Department for Business Innovation & Skills

REVIEW OF THE ADULT DISCRETIONARY LEARNER SUPPORT FUND FOR THE FURTHER EDUCATION SECTOR

Final report

Contents

Executive Summary

Ecorys was commissioned by the Department for Business, Innovation and Skills (BIS) in March 2013 to review the Adult Discretionary Learner Support (DLS) Fund for the Further Education Sector. This section presents a summary of the aims and objectives of the review, the methodology used and the key findings.

Aims and objectives

Discretionary Learner Support (DLS) is aimed at supporting learners with a specific financial hardship that prevents them from taking part in learning.[1] This review assessed the effectiveness, impact and value for money of the Adult Discretionary Learner Support Fund for the academic year 2011/12. The key objectives of the study were to examine:

- The extent to which DLS was supporting the correct target group, namely disadvantaged learners

- The characteristics of learners receiving DLS support and its impact on their participation and learning outcomes

- Whether DLS was providing good value for money.

Methodology

The methodology for the review involved:

- A contextual review of key policy documents and data on resource allocations for the scheme

- A detailed analysis of 2011/12 Individualised Learner Record (ILR) data, undertaken to explore the types of learners that accessed DLS in that year.

- Consultations with 45 learning providers and 15 wider stakeholders to explore their views on recent changes made to DLS arrangements and its impact on learners.

- A survey of 388 adult learners to explore their experiences in accessing DLS and the impact of the financial support provided through it.

- Six focus groups with learners accessing DLS, combined with in-depth follow up interviews, to further explore the impact of support.

The rest of the executive summary sets out the key findings from the review.

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[1] DLS Funding Rules 2013/2014, Version 2.1 (July 2013), Skills Funding Agency

Overview of DLS spend for the 2011/12 academic year

In terms of the three strands of DLS, available management information (MI) on the scheme for the 2011/12 academic year showed spend by learning providers on the 20+ childcare strand of £42,040,385, on the 19+ hardship strand of £59,589,702 including travel and fees and £1,681,710 on the 19+ residential strand. Colleges and Higher Education institutions were on average more likely to report underspends on their DLS allocation compared to training providers and local authorities. Overall, there were underspends across all the 3 strands. These underspends were mainly due to the Agency allocating a further £23m sourced from other budget underspends late in the academic year to providers, in response to reported pressures on childcare funding allocated in the 2011/12 academic year. As this was close to the final term of the academic year, providers were unable to spend all of the additional allocation.

Provider and stakeholder views on DLS

The consultations carried out with providers and stakeholders suggest that DLS is widely valued. Both providers and other stakeholders including policy, provider and learner representatives felt the DLS helped to retain learners who would otherwise drop out of education due to financial constraints.

The vast majority of providers interviewed did not cite any weaknesses in respect of current DLS arrangements and offered few suggestions for improvement. Where such suggestions were offered, they tended to relate to a desire for greater clarity around the use of DLS to support learners with their fees. Another issue raised was the wish to use DLS to support equipment costs for fully funded learners, (for fully funded learners, the costs of essential equipment for the course are covered in the funding rate; therefore providers are not allowed to cover these costs under DLS). The stakeholders from provider representative bodies involved in the consultations also indicated that they had not received any negative feedback from their members about current DLS arrangements.

Providers used a wide range of approaches to market DLS to their learners including information sessions for learners during the registration period, advertising on college websites and producing course brochures to highlight the support available to learners. Most providers used income thresholds as the key criterion for making judgements on which learners to support. The majority also attached conditions to the support provided; the most common was attendance rate, this was usually set at 80% and above.

The support provided under DLS varied. In addition to childcare support, providers also offered a range of support under the hardship element of DLS. The support under this area included fee support, travel passes, and in some cases, regular or ad-hoc support payments.

There was no evidence to suggest that the merger of the Adult Learning Grant (ALG) with the DLS budget had impacted on learners or changed the profile of learners accessing DLS.

Characteristics of learners accessing DLS

The ILR dataset available for review held records of 83,634 learners who received DLS in the 2011/12 academic year. It should be noted that this figure is much lower than that presented in a previous review of DLS undertaken by the Young People's Learning Agency (YPLA).[2] The YPLA review, using provider administrative datasets, indicated that just over 200,000 learners had accessed DLS in the 2010/11 academic year. In turn this suggests that the ILR data reviewed for this study, while likely to be representative of the cohort receiving DLS, offers an incomplete sample of those receiving support.[3]

Comparisons of DLS learners with non-supported learners suggest that DLS learners were more likely to be females and from a minority background. Over two thirds (68%) of DLS learners were female, compared to 53% of non-supported learners. Also, only 54% of learners on DLS were White British, compared 70% of non-supported learners. DLS learners were more likely to be younger adults. Just over a third (36%) of DLS learners were aged 19-24 (18% in the 19-20 and 21-24 categories respectively) compared to 27% of non-supported learners (11% in the 19-20 and 16% in the 21-24 age categories). DLS learners were also more than twice as likely to have a learning difficulty and/or disability/or health problem (21%), compared to non-supported learners (11%).

The regional spread of DLS shows a clear relationship between the concentration of DLS learners and regional deprivation, with a distinct North-South divide. DLS learners were more likely to live in deprived areas concentrated in the North of England as opposed to the South (with the exception of London and Cornwall where there are known to be high levels of deprivation).

With respect to prior attainment, DLS learners were more likely than non-supported learners to have lower level qualifications, including Entry Level qualifications, but less likely to have no qualifications. This is likely to be due to the fact that DLS learners are often returners to the labour market. Of the ILR sample of learners receiving DLS, 11% had an Entry Level qualification compared to 5% of non-supported learners, 23% had a Level 1 qualification compared to 20% of non-supported learners and 27% had a Level 2 qualification compared to 25% of non-supported learners.

Analysing the completion and progression status of DLS learners shows that those on DLS were more likely to continue in education (including moving to higher education or pursuing other further education courses) compared to non-supported learners. Out of those whose destination was known, nearly two thirds (63%) of DLS learners were continuing in their existing programme of learning, compared to 51% of non-supported learners. A further 12% had also progressed to pursue another further education course and 7% had entered higher education. This compares to 2% and 1% of non-supported learners respectively. Only 5% of DLS learners had moved into full time employment compared 27% of non-supported learners. This is to be expected as DLS learners are

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[2] Discretionary Learner Support (dLS) 2009/10 Analysis of MI, Report on Adult (19+) dLS, YPLA, 2011
[3] As a result of this discrepancy, while the ILR analysis undertaken for this review does provide a good picture of the type of learners accessing DLS, the analysis should be understood in terms of capturing a sample of learners accessing DLS.

likely to be studying on access courses intended to support progression into further learning, hence the likelihood of moving straight into employment for these learners would be low. DLS learners were also less likely than non-supported learners to withdraw from their learning aim. However, overall achievement rates for both groups were broadly similar.

Impact of DLS on learners

The survey findings suggest that DLS has a positive influence on participation. Over three-fifths (62%) of adult learners reported that they would not have started the course without the financial support offered through the scheme. Conversely, 21% reported that they would have started the course anyway without the financial support offered through DLS. A further 10% stated that they would have started their course, but would have delayed the start date, considered a part-time course, or taken up paid work to support themselves in the absence of DLS. Overall, these figures compare favourably with previous support interventions. For example, the 2010 evaluation of the ALG showed that one in eight (13%) of all recipients reported that they would not have started their course without support from the ALG.[4] Most learners at the focus group sessions similarly reported that they would not have been able to start their respective courses without DLS. In most cases this was because they could not afford either the course fees or the associated costs linked with their learning.

