the NSP. Some of the institutions with PG students concerned about the impact of increased undergraduate fees on progression welcomed the shift in funding focus.
182. Many comments from survey respondents relate to the form of the award (24 comments), with most of these suggesting that cash is preferred or that a choice should be offered to students as to how financial support is delivered. This is a well-trodden path in relation to the NSP, however a few survey respondents acknowledge that the needs of PG students are different to undergraduates', in particular because PG students do not have the same access to tuition fee loans, and a fee waiver may well be more attractive or appropriate than a cash award. This perspective was developed further in the case study interviews.

*Although cash rather than fee waivers seemed more attractive to undergraduates, I think that postgraduates are more likely to appreciate a reduction in tuition fees in the absence of statutory governmental support for postgraduate study.*

**Selective institution**

183. This point highlights that lessons learned from the NSP are not necessarily directly transferable to schemes for postgraduates. As highlighted above, institutions are less clear about the non-financial barriers to PG study and what the priorities should therefore be in terms of designing and targeting support. Unlike WP for undergraduates, WP for postgraduates is still in the early stages of development.
184. Related to these points, some institutions raised concerns about the ability to easily identify disadvantaged PG students - mainly because household income data is not available from the SLC as it is for undergraduate students. These comments flag up likely challenges with developing a financial support package for PG students and the limitations of applying findings from the NSP evaluation.

*National and institutional guidance has enabled us to successfully identify and support disadvantaged undergraduate students using measures such as 'Residual Household Income' and POLAR3 data, and it is our concern is that these methods are not robust enough to be used to identify disadvantaged postgraduate students moving forward.*

**Selective institution**

185. One of the most frequently made suggestions was a plea for institutions to be given flexibility in the design and implementation of a programme of support for PG students. Respondents made the point that institutions were best placed to design schemes that meet local needs, fit with existing support and enable priority groups to be targeted. The comment below is typical of the responses.

*Institutions are best placed to judge what criteria best meet their needs and the needs of their students. Institutions are also best placed to decide what the structure the financial support should take. In other words, once the mechanism for allocating the £50m to institutions is in place, let universities decide how to disburse it.*

**Inclusive institution**

186. However some institutions suggested that any programme of support needs to be clear and simple to understand, particularly in terms of eligibility, and some suggested that the scheme should be truly national with no variation between institutions. There is a tension between this and the need for flexibility set out above, as one respondent made explicit, suggesting a refocused scheme for postgraduates cannot be both locally flexible and nationally consistent.

*That it has to be either one thing or another. If it is going to be a truly national scheme then the same conditions and criteria should apply to everyone and all institutions. Alternatively, if it is to be a locally delivered scheme, that can be tailored to local context, then freedom and flexibility should be permitted without irrelevant strictures.*

**Inclusive institution**

187. Perhaps unsurprisingly a number of institutions responding to our survey made reference to the impact of the changes made to the NSP allocations and guidance, suggesting that future programmes would benefit from consistency of approach over a period of years.

*Consistency in terms of funding levels: to manage the reduction for 2014 was a real challenge; the impact would be greater for PG funding I suspect, if a similar thing happened again, because of the lack of other funding options.*

**Selective institution**

## **Design and Delivery of Future Financial Support for Students**

188. Some of the above comments from institutions on the design and delivery of a financial support scheme for postgraduates are relevant to providing student financial support more generally. Throughout the evaluation of the NSP and this report we have highlighted learning and insights on this topic. In this final section we explore the views of students taking part in the evaluation on key elements of financial support. Recipients of NSP awards and potential HE students who participated in follow-up interviews and focus groups were asked to design a student financial support package within certain parameters. This provides us with an insight into student perspectives on what makes effective financial support. It also provides an interesting point of comparison with institutional perspectives. Generally institutions expressed similar views, demonstrating that they are in touch with student preferences and concerns.
189. Interestingly, the current NSP award recipients and the potential students (including those who have not applied to HE) interviewed have different views on how eligibility for financial support should be determined. There is broad agreement amongst NSP award recipients that eligibility should be based on household income. Even with the availability of loans, they say that students with more advantaged parents are more likely to receive additional financial support for living costs and other expenses, which allows students to get the most out of their university experience.