The survey findings also indicate that DLS has a positive effect on retention and completion. Just under two thirds (64%) of learners reported that they would not have been able to continue with and complete their course if support had not been available. This was particularly the case for learners who were working part-time, those who were unemployed and those who were at home looking after their family.

Learners who had completed their course also cited a number of benefits linked to improvements in their well-being; 50% reported that they had become more confident, 38% felt their career prospects had improved and just under a third (30%) were pursuing a further FE qualification. The pattern was similar for those who had completed their course and those who had achieved a qualification. The primary objective of DLS is to support disadvantaged learners who may otherwise not do so to engage in learning. However, the survey suggests that there were also other secondary impacts, 6% of the learners reported employment outcomes: 2% of those who had completed their course reported that they had come off benefits and moved into employment since completing their course, 3% had obtained their first job and 1% had started their own business.

Overall, over three quarters (77%) of those who had completed their course indicated that they would not have obtained the outcomes reported in the paragraph above without the qualification. For those who had achieved a qualification, the proportion increased to 79%, and for those who had recorded no achievement, this fell to 68%.

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[4]Understanding the Impact of the Adult Learning Grant (ALG) 2010 November, YPLA

Value for money assessment of DLS

Economy, efficiency and effectiveness are key components in assessing the value for money offered by DLS. Taking economy first, the relative spend on administration of the scheme compared to delivery offers the best way to consider whether the right inputs (in terms of quantity and quality) are being secured at the most economic price. The total provider administration expenditure for DLS was £5.96m in 2011/12. Within this, the proportion of allocated funds spent by providers in administering the scheme varied. A high proportion (79%) had spent approximately 5% of their allocation on administration, 18% had spent between 1% to 4% and a small proportion 3% made no administration expenditure claims. This indicates a relatively low proportion of funding being used for administration purposes which suggests a reasonable level of economy is being achieved.

In previous years, the ALG scheme was administered centrally at a cost of around £2.5m and DLS administration costs were also incurred by providers, thus resulting in a total administration expenditure of around £6.37m in 2010/11. Comparing this to the figure for 2011/12 shows a reduction in administration expenditure of over £0.4m. The reduction is related to the closure of the ALG scheme and the move to a decentralised system. This again is positive from an economy perspective. However, it would also be useful to compare the figure for 2011/12 with that for 2012/13 when it becomes available to examine if the total administration costs show signs of a declining trend.

Considering efficiency requires an examination of the conversion of inputs into outputs and outcomes and how efficiently this is achieved. A key way of assessing this is the degree to which DLS is supporting learners to participate in learning and complete courses who would not otherwise have done so, hence securing the maximum *additional* outputs and outcomes for the resources allocated. The findings of the learner survey suggest that a relatively small proportion of learners (just over a third) would have participated in, and completed their learning, without DLS support. This suggests that the amount of deadweight in respect of DLS (that is, funding that would not be required to support participation or retention) is relatively limited when compared to some related grant based schemes to support learning and the achievement of qualifications (for example, Train to Gain or the Education Maintenance Allowance). This provides a good prima facie case for the intervention representing value for money.

The cost per learner supported (in terms of DLS received) might also be considered to be reasonable. While information on the total number of learners in receipt of DLS in 2011/12 was not systematically recorded, data on the estimated number of recipients in 2010/11 (249,000) is available. If this 249,000 is used as the basis to calculate the cost of DLS support per learner, on the basis of the total DLS expenditure for 2011/12 of just over £115 million this cost is £463 per learner. Survey findings highlight that 62% of those in receipt of DLS would not have started their course if financial support had been unavailable. In turn this suggests that DLS is helping to support 154,380 additional learners to participate in learning over and above those who would have done so anyway (that is, 154,380 of the 249,000 learners only participated due to the availability of DLS). Adjusting for deadweight (i.e. those who would have participated anyway in the absence of DLS) in this way results in an estimated cost per *additional* learner (participating as a result of DLS) of £746.

It is also possible to estimate the cost of DLS support per learner completing their course. The learner survey revealed that 64% of respondents had completed their course.

Applying this to the estimated population of DLS learners in 2010/11 academic year (249,000) suggests that a sub-set of 159,360 DLS learners will have completed their course, resulting in a unit cost of £723 per completion. However, this figure again needs to be adjusted for deadweight. This calculation can be undertaken by using the survey finding that 64% (i.e. 64% out of 159,360 = 102,163 learners) would not have completed their course without financial support[5]. When adjusted for deadweight in this way, the cost per learner completing their course as a result of DLS support is estimated at £1,128.

Overall, the above figures and calculations suggest that the DLS scheme as a whole can be said to demonstrate good value for money. This conclusion rests on the basis that the unit cost of interventions is relatively low and the success rate (in terms of learners encouraged to participate and / or helped to complete) is relatively high. This success rate likewise suggests that a good level of effectiveness is being achieved in terms of the intervention meeting its desired outcomes. While the available data provides a positive picture of value for money, as the assessment is based on an estimated population of adult learners on DLS it would be beneficial to systematically collect information on the number of learners in receipt of DLS to enable calculation of more accurate unit cost metrics in future years.

Conclusions and Recommendations

The overall findings suggest that the DLS scheme is working effectively and operating according to policy intent in terms of its targeting of disadvantaged learners. Those receiving DLS are, for example, more likely to have learning difficulties and/or disabilities, are more likely to come from ethnic minority backgrounds and are significantly more likely to not be in employment. It is also clear that DLS is accessible to learners who need the support. An examination of the distribution of DLS recipients across the country suggests that numbers are broadly associated with areas of higher deprivation – for example in northern cities, London, and areas such as Cornwall that suffer from rural deprivation.

The specific purpose of the policy is to promote engagement with learning amongst learners facing disadvantages. As with all interventions of this type, the key tests of its impact relate to the participation, retention and achievement of learners.

To be deemed successful in respect of the former it is necessary to demonstrate a low level of 'deadweight' – that is, the number of recipients who might have participated in the absence of the funds must be kept low. The majority of learners questioned suggested that they would not have undertaken their course without help from DLS, this being consistent with the fact that around a third were not aware of the help they would get before they applied for a place. Compared with other policy interventions (for example EMAs or Train to Gain) deadweight is at a relatively low level, this being suggestive of the significant additionality offered by the intervention.

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[5] Number of additional learners retained/completing = number of completed learners (159,360) x proportion who reported that they would not have started the course in the absence of financial support (64%).

The impact on retention and achievement of recipients can be identified from the ILR records. In almost all cases the performance of those in receipt of funds is better than average – that is, than the rest of those participating. Again, therefore, DLS appears to be a worthwhile and important intervention in terms of supporting, and promoting, the retention and achievement of disadvantaged learners.

On the basis of the evidence presented by the review there is a strong case for the scheme to be continued, within this it is recommended that:

- The power to vire between elements of the scheme be maintained and confirmed through providing a single funding allocation to providers.

- Expenditure on the two high cost elements of the scheme (childcare and residence) should continue to be reported separately so that value for money can continue to be monitored.

- The integration of ALG and the RSS within DLS has been achieved successfully and should be maintained.

- BIS and the Agency should seek ways to encourage all providers to share and learn from effective practice concerning the administration of the scheme.

- Consideration should be given to how the loan bursary scheme should develop alongside mainstream DLS.

- BIS and the Agency seek ways to ensure that providers systematically record the number of learners receiving DLS to enable the calculation of more accurate unit cost metrics in future years.

Introduction

In March 2013, Ecorys was commissioned by the Department for Business, Innovation and Skills (BIS) to review the Adult Discretionary Learner Support (DLS) Fund for the Further Education Sector. The review assessed the impact and effectiveness of the Discretionary Leaner Support Fund for the academic year 2011/12. Within this it examined the extent to which DLS was providing good value for money and return on investment. This report presents the findings of this review.

Research context

Adult Discretionary Learner Support funding sits within the Government's broader objective to deliver a new skills system for sustainable growth as part of its on-going reform of adult learning and skills. Funding for DLS is provided by BIS and aims to support financially disadvantaged learners studying adult skills provision in Colleges, External Institutions (EIs), Higher Education Institutions (HEIs), School Sixth Forms and Sixth Form Colleges.

In 2010 BIS published *Investing in Skills for Sustainable Growth*[6] which outlined changes to adult learner support. This policy document followed a consultation held in 2010 which confirmed those working in the further education sector's view of the need to enhance and simplify adult learner support.

Since August 2011, decisions around the use of learner support funding have been fully devolved to Further Education Colleges and training providers and a number of key changes have been rolled out linked to the provision of financial support for adult learners. These include the:

- Closure of the Adult Learning Grant (ALG) scheme to new learners from the academic year 2011/12 and the merger of the grant with the DLS budget

- Closure of the Residential Support Scheme (the centrally managed Residential Support Scheme that supported adult learners at providers without in-house accommodation) from the academic year 2012/13 and the merger of the budget with the DLS budget (the funding has been allocated directly to providers to distribute at their discretion)

- Removal of virement restrictions from academic year 2012/13 between the three schemes within DLS – Childcare, Hardship and Residential – but retention of Individual Learner Records (ILR) data on spend against each category

- The expansion in the 2012/13 academic year of the type of providers that could receive DLS allocations to include Skills Funding Agency contracted private providers delivering classroom provision.

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[6]Investing in Skills for Sustainable Growth, November 2010, BIS

This review was designed in part to explore the extent to which providers were content with the above changes.

Research aims and objectives

The Discretionary Learner Support (DLS) Fund is aimed at supporting learners with a specific financial hardship that prevents them from taking part in learning.[7] The review aimed to assess the impact and effectiveness of the fund for the academic year 2011/12 in line with three key objectives of the study:

- **Objective 1: Determine if the scheme was operating according to policy intent and was appropriate for learners and providers -** The first objective of the review was to explore the extent to which DLS was supporting the correct target group - that is, those who were disadvantaged - and the criteria used by providers in administering the funds. It also aimed to examine how providers were defining 'financially disadvantaged'.

- **Objective 2: Ascertain if the funding was having the desired impact on participation and learner outcomes -** The second objective was to examine the type of adult learners who had received support under DLS and the extent to which the financial support had helped them to continue and complete their learning, including progressing in different ways.

- **Objective 3: Examine whether DLS was providing good value for money and return on investment -** The final objective was to assess whether DLS was providing value for money and how the costs associated with delivery matched with the costs per output based on learner achievements and progression.

Methodology

The methodology used for the review included a survey with 388 adult learners, desk research, data analysis, focus groups with learners, and in-depth consultations with 45 providers and 15 wider stakeholders. A summary of each element of the methodology is set out below.

Desk research

A selection of key policy documents and past research was reviewed in order to put the study into context. The desk review also examined some of the key issues that had led to changes to DLS arrangements. Findings from the desk research informed the topic guides used for the stakeholder and provider consultations.

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[7] Funding Rules 2013/2014, Version 2.1 (July 2013), Skills Funding Agency

Data analysis - ILR data and provider financial returns

A detailed analysis of 2011/12 ILR data was carried out to explore the types of learners that had accessed DLS in that year. The analysis also assessed the retention, participation, attainment and progression status of learners receiving DLS compared to non-DLS learners.

It should be noted that, whereas a previous review using provider administrative datasets suggested that over 200,000 learners accessed DLS in the 2010/11 academic year,[8] equivalent numbers could not be identified from the ILR analysis due to gaps in the dataset. Thus, whereas the ILR analysis does provide a good picture of the *type* of learners accessing DLS, it is worth noting that available records were much lower than the figure of 200,000 noted above. Therefore, the ILR analysis should be understood in terms of capturing a sample of learners accessing DLS.

A second strand of data analysis involved a detailed review of management information on provider spend and allocation. This was undertaken to explore how funds had been spent across the three strands within DLS: childcare, hardship and residential. The analysis also looked at the proportion retained for administration. This analysis informed the value for money assessments presented in this report.

Stakeholder interviews

Fifteen telephone interviews were carried out with policy, provider and learner representatives to discuss their views on DLS. The interviews also explored how the fund was responding to local needs and supporting its intended target group. The topic guide used for these interviews is presented in Annex 1.

Learner survey

A telephone survey using Computer Assisted Telephone Interviewing (CATI)[9] was carried with adult learners to capture the impact of the financial support offered through DLS funding. It also explored the accessibility of the scheme and whether or not learners would have continued with their learning without support. The survey also examined the 'additionality' of the support received; that is, whether learners would have achieved the same outcome in the absence of the support. The questionnaire used for the survey is included in Annex 2.

The survey aimed to achieve sufficient sample sizes across the three strands within the DLS adult learner population. Based on an assumption that the total number of learners receiving support was (approximately) 249,000[10] for the academic year 2010/2011, the

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[8] Discretionary Learner Support (dLS) 2009/10 Analysis of MI, Report on Adult (19+) dLS, YPLA, 2011

[9] Computer-assisted telephone interviewing is a telephone surveying technique in which the interviewer follows a script provided by a software application

[10] Based on estimates provided in the original research specification supplied by BIS - Hardship =233,590, Residential = 1,000 and 20+ Childcare =14,616 (total number of children supported as stated in the brief was 29,233. Figure is based on an estimate that each parent supported will have on average 2 children)

aim was to achieve a minimum   sample size of 385 learners, aiming for a statistical accuracy of +/-5% at the 95% confidence level. The final achieved sample was 388.

As part of the sampling process a number of key sub-groups such as learners who had received support under the two smaller DLS strands (Residential and Childcare), those who had withdrawn from their courses, and those who were continuing were all boosted to ensure that they were large enough to support further sub-group analysis. However, as research had been carried out in the past on residential learners, the focus was on ensuring that there were sufficient sample sizes in the other strands. This resulted in the achieved sample profile as below.

	Continuing	Completed	Withdrawn	Total
Residential	1	17	10	28
20+ Childcare	13	69	18	100
Hardship	26	162	72	260
Total	40	248	100	388

Provider consultations

In-depth interviews were carried out with providers who had accessed DLS funds to explore their views on the recent changes made to DLS arrangements and its impact on their learners. Interviews were carried out with staff responsible for managing and administering funds at different provider institutions across the nine English regions.

In addition to covering questions on the impact of the changes on their operational arrangements, the interviews also looked at the processes involved in administering the funds to learners, including the criteria used to assess who was and was not eligible for funding. The interviews also explored the extent to which DLS funds had supported the continuation of the delivery of certain courses and the implications if the funding was reduced or stopped.

The topic guide used for the interviews has been provided in Annex 3.

Learner consultations

Six learner focus groups were held on provider sites to explore the impact of DLS on their personal circumstances in more depth. Due to the timing of these focus groups which coincided with the end of term, top up telephone interviews were carried out in order to reach as close to the target figure set (8 focus groups with a minimum of 48 learners) for the study as possible. Not all the learners who were invited by providers to take part in the focus groups did so. As a result, a final total of 32 learners were involved in these consultations. Table 1.1 summarises the areas under discussion at these focus groups.