*If your parents are earning less, it makes it a lot more difficult to join in social things with people and make friends to start off with because you just can't afford it.*

**NSP recipient**

190. Potential HE student interviewees are more likely to disagree that household income is the best way to determine eligibility. They particularly highlight that having higher household income does not necessarily translate to parents providing financial support. Some argue that household income is crudely calculated and does not properly take account of the diversity of family circumstances such as separation and step-families. Potential students thus suggest a wider range of factors they feel could be taken into account when determining eligibility for financial aid. These include the cost of course materials, living in a disadvantaged area, school attended, grades achieved and the likely eventual graduate salary according to subject studied.

191. This apparent difference in attitudes may be simply due to the sampling of respondents, or it may be related to the fact that NSP award recipients have received an award where a cornerstone of eligibility is household income. The potential student interviewees often lacked understanding of financial aid and what they might qualify for. One felt that the information provided by the institution she applied to was misleading, suggesting there was financial support available for all students. This perhaps underlines the point made by several of the institutions that financial support should be easy to understand and clearly communicated.
192. We asked interviewees and focus group participants to consider how they might manage the challenge faced by many institutions of having more students from lower income backgrounds than NSP awards to distribute. Students found this difficult and there was little overall agreement. Suggestions included taking into account factors such as disability and academic achievement to further target scarce funds, or simply reducing the household income thresholds to benefit those most in need – all approaches adopted by institutions delivering the NSP. There were mixed views on having variable eligibility criteria at different institutions: some felt this would work well as institutions are best placed to know students' needs; others argued this would be unfair as the same student may be eligible for an award at one institution and not another.
193. NSP recipients responding to our survey show a clear preference for smaller but guaranteed awards: 85.6 per cent (n=3,573) said they would prefer to receive a guaranteed award of £3,000 rather than to be able to apply for £5,000 with the possibility of receiving nothing. This was reflected in the interviews with potential students where the majority felt that a larger number of smaller awards, so that everyone in need got something, would be the fairest solution. Some NSP award recipient interviewees however also made the point that smaller amounts might have limited impact.

*If you just gave it to everyone at a lower value, say £200, it's not going to be that helpful to them in the grand scheme of things when they've got £9,000 tuition fees each year.*

**NSP award recipient**

194. The usefulness of small amounts of financial support is perhaps linked to the form in which it is offered. As the quote above suggests, a small fee reduction may have limited impact. However as reported in the Year 2 evaluation report some students feel that even a small amount of cash can be helpful if it enables them to buy key text books for example. As stated in previous reports and elsewhere in this report, students generally express a preference for cash awards to fee waivers: 72.3 per cent (n=3016) of NSP award recipients completing our survey said they would prefer a cash award of £3,000 as opposed to a fee waiver of £5,000. And the majority of

award recipients interviewed suggested cash would be the preferred form of financial award, offering support when it was needed most.

*So I guess it would be [more] useful to have it now than if you take it off the tuition fees. Because obviously we're going to be paying that once we start earning over a certain amount, so then we can afford to pay that, but right now for a lot of people it's hard to juggle a job and be at university.*

**NSP recipient**

A minority felt that a fee waiver would address worries about debt.

*To be honest, I think the biggest worry for students has got to be the tuition. [...] The £1,000 cash was good, and that was great [...] but I was more happy about the tuition fee waiver. Because I thought knocking £2,000 off, it's still going to be a lot of debt, but that's possibly two years or something off the amount of time I will be paying it back.*

**NSP award recipient**

195. Again the potential student interviewees gave different opinions, with more of them stating fee waivers would be preferable. This group were particularly concerned about the possibility of cash being too much 'temptation' for some students and it being 'wasted' – on alcohol in particular. Several potential students suggested university vouchers for meals and books as an alternative to cash to ensure it was spent appropriately.
196. Schemes involving a range of different options and vouchers have proved complicated to administer and communicate to students for several of the case study institutions and as reported in paragraph 3.24 these have been abandoned in some instances for the simplicity of a wholly cash scheme. Institutions made it clear that to be effective schemes should be simple – for students to understand and compare across institutions, and for institutions to administer.

*I think the lessons are it needs to be simple. Students aren't simple, but complicated schemes tend to turn people off. This is something that students can look at. I've seen other universities have an NSP scheme had about five elements to it, where you can get a bus pass, and you can get this, and you can get that, and a discount on your accommodation. Our view always has been to keep it simple so students can understand it easily.*

**Small institution**

197. Although the evidence suggests that the increased tuition fees are not preventing students progressing to HE, there are clearly some students for whom tuition fee debt is a concern. As highlighted in our Year 2 evaluation report, for students with religious or cultural reservations about taking loans that incur interest, a fee waiver is an attractive option. Following a positive response to a recent consultation, the

Government will work on developing a Sharia-compliant student finance product.<sup>35</sup> Enabling students to use cash awards to reduce fee debts could be a way to ensure the flexibility of a cash award meets students' individual needs and preferences, while keeping the scheme relatively simple to understand. One of the case study institutions expressed the desire to invest more time in supporting students to make the best use of NSP awards. With a move in 2014/15 to a substantial full cash award in a single year, they saw the importance of this support, especially as a cash award enables a range of potential options to benefit students flexibly according to their concerns, preferences and needs.

*We did intend to invest more time into supporting students in making an informed choice because £6,000 is a lot of money. [...] There's an option for them to seriously reduce their debt in that year if that's what's worrying them. There's an option to take it later on if they want to progress onto further study, they could use it for that, or if they just wanted to manage it over the three or four years of their course then they can do that. There is still quite a lot of work we've got to do on supporting students' choice.*

**Selective institution**

198. Supporting students to make informed decisions about using financial awards could also help address the concerns voiced by some of large amounts of cash being a 'temptation'. Being able to budget effectively is clearly a concern. There was universal agreement across all groups of students and potential students interviewed that financial support should be spread across all years of study. They argued their circumstances are unlikely to change and knowing funding was secure was said to reduce worry. More frequent payments spread across years were said to be useful to help with budgeting.

199. Almost all students (current and potential) felt that payments should be linked to attendance and minimum levels of attainment which would act as an incentive. Making awards to students that were not making the effort was a poor use of restricted public funds that could be better spent on other students.

*I think if you're not attending any of your lectures, or if you're not handing your assignments in on time or doing great in them, you should obviously not be getting that money. Because it's there to help you and if you're just sort of not putting any effort into university there's no point in you being there. Someone else who's trying could have that money.*

**NSP Recipient**

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<sup>35</sup> *Sharia-compliant student finance* BIS (Accessed 8/9/14)  
<https://www.gov.uk/government/consultations/sharia-compliant-student-finance>

200. One dissenting voice referred to experience on Education Maintenance Allowance (EMA) where attendance records were used, but these were said not always to be reliable and didn't take account of good reasons for absence. They also felt that it should not be linked to attainment as the student was paying for their course and, in incurring the debt, it was their responsibility whether they then made the best use of the experience. Another student highlighted the need for some flexibility as poor attendance/achievement could be linked to financial difficulties.

## Summary

201. Postgraduate study is important to the UK economy and provides benefits to individuals and employers. However, recently the number of students entering PG study has declined. Since the introduction of higher level fees, undergraduates are accumulating substantial levels of debt. There is a risk that higher fees, coupled with a lack of financial support, could adversely affect progression rates, particularly amongst disadvantaged groups which are already under-represented in PGT programmes.
202. Approximately half of NSP award recipients report that they are likely to progress into PG study. Early indications from the cohort study suggest that although accumulated debt is an important consideration, the overall cost of PG study and the availability of financial support are likely to have more influence over decision-making. Some institutions currently offer financial support to postgraduates; others are planning to introduce it or are trialling different approaches. A key lesson from the NSP is that students, on the whole, prefer financial aid in the form of cash. However, the needs of PG students are different to undergraduates': a fee waiver may well be a more attractive option for students at the higher level. There is also evidence that debt is increasingly a concern for undergraduates and that given a choice, some may opt for a fee waiver in the future.
203. Although cost is regarded as a barrier to progression irrespective of a student's background, some institutional staff perceive that a lack of confidence, a lack of awareness of PG study options and/or or a feeling that PG study is 'not for them' can be particular barriers for disadvantaged groups. There may therefore be a need for non-financial help to address these issues and ensure students are supported to study and succeed at this level.
204. Defining 'disadvantage' and determining appropriate eligibility criteria continue to present a challenge for institutions delivering financial aid at the undergraduate and PG level, as does the issue of national entitlement. Institutions perceive that they are best placed to determine appropriate packages of support for their students and should, therefore, be accorded the flexibility to do so by the Government. However, there is also a perception that national schemes would have more impact if there was

more consistency across the sector. Certainly a key message from current and prospective students is that schemes should be clear and simple to understand and should offer greater certainty for students at the application stage, even if this means that the size of the award is reduced.