Table 1.1 Learner focus groups

Part A: Learner experiences	Part B: Counterfactual
An initial session to explore learners' experiences to date; the significance of the support; and their intended progression routes.	A further session to examine how learners' decision-making would have differed if the funding had not existed.

Analytical synthesis and value for money assessment

The final stage of the review involved an analytical synthesis of the findings of the qualitative and quantitative methodological elements described above. The results of this exercise fed into this report.

A value for money and return on investment assessment of DLS was also carried out using evidence from provider financial returns, the ILR and the learner survey. Estimates of the impact and additionality of the scheme were combined with estimates of total costs to produce the assessment.

Report

The remainder of the report is structured as follows:

- **Section Two** provides an overview of DLS spend for the 2011/12 academic year

- **Section Three** discusses provider and stakeholder views on DLS

- **Section Four** sets out a detailed ILR analysis of the types of learners accessing DLS

- **Section Five** discusses learner views on DLS and its impact on their personal circumstances

- **Section Six** outlines the conclusions and recommendations of the study.

The following additional information is appended:

- **Annex One:** topic guide used for stakeholder consultations.

- **Annex Two:** questionnaire used for the learner survey.

- **Annex Three:** topic guide used for the provider consultations.

An overview of DLS spend

This section discusses the rationale behind the DLS policy and provides an overview of spend to date. It is based on an analysis of management information on provider allocation and expenditure for the 2011/12 academic year.

Rationale behind the policy

As discussed in the preceding section, DLS was designed to support adult learners who would otherwise not participate in education due to financial constraints. The funding is used to cover costs associated with their learning.

In the academic year 2011/12, the Skills Funding Agency (a partner organisation of BIS) contracted out approximately £101m under this fund to providers to support learners who were experiencing difficulties in meeting the costs associated with their learning. The funds covered three elements as follows:

- **20+ Childcare** - funds under this element were targeted at adult parents with childcare needs to enable them to start or continue with their learning.

- **Hardship funds** - these funds were designed to assist vulnerable and disadvantaged adult learners with costs for books, equipment, tools, stationary, transport, fees and other associated costs linked to their learning.

- **Residential scheme** - the scheme aimed to help disadvantaged learners who were in specialist courses at providers where daily travel was not feasible and where the provision the learners were accessing was not available locally.

By way of contextualising the analysis that follows in this and subsequent chapters, the logic model below summarises the rationale, inputs, activities, intended outputs and intended outcomes in respect of the DLS policy and its associated funding.

Figure 2.1   Summary of DLS policy and intervention logic

Rationale

- To promote engagement of those who may have been unable to participate in education due to financial difficulties

- Provide exceptional financial support to adult learners aged 19 and above who are experiencing difficulties in meeting associated costs with their learning.

Inputs

20+ childcare – £38 million

Hardship - £34.5 million

Residential - £1.6m

Activities

20+ childcare - Funding for childcare support for learners at risk of not participating or remaining in learning to enable them to commence/continue their learning and remove obstacles to participation. The funding supported approximately 29,233 children (an average award of £1,301 per child)

Hardship - Funding to assist vulnerable and disadvantaged learners with associated costs with learning such as books, travel costs for course trips etc. The funding supported 232,920 learners studying with approximately 440 providers

Residential - Funding to assist disadvantaged learners to attend specialist courses at around 47 providers where daily travel is impractical and where provision is not available locally to the learner). The funding supported approximately 1,000 learners (an average award of £1,400 per learner)

Intended outputs

- No. of learners that have engaged in learning (participation)

- No. of learners that have been retained (retention)

- No. of learners that have completed a qualification (completion)

- No. of learners that achieved a qualification (achievement)

Intended outcomes

Education, employment and training
- Adults progressing into higher education, an apprenticeship qualification etc.
- Increase in engagement in learning

Social and economic wellbeing
- Improved confidence and willingness to engage in learning
- Increase in the number of parents , families supported to be economically active
- Increased volunteering/ social integration

National overview of DLS for 2011/12

The total amount of DLS funding allocated to providers in 2011/12 was £124,033,099.[11]
This was distributed across the three funding strands as follows:

- 19+ Hardship - £63,165,823

- 19+ Residential Bursaries - £2,344,830

- 20+ Childcare - £58,522,446.

As shown in Figure 2.2, there was a marked increase in the general DLS allocation for the 2011/12 academic year compared to previous years. This was mainly due to a general increase in allocation and the merger of the Adult Learning Grant (ALG) budget with that of DLS. In order to respond to reported pressure on childcare funding in 2011/12, the Agency allocated a further £23m sourced from other budget underspends, late in the academic year. This resulted in an overall underspend of £8,808,398 in 2011/12 as providers were unable to spend all of the additional allocation in the final term of the academic year. Underspend represents the total amount of DLS funds remaining in the allocated budget once expenditure and administration expenses are accounted for. Figure 2.2 shows DLS allocation and expenditure spend in the last three years, it excludes the administration expenditure incurred by providers.

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[11] The following 15 providers have not been included in the analysis as their DLS allocation or expenditure data was incomplete: Brighton Hove and Sussex Sixth Form College, Hampstead Garden Suburb Institute, Hartlepool VI Form College, Hills Road Sixth Form College, Joseph Priestley College, Long Road Sixth Form College, Mercia Partnership (UK) Ltd, Northern Racing College, Portslade Aldridge Community Academy Trust, St Mary's College, Middlesbrough, The College of Richard Collyer in Horsham, The College of West Anglia, The University of Cumbria and Stockton Sixth Form College.

Figure 2.2   Total DLS allocations and expenditure, 2008/09 to 2011/12, England
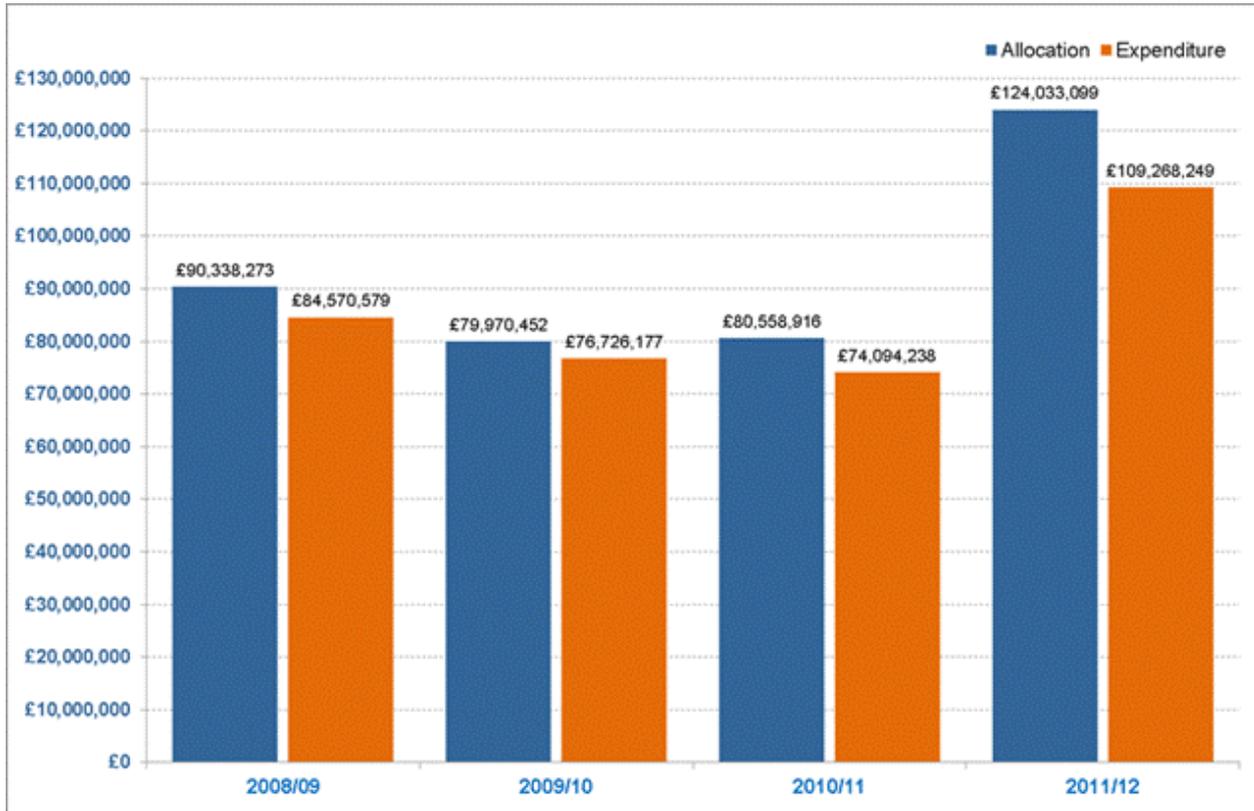
Source: 2011/12 Skills Funding Agency provider spend and allocation data