## 05. CONCLUSIONS

*In this chapter we draw together the key findings in order to identify key areas for further exploration in the fourth and final year of the evaluation.*

### Key Findings

#### The NSP to date

205. Following the announcement of the NSP in October 2010, the Programme has been rolled out to over 90,000 undergraduates studying in over 225 institutions. In that respect, the NSP has succeeded in its main objective to provide an additional financial benefit to students from disadvantaged backgrounds as they enter HE. The Programme is being delivered in a wide variety of ways across the sector; as a result, there are disparities in terms of the types of students who are benefitting from the Programme as well as in terms of the level and type of support that students studying at different institutions are receiving. Part-time students in particular do not appear to be benefitting substantially from the Programme.
206. The extent to which the NSP is helping to widen access to HE by encouraging those from disadvantaged groups to progress who might not otherwise have considered it is also a matter for debate. The NSP was introduced to mitigate the effects of higher tuition fees and ensure students, irrespective of their circumstances, were not deterred from entering HE by the cost. Application rates overall do not appear to have been affected by the rise in tuition fees to date and, according to the latest Higher Education Initial Participation Rate (HEIPR) statistical release, participation in 2012-13 is at 43% (down by six percentage points compared with 2011-12).<sup>36</sup> However, there is a widespread perception across the HE sector that the system of grants and deferred loans for students from low income families that was introduced alongside the new fee regime is largely responsible for the stability in applications rather than the NSP. Furthermore, the extent to which the NSP can be used as a mechanism to encourage potential students to apply to HE is limited because most institutions cannot state with any certainty whether a prospective student will receive an award prior to their enrolment. The lack of a guarantee, coupled with a general lack of awareness of the NSP and variation in the level, type and timing of the

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<sup>36</sup> See BIS (2013) *Participation rates in higher education*.

<https://www.gov.uk/government/collections/statistics-on-higher-education-initial-participation-rates>

support available, reduces the influence that the Programme has over initial decision-making for most students.

207. The emerging evidence suggests that programmes such as the NSP have greater potential to influence student retention and success rather than widening access, particularly if the package of support is delivered in the form of cash or institutional services. Financial aid of this nature has the potential to enhance the student experience by enabling students to live away from home as well as the potential to encourage greater levels of academic engagement by ensuring students have the means to purchase resources, participate in enrichment activities and/or reduce the amount of part-time work they undertake.
208. It is interesting to note that while the majority of recipients report that they are more likely to complete their course and less likely to drop out as a result of their financial aid, most also state that the cost of HE and the availability of financial aid are not key considerations when deciding to apply to HE. Furthermore, the small amount of evidence from NSP award recipients who have left their courses suggests that a range of factors contribute to the decision, not just financial issues.
209. Evidence from the potential HE student survey suggests, however, that there is a growing concern about the cost of HE and the debt accumulated by students among some groups. Although, once again, financial issues are not the only deterrent to progression cited by those who have never applied to HE or who have applied but not taken up a place in the past, respondents most commonly report that help with tuition fees and/or lower fees would encourage them to apply to HE in the future. Overall, the findings suggest that cost and the provision of financial aid are just two of a number of factors that influence student decision-making. Those with a firm commitment to HE appear less likely to be deterred by a lack of financial aid or uncertainty over whether they will receive it; conversely, those with the ability but limited aspirations towards HE may be put off by the costs. This group could potentially be encouraged to progress if a guaranteed level of financial support was in place together with advice about the most appropriate course for them.

### **The NSP 2014-15 and beyond**

210. A number of changes to the NSP will come into effect from 2014-15. The NSP will then end in 2015-16 and the £50m fund will be re-purposed to support progression into PGT education in England by stimulating participation among students who would not otherwise progress to this level. The changes to the Government's contribution to the NSP in 2014-15 as well as to the funding allocation model will result in a reduced allocation for some institutions. The evidence suggests that institutions are most likely to alter the way they use their match-funding rather than

their eligibility criteria to manage this change. A number will also take the opportunity to offer a greater proportion of the award in cash.