Over half, 58% (or £59,589,702) of the DLS expenditure in the 2011/12 academic year was spent on 19+ Hardship, 41% (or £42,040,385) on 20+ Childcare, and 2% (or £1,681,710) on 19+ residential bursaries (see Figure 2.3 below)[12]. Overall, there were underspends across all the 3 strands. Aggregate provider underspend on the 20+ childcare allocation was £16,482,061. There were also underspends on the 19+ hardship (-£3,576,121 and 19+ residential bursary (-£663,120) allocations.

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[12]Note: base figure for the percentages excludes administration spend

Figure 2.3   Total national DLS allocation and expenditure on 19+ Hardship, 19+ Residential Bursaries, and 20+ Childcare, 2011/12
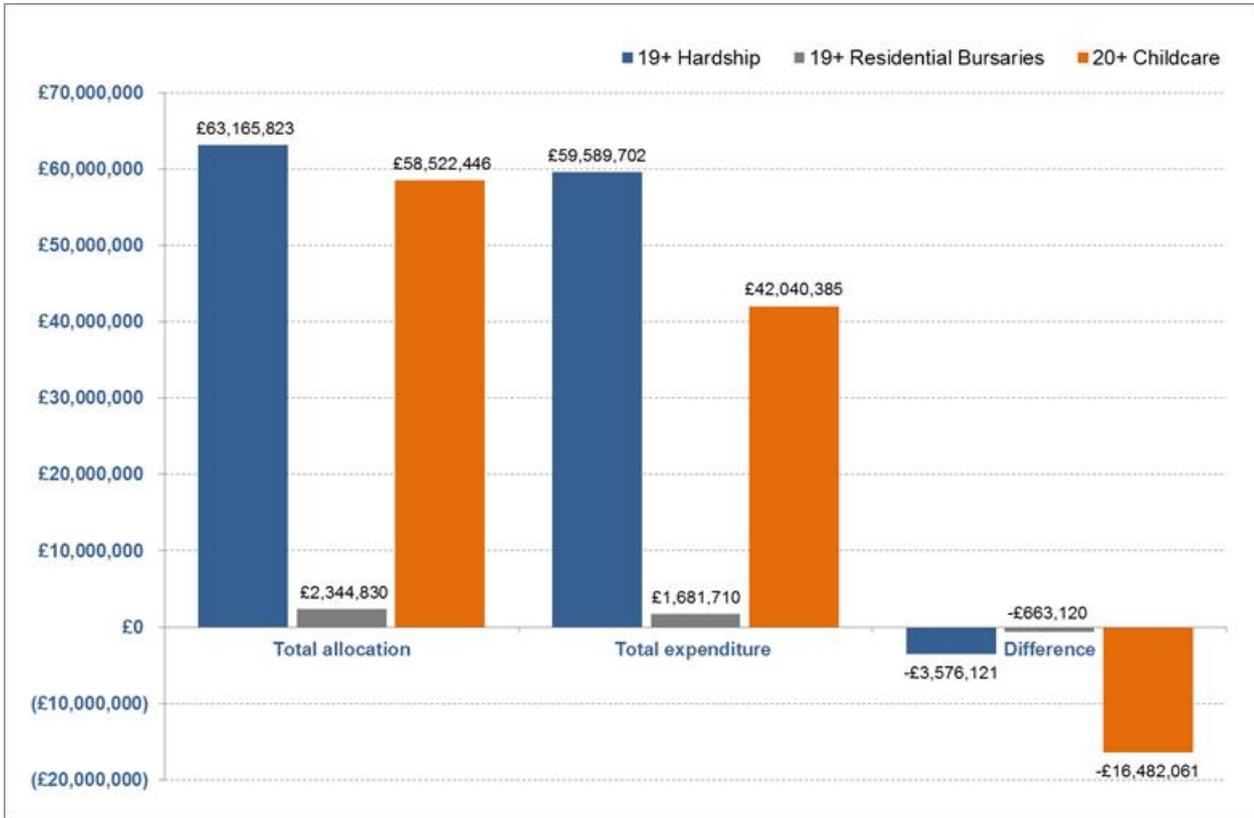
Source: 2011/12 Skills Funding Agency provider spend and allocation data

DLS spend by provider

In 2011/12, 432 providers[13] across a range of institutions were allocated DLS funding. The majority as illustrated in Figure 2.4 were colleges (73%), followed by Local Authority providers (18%), private training providers (5%), and Higher Education Institutions (HEIs) (4%).

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[13] See footnote 11

Table 2.1 Summary of national DLS allocation and expenditure by type of providers, 2011/12

Type of provider	Number of providers	Total value DLS of allocation	Average allocation per provider	Total value DLS of expenditure	Average expenditure per provider
College Providers	317	£113,890,059	£359,275	£100,411,923	£316,757
Higher Education Institutes	17	£1,424,650	£83,803	£1,138,630	£66,978
Local Authority Providers	77	£7,701,889	£100,025	£6,759,279	£87,783
Private Providers	21	£1,016,501	£48,405	£958,417	£45,639
Total	432	£124,033,099	£287,114	£109,268,249	£252,936

Source: 2011/12 Provider spend and allocation data

Figure 2.4   Type of DLS providers, 2011/12

21
(5%)

77
(18%)

17
(4%)

317
(73%)

■College Providers   ■ Higher Education Institutes   ■ Local Authority Providers   ■ Private Providers
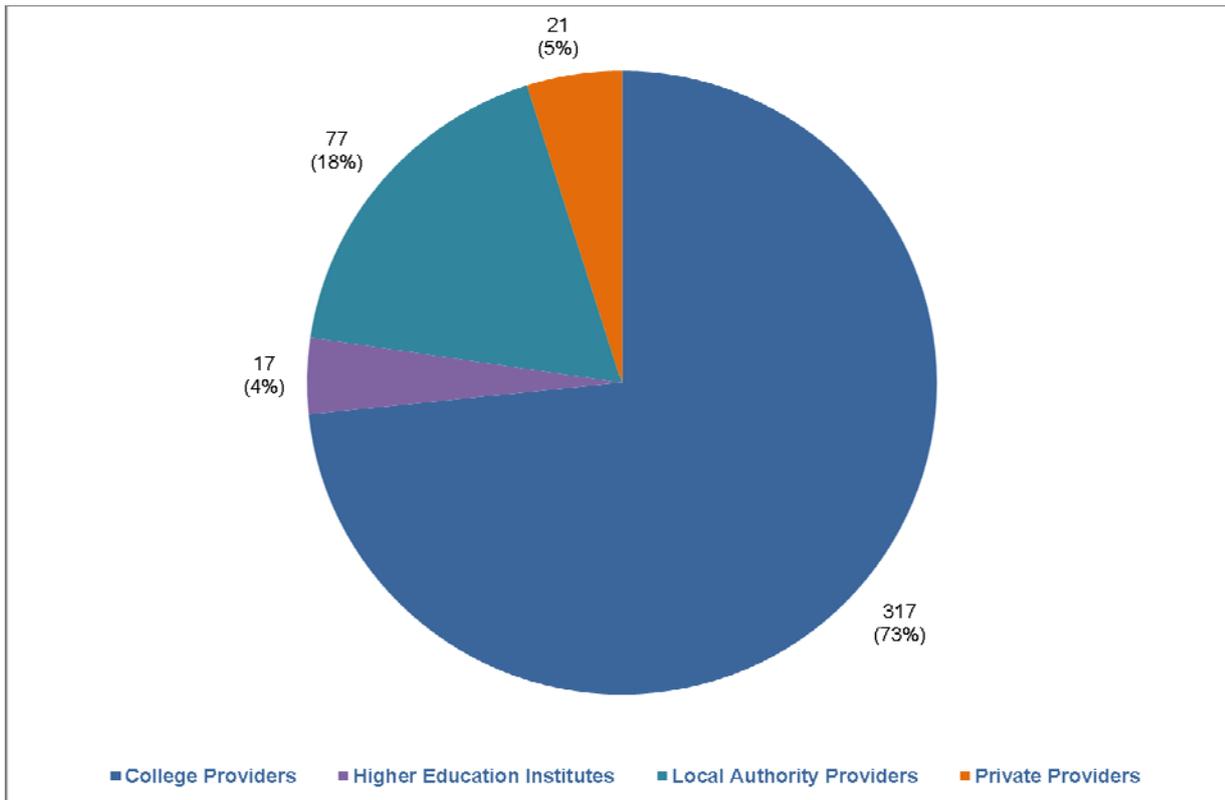
DLS spend by strand

Table 2.2 provides a breakdown of DLS expenditure by funding strands between 2007/08 to 2011/12. As shown, the data highlights marked increases in 19+ hardship expenditure with a cumulative increase of 56% between 2008/09 and 2011/12. It is probable that the increase in 19+ hardship expenditure for the 2011/12 academic year is due to the merger of the ALG and DLS budgets given that learners previously supported under the ALG are likely to apply for support under this strand.

Although there was a small increase in relation to 19+ residential bursaries in 2011/12 compared to the previous year, overall there was a decrease of 22% between 2008/09 and 2011/12 under that strand. There was also a small increase of 0.5% with regards to expenditure on 20+ Childcare between 2008/09 and 2011/12).

Table 2.2 Breakdown of DLS expenditure by funding strand, 2007/08 to 2011/12

	2007/08*	2008/09	2009/10	2010/11	2011/12	Percentage change based on 2008/09 data
19+ Hardship	£40,420,337	£38,223,018	£34,647,371	£34,458,457	£59,589,702	56%
19+ Residential Bursaries	£1,474,785	£2,159,918	£1,798,319	£1,586,444	£1,681,710	-22%
20+ Childcare	£40,035,210	£41,845,361	£40,280,481	£38,049,337	£42,040,385	0.5%
19+ Administration	N/A	£4,408,224	£3,897,845	£3,872,937	£5,956,453	35%

The 2007/08 disaggregated administration expenditure was not available. Source: 2011/12 Provider spend and allocation data

Regional overview of DLS spend in 2011/12

On average, providers based in the West Midlands had the highest DLS allocation (£401,950) and expenditure (£357,209), whilst those based in the South East had the lowest DLS allocation (£191,271) and expenditure (£154,507) (Table 2.3).

In general, the South West had the highest average underspend per provider (£44,741), while the East Midlands had the lowest equivalent average underspend (£23,194).

Table 2.3 Total DLS allocations and expenditure by region, 2011/12

Region	Number of providers	Total value DLS of allocation	Average allocation per provider	Total value DLS of expenditure	Average expenditure per provider
EE	36	£7,567,584	£210,211	£6,011,279	£166,980
EM	33	£9,001,626	£272,777	£8,058,710	£244,203
GL	79	£25,395,299	£321,459	£23,562,906	£298,265
NE	29	£7,840,737	£270,370	£6,670,029	£230,001
NW	57	£20,906,328	£366,778	£19,117,804	£335,400
SE	67	£12,815,150	£191,271	£10,351,974	£154,507
SW	39	£8,646,982	£221,717	£7,643,162	£195,979
WM	47	£18,891,670	£401,950	£16,788,836	£357,209
YH	45	£12,967,723	£288,172	£11,063,549	£245,857
Total	**432**	**£124,033,099**	**£287,114**	**£109,268,249**	**£252,936**

Source: 2011/12 Provider spend and allocation data

DLS Administration spend

The national DLS expenditure on Administration in 2011/12 was £5,956,453. This was higher than in previous years, where the total expenditure was on average around £4,059,669 (for years 2008/09, 2009/10 and 2010/11) and represents an increase of £1,548,229 (35.1%) since 2008/09. However, the increase in administration expenditure in 2011/12 can in part be attributed to the merger of the ALG and DLS budgets in that year. In the 2010/11 academic year, the ALG scheme was administered centrally at a cost of around £2.5m whilst DLS administration costs were also incurred separately by providers, this would have meant a total administration expenditure of around £6.37m for that year. Comparing the administration expenditure for 2010/11 to that of 2011/12 suggests a reduction of approximately £0.4m in administration expenditure between these two years.

Table 2.4 Summary of Administration expenditure, 2008/09 to 2009/10

	2008/09*	2009/10*	2010/11*	2011/12	Percentage change
DLS Administration expenditure	£4,408,224	£3,897,845	£3,872,937	£5,956,453	35.1%

Source: 2011/12 Provider spend and allocation data

 * *figures do not take into account ALG expenditure incurred when the grant was administered centrally*

As table 2.5 illustrates, college providers recorded the highest average administration expenditure, (£17,789), while private training providers and HEIs had a much lower average expenditure at £2,392 and £3,980 respectively. Overall, DLS Administration as a proportion of total DLS spending was highest among HEIs at 5.6% and lowest among private providers at 5.0%.

Table 2.5 Summary of Administration expenditure by type of provider, 2011/12

	Total DLS Administration expenditure	Total number of providers with Administration expenditure	Average Administration expenditure per provider	Percentage Administration expenditure as a total of DLS allocation
College Providers	£5,496,744	309	£17,789	4.6%
Higher Education Institute	£63,675	16	£3,980	4.2%
Local Authorities Providers	£348,191	75	£4,643	4.5%
Private Providers	£47,843	20	£2,392	4.5%
Total	**£5,956,453**	**420**	**£14,182**	**4.6%**

Source: 2011/12 Provider spend and allocation data

There were some variations between providers in relation to their administration expenditure. A high proportion (79%) had spent 5% of their allocation on administration, 18% had spent between 1% and 4%, and a small proportion 3% had no administration expenditure (Table 2.6).