211. In the majority of institutions the NSP sits alongside other forms of financial support. NSP award recipients are typically able to access some or all of the other support for which they are eligible. The NSP has largely added value to rather than replaced existing provision and so the removal of the NSP allocation will not result in the removal of all financial support for undergraduates. There is, however, a risk that it will negatively impact the level and amount of financial support available and WP activities more broadly. The reduction in funding could impact on institutional priorities for WP, the way in which resources are managed and deployed, systems and procedures for administering and monitoring financial support, and/or an institution's ability to compete i.e. attract sufficient student numbers. The number and range of students who receive support is also likely to be affected. At the individual level, the extent of engagement in academic and wider student life could be reduced which could have a detrimental impact on retention and success presuming a link between these factors and financial aid is established.
212. The cost of HE is a concern for students at the PG as well as the undergraduate level. The number of students progressing to PG study has declined in recent years and there is a concern that in view of the substantial amount of debt that current undergraduates are accumulating, this downward trend could continue. In order to stimulate progression to PG study, particularly amongst those groups who are currently under-represented, HEFCE will allocate £50m to institutions to support the development of interventions for PG students in 2015-16 through the PSS. Although a range of approaches are currently being piloted, including curriculum developments and information, advice and guidance, the emphasis for the programme is on financial support. The emerging findings from the NSP evaluation suggest that cost and the availability of financial support are key considerations for those contemplating progression to PG study. A key lesson from the NSP is that students prefer financial aid in the form of cash. However, the needs of PG students are different to undergraduates' and a fee waiver may well be an attractive option for those who are largely self-financing their studies at this level.

## Key Considerations

213. **Defining 'disadvantage'**: A range of measures is currently used to define disadvantage at the undergraduate level including POLAR3, free school meals status, and household income. There are limitations to all these measures (because disadvantage can take many forms) and so some institutions combine factors to determine which groups should be targeted for financial support. However, defining disadvantage in the context of PG education is more problematic. Applicants for PG study typically have experience of the HE sector and are not disadvantaged to the

same extent as undergraduates with similar backgrounds but no HE experience on entry to the sector. In addition, a person's wider family circumstances are less relevant as they become financially independent. If specific under-represented groups are to be targeted through the PSS, an appropriate measure of 'disadvantage' must be developed at a national or institutional level, depending on how the scheme is implemented.

214. **Eligibility and entitlement:** Linked to the point above, determining appropriate eligibility criteria continues to present a challenge for institutions delivering financial aid at the undergraduate and/or PG level. Although locally-determined eligibility criteria enable institutions to tailor their programme and target priority groups, they also create disparities in the system and raise issues of transparency and fairness. Notions of eligibility and entitlement are important considerations in the development of any new national programmes of financial support for students at any level moving forward.
215. **Impact of financial aid:** Further and more robust evidence of the impact of financial aid on widening access and improving retention and success in HE in the context of the current fee regime is required. CFE is currently working with HEFCE to develop a refined data return to support institutions to better account for the impact of WP expenditure and activities. The current perception is that financial aid has limited impact on access but has the potential to support retention and success. However, the full impact of higher level fees has yet to be felt as the first cohort of students has just completed their second year. Although current data suggests that students from disadvantaged groups have not been deterred by higher fees, evidence is beginning to emerge through the evaluation that some groups might be put off, particularly in the current economic climate and given high levels of youth unemployment. Measures to reduce debt, such as financial aid in the form of a fee waiver, may become more attractive to future cohorts of students as they weigh up the potential return on the investment in HE and could encourage them to apply, particularly if a guarantee of support is in place. Future research to establish any correlation between financial aid and retention and success should take account of the possible indirect as well as direct impacts of financial aid, such as the extent to which financial aid contributes to an enhanced sense of well-being.

## Evaluation – Year 4

216. As noted in the introduction to this report, the nature of formative evaluation is that it evolves as the programme under investigation evolves in response to the evidence that is produced. Although providing an account of the operation and effectiveness of the NSP remains a key priority for the final year of the evaluation, the scope of the research will be broadened so that the issues identified above can be explored and a fuller understanding of the role that financial aid fulfils in relation to WP can be

developed. Our aim is to ensure that the final report is of relevance to the sector despite the Programme ending. It will, therefore, be designed to contribute evidence to inform the future development of financial aid in general and support for PGT students in particular.

217. The fourth and final report of the evaluation affords the opportunity to bring together evidence from all previous years of the evaluation and the wider literature. Consideration will, therefore, be given to how institutions have **managed and delivered the NSP** in the context of their wider offer of financial aid; the extent to which financial issues and the possibility of receiving financial aid (including the NSP) **impact on student decision-making** about entering HE; and the perceived **strengths and limitations of different models** and approaches to financial aid (including overall value, composition of package and timing of awards). Although we will note any **changes to the management and delivery of the NSP** implemented by institutions in response to the revised guidance for 2014-15, we do not propose to explore these issues in detail. The longitudinal data we have collected provides the opportunity to identify any **changes over time in perceptions and experiences of the NSP**.
218. The broader focus for the final year will enable us to investigate new issues arising from Year 3 which warrant further exploration including those identified above in relation to the **direct financial and wider impacts of financial support** (including the NSP) and particularly on **student retention and achievement**. We will also explore the extent to which financial issues (such as cost or accumulated debt) and/or the possibility of receiving financial aid impact on student decision-making about **progression to PG study**. Finally, we will explore the anticipated **impact of the ending of the NSP** and **succession planning** to establish how financial aid for undergraduate students from 2015-16 is likely to change.

## **APPENDIX 1: CASE STUDY INSTITUTIONS**

Arts University Bournemouth  
Birkbeck, University of London  
Central College Nottingham  
Cleveland College of Art & Design  
De Montfort University  
Harper Adams University  
Keele University  
Lancaster University  
Leeds City College  
Leeds College of Art  
Leeds Metropolitan University  
St Georges, University of London  
University of Cambridge  
University of Chester  
University of East London  
University of Hull  
University of Sheffield  
University of Southampton  
University of Warwick  
York St John University



## APPENDIX 2: OPERATING MODELS

Category	Parameter #	Parameter
Delivery	1	All in first year
	2	Spread over two years or more
Match-funding	1	Increase the number of awards
	2	Increase the value of awards
	3	Increase both the number and the value of awards
	4	Other
Eligibility	1	National criteria
	2	National criteria with own institutional criteria
Package of benefits	1	Fee waiver/discount only
	2	Other type of package

Model #	Model (parameters)	Frequency	Percentage
1	1,1,1,1	3	2.4%
2	1,1,1,2	10	8.0%
3	1,1,2,1	8	6.4%
4	1,1,2,2	31	24.8%
5	1,2,1,1	1	0.8%
6	1,2,1,2	2	1.6%
7	1,2,2,1	2	1.6%
8	1,2,2,2	2	1.6%
9	1,3,1,1	0	0.0%
10	1,3,1,2	0	0.0%
11	1,3,2,1	2	1.6%
12	1,3,2,2	3	2.4%
13	1,4,1,1	1	0.8%
14	1,4,1,2	2	1.6%
15	1,4,2,1	4	3.2%
16	1,4,2,2	9	7.2%
17	2,1,1,1	0	0.0%
18	2,1,1,2	1	0.8%
19	2,1,2,1	0	0.0%
20	2,1,2,2	1	0.8%
21	2,2,1,1	2	1.6%
22	2,2,1,2	1	0.8%



23	2,2,2,1	5	4.0%
24	2,2,2,2	16	12.8%
25	2,3,1,1	0	0.0%
26	2,3,1,2	3	2.4%
27	2,3,2,1	2	1.6%
28	2,3,2,2	3	2.4%
29	2,4,1,1	0	0.0%
30	2,4,1,2	0	0.0%
31	2,4,2,1	0	0.0%
32	2,4,2,2	11	8.8%
<b>Total</b>		<b>125</b>	<b>100.0%</b>

## APPENDIX 3: GLOSSARY

**ALF:** Access to Learning Fund Government funding for institutions to provide discretionary awards to students experiencing financial hardship.

**BIS:** Department for Business, Innovation & Skills

**EMA:** Education Maintenance Allowance

**FEC:** Further education college

**FTE:** Full-time equivalent

**HE:** Higher education

**HEBSS:** Higher Education Bursary and Scholarship Scheme

**HEFCE:** Higher Education Funding Council for England

**HEI:** Higher education institution

**HEIPR:** Higher Education Initial Participation Rate

**HESA:** Higher Education Statistics Agency

**‘Inclusive’ institutions:** A term in our institutional typology. Large, usually teaching-intensive institutions that recruit significant numbers of WP students.

**LPN:** Low participation neighbourhood

**NSP:** National Scholarship Programme

**OFFA:** Office for Fair Access

**PG:** Postgraduate

**PGR:** Postgraduate Research programme

**PGT:** Postgraduate Taught course

**POLAR:** Participation of Local Area

**PSS:** Postgraduate Support Scheme

**‘Selective’ institutions:** A term in our institutional typology. Large, usually research-intensive institutions that recruit high-attaining students.

**SFE:** Student Finance England

**SLC:** Student Loan Company

**‘Small’ institutions:** A term in our institutional typology. FECs and small HEIs that often recruit locally and many of whose students are from disadvantaged groups.

**SO:** (HEFCE’s) Student Opportunity (funding)

**‘Specialist’ institutions:** A term in our institutional typology. Smaller HEIs, colleges or professional training institutes that offer only a small range of courses, usually dedicated to a particular profession.

**WP:** Widening participation

**WPSA:** Widening Participation Strategic Assessment