Table 2.6: Summary of Administration expenditure as a total of DLS, 2011/12

	Providers with no DLS Administration expenditure		Providers with 1%-4% Administration expenditure		Providers with 5% Administration expenditure	
	n	%	n	%	n	%
Administration expenditure as a total of DLS	12	3%	78	18%	342	79%

Source: 2011/12 Provider spend and allocation data

Summary of findings

In 2011/12, there was a net DLS underspend of £8,808,398 compared to net underspends of £2,860,381 and £3,816,184 in 2010/11 and 2009/10 respectively. This underspend was as a result of the Agency allocating a further £23m sourced from other budget underspends late in the academic year to providers, in response to reported pressures on childcare funding allocated in the 2011/12 academic year. As this was close to the final term of the academic year, providers were unable to spend all of the additional allocation. Just over half (57%) of the DLS expenditure in 2011/12 was spent on 19+ Hardship, 41% on 20+ Childcare and 2% on 19+ Residential bursaries.

Providers in line with funding rules are allowed to set aside 5% of the allocation to cover costs incurred in administering DLS funds. Those in the West Midlands on average had the highest DLS allocation and therefore expenditure, whilst providers based in of the South England had the lowest DLS allocation and expenditure.

Provider and stakeholder views on DLS

Chapter 3 first discusses provider and stakeholder views on DLS in general, including the degree to which it is operating according to its policy intent. Views on recent changes to DLS are then considered along with perspectives on the strengths and weaknesses of current arrangements. Issues around the administration of DLS funds and the type of financial support offered through DLS are then examined. Prior to concluding by summarising the key findings of the analysis, perspectives on the issue of childcare in relation to DLS are briefly considered.

Views on DLS policy

General views on DLS

DLS was generally seen as an important, and in many instances, a vital source of financial support for disadvantaged adult learners. Provider interviewees and wider stakeholders with a role around FE and DLS felt that without DLS those receiving support would either not be able to participate in Further Education (FE) or would struggle to complete their course. The most common view expressed was thus that DLS did support the most disadvantaged learners and acted as a vehicle for widening participation in learning. As one provider interviewee and stakeholder noted:

"It is invaluable, it helps students to access learning who wouldn't have otherwise been able to." (Provider interviewee)

'It goes a long way for some learners….sometimes it's the little things that make a big difference for a learner' (Stakeholder)

In the view of provider interviewees and stakeholders DLS also plays an important role in decreasing unemployment by providing unemployed adults with the necessary skills to move into work.

While DLS was positively viewed by both stakeholders and provider interviewees, some felt that one area of the policy in particular could be reviewed. This concerned the rules for supporting learners on fully funded courses with equipment costs, something that some providers had done in the past and wished to continue doing. However, it should be noted that the DLS funding rules are now clear that, for fully funded learners, the costs of essential equipment for their course are covered in the funding rate; therefore providers are not allowed to cover these costs under DLS.

The extent to which DLS operates according to policy intent

As discussed in Chapter 2, DLS aims to support financially disadvantaged learners who would otherwise not participate in education due to financial constraints, the views from provider interviewees suggest that DLS is operating according to this policy intent. Increasing retention and participation of learners were widely cited by provider interviewees as positive impacts of the support. This view was mainly based on their experiences in dealing with learners who had received DLS in their respective institutions and, in some cases, anecdotal evidence via learner feedback.

Most providers felt that there were no barriers to learners accessing DLS. However, the cap on the proportion of hardship allocation that could be used on fees in 2011/12 was consistently cited as a barrier that prevented some learners from accessing learning. As one provider interviewee noted:

"If they [learners] can't pay for the course in the first place then support for travel and childcare becomes irrelevant". (Provider interviewee)

Both provider interviewees and other stakeholders also felt that the number of learners in FE would decrease if DLS funding was either reduced or stopped altogether. Similarly, any such reductions were seen as having a significant potential impact on particular learner groups - for example, learners with childcare responsibilities and disadvantaged groups in society. In turn this was seen as having the potential to affect social mobility in the long run. Comments concerning the potential impact of reducing or removing discretionary support included:

"It would be huge… so many of our students wouldn't be able to start the course without it." (Provider interviewee)

"It would have a devastating effect; we'd loose a lot of students…. In our area there are big families on very low incomes… often families used to rely on ALG and EMA to survive." (Provider interviewee)

"It would be 'catastrophic'… that would end all adult learning and have an impact on the economy in getting people to have the right skills" (Stakeholder)*.*

Generally, providers were more likely to report childcare as the biggest area of demand for DLS. This was predominantly due to the high costs linked to this element of the support. Transport costs were also seen as a big barrier for those based in rural areas. In addition, a few interviewees identified fees as the biggest burden for their learners.

Views on changes made to DLS arrangements

Provider interviewees and other stakeholders generally welcomed the discretionary element of DLS and viewed the increased flexibility available for providers positively. Specifically, the ability to vire resources between the three strands of DLS funding was commonly identified by provider representatives as the most beneficial change made to arrangements. Comments in respect of this included:

"[Its] really excellent...being able to vire between the three strands… that's what's made a difference to us" (Provider interviewee)

"[The changes have] been fine, some have been revolutionary, particularly for childcare, the allocation for childcare for example was set and you had to stick to it." (Provider interviewee)

"Institutions welcome the freedoms that the new arrangements bring in terms of allocating resources appropriately to those with the greatest need". (Stakeholder)

There were, however, a number of comments by both stakeholders and provider interviewees about the lack of consistency in the support available, mainly in relation to the varying levels of support available from different providers.

"The downside of flexibility is inconsistency…. you then get into the classic postcode lottery where provider A does it differently from provider B". (Stakeholder)

There was also some confusion with respect the current (2013/14) funding rules. For example, a few provider interviewees were unclear on the extent to which they could use DLS to support learners with their fees. Commonly it was noted that previously there had a 20% cap on fees but that there was now uncertainty around the degree to which DLS could be used to cover fees as this particular element had been removed in the 2013/14 funding regulations. Some provider representatives were also unsure about the level of discretion that they had in terms of using DLS to cover fees in 'exceptional circumstances' and whether they were interpreting the rules in the correct way.

Another common view from stakeholders was that changes made to DLS were likely to simplify administration processes for providers. However, there was limited evidence that this had directly impacted on provider practices and procedures.

Strengths and weaknesses of the current arrangements

As noted, the ability to vire between DLS strands was one of the key strengths reported by provider interviewees. In particular, being able to tap into other strands where demand was low to support learners under a different strand they felt enabled more learners' to access support than would otherwise be the case. Similarly, some provider interviewees indicated that they had previously struggled to spend some of their funds, such as the hardship element, and overspent in other areas. The ability to vire resources between strands was seen as helpful in addressing this issue. As one provider representative noted:

"We don't need to say to students anymore: 'I'm sorry we've run out of our childcare allocation so we can't help you'." (Provider interviewee)

Accepting the overall positive views in this area, one stakeholder did note that, despite the positive aspect in relation to the increase in discretion in how providers allocated the funding, it was important to monitor how the allocation was spent across the board. This was seen as significant in order to ensure that one strand did not *"disappear"* and to avoid providers overly focusing resources in one area to the disadvantage of others.

In most cases provider interviewees could not cite any weaknesses around the current arrangements. They were also generally content with the current funding arrangements and did not offer any suggestions for alternative funding arrangements. Most stakeholders also reported that they had not received any feedback to suggest otherwise. For the few providers that cited weaknesses, these were mainly in relation to clarity around aspects of the rules, such as the use of DLS to support learners with their fees and fully funded learners with equipment costs. However, as outlined above, costs for essential equipment for fully funded courses are covered in the funding rate; therefore providers are not allowed to cover these costs under DLS. Some also raised the possibility of a good practice guide which could demonstrate examples of how other providers were using DLS. This was particularly the case for provider interviewees who were nervous about the extent to which they could use their discretion to support learners.

Most stakeholders generally welcomed the flexibility that the removal of the virement restrictions offered providers because it enabled them to target their resources more effectively. One stakeholder however reported that the downside of the discretionary system was that it was an *'uncertain scheme'*. This was mainly in relation to the varying levels of support that learners were likely to get on a year by year basis. In response to the question on whether allocations reflected need, a few were of the view that current allocations did not reflect need. These views were based mainly on anecdotal feedback received from providers about the increasing demand for fee support by learners, and the use of past records in calculating these allocations.

There was no evidence to suggest that the merger of the Adult Learning Grant (ALG) with DLS budget had impacted on learners or that the removal of ALG had changed the profile of learners accessing DLS.

Provider interviewees and stakeholders had mixed views on the merits of combining the different strands into one; that is, having one pot of money to distribute as they wished. Most felt that as they could now vire funding between different streams, this further flexibility was not necessary. It was also evident that, in a number of instances, providers were working as if they had one pot of money. As one interviewee commented of the potential to combine funds into a single pot:

"It does seem a bit pointless… we [have] kind of got one pot." (Provider interviewee)

There were a couple of providers who, despite the fact that they viewed the relaxation of the funding rules for DLS as positive, felt these were not consistent with that of the Loan Bursary Fund initiative which in their view seemed quite restrictive. These providers were of the view that the rules around how they allocated the Loan Bursary Fund were onerous in comparison to DLS arrangements.

Administration of DLS funds

Marketing funds to learners

A range of approaches were being used by providers in relation to marketing DLS to their learners. Often marketing was carried out throughout the academic year. The main marketing approaches included:

- Including information about the financial support available in college brochures

- Having the information on college websites

- Highlighting the availability of financial support during registration and induction of new learners

- Staff discussions with learners about the support available.

While the vast majority of providers were marketing the availability of DLS to their learners, there were a few who felt that they had to strike a balance in their marketing approach to ensure that they were not overwhelmed with applications for support.

Evidence of need and allocation criteria

The vast majority of providers required their learners to provide some form of evidence in order to access support. The evidence required was usually proof of income, either for the learner or their parents if they still lived in the family home. Such proof commonly came in the form of:

- Recent pay slips

- Bank statements

- Benefits statement

- Tax credit forms and

- Jobseeker's Allowance (JSA) or other benefit forms.

In order to support travel costs, most providers mapped the distance between the learners homes and their sites in order to work out the mileage. In some cases, some used a three mile rule as the point beyond which students would qualify for support with their transport costs. For the reimbursement of travel, providers generally required travel tickets and receipts for petrol. For childcare support, some required evidence of dependents.

The criteria used for the award of DLS varied amongst providers, as did the cap at which learners were able to claim for particular elements of support. Most providers used levels of household income as the key criterion. The levels above which learners were able to apply for funding varied from £12,400 for learners living independently to household incomes of up to £30,000. Typically the level was set at around £15 – 16,000 per household. Other criteria included being in receipt of means tested benefits or tax credits. Some providers also set a sliding scale and allocated funds proportionate to the learner's position on that scale. While the majority of providers set defined limits such as household income and distance from college, in one or two cases providers sat down with learners on an individual basis to carry out an assessment of their needs. It was also common for providers to apply some conditions to their allocation of DLS funds to learners. Typically, they required learners to achieve an attendance rate of around 80%, although some set this at 90% and one provider required a 100% attendance rate.

Type of financial support provided

While the majority of providers set caps for the amount of support on offer, the level of the cap varied from around £1,000 to over £6,000 for the year. However, within this, financial support varied across providers in relation to the particular form of financial support provided as well as the type of support available. In general, for example, providers tended to prefer to avoid giving direct cash payments to learners. For instance, where students were supported with their childcare costs, funding was paid directly to the childcare provider rather than the student (however, in a small number of cases providers did issue learners with cheques to pay for childcare). Childcare providers included use of OFSTED registered child-minders, on-site crèches and external nurseries and depended on parental choice. For learners supported with transport costs, the most typical form of payment was a travel pass (usually for bus travel). In rural areas, providers reimbursed students with the cost of petrol (reimbursed at around 20-25 pence per mile). If learners only attended a few hours of lessons a week, individual journeys were reimbursed. Travel allowances in most cases were capped at between £200 and £500 per year.

In some cases providers used one off or regular bursary payments to support learners. One provider, for example, paid a bursary of £200 to help students with course related costs, another made a £20 weekly payment to replace the ALG support learners previously used to receive, however this was an isolated example. Providers also reported supporting learners with their fees; this support was mainly in the form of discounted rates rather than full fee support. Equipment costs were more likely to be reimbursed upon proof of purchase by learners, however in some cases providers would purchase directly from existing suppliers.

Unsuccessful Learners

In general, provider interviewees reported that only very few learners were unsuccessful with their application for DLS. While most providers could not put a figure on the actual number, those that did felt that the rate of unsuccessful applications was typically between 1 and 5%.Where providers turned learners away, this was usually either because the funding had run out or the students had not met the eligibility criteria (for example, having too high a household income). Other unsuccessful applications included those by students on HE courses applying for FE support. Where students were unsuccessful with applications for fee support, some providers offered them the chance to pay for their

course in instalments. An appeals process was also in place amongst many providers for those learners who were unsuccessful with the application process.

Demand for DLS was said to vary by age, though most did not keep a record of this. Most representatives cited that the 19-30 age group was where demand for DLS was greatest. One suggested explanation for this was that this age group were more willing to ask for help than older learners.

Government policy on childcare

In September 2010, all three and four year-olds became entitled to 15 hours a week of state-funded early education.[14] The provider consultations explored the extent to which the policy had impacted on the take up of childcare support provided under DLS.

There was limited evidence that the Government's policy on childcare had impacted on childcare support from the perspective of providers. Most provider interviewees reported that they had not noticed any difference in the demand for childcare since the introduction of this policy. There were however a few who indicated otherwise and had experienced a reduction in the number of applications which they ascribed to the effects of the policy. Generally this policy was seen as a 'top up' to provision rather than fully alleviating the need for childcare.

Priority groups for childcare support identified by providers were:

- Learners undertaking a Level 2 or 3 qualification

- Single parents

- Learners with disabilities

- Low income households

- Vulnerable adults.

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[14]http://www.education.gov.uk/childrenandyoungpeople/earlylearningandchildcare/delivery/free%20entitleme nt%20to%20early%20education/b0070114/eefortwoyearolds

Summary of findings

The provider and stakeholder consultations undertaken indicate that the DLS scheme is widely valued, as is the extent to which the scheme supports those who are financially disadvantaged to access learning. Provider representatives and stakeholders felt that the support helped to retain learners who would otherwise drop out of education due to financial constraints.

The stakeholders representing provider organisations involved in the consultations also reported that they had not received any negative feedback from their members about current DLS arrangements. The provider consultations confirmed this view. The vast majority could not cite any weaknesses with the current arrangements and they also found it difficult to think of alternative arrangements that were likely to be more effective. Of the few that did, this was mainly in relation to clarifications around the use of fees to support learners and the fact that they could not support fully funded learners with equipment costs.

A wide range of approaches were used to market DLS to learners including information sessions for learners during the registration period. Most providers used income thresholds as the criterion for making judgements on which learners they supported. The majority also attached conditions to the support provided; the most common was attendance rate, usually set at 80% or above. Providers generally asked their learners to provide some form of evidence to demonstrate that they needed financial support. This was mainly proof of income or, where they were unemployed, proof that they were on JSA.

In addition to childcare support, providers offered various types of financial support under the hardship strand. This included support to help learners with their fees, travel passes and, in some cases, bursary grants. Providers rarely gave learners cash to purchase equipment or books; the learners were either reimbursed on provision of receipts for their purchases, or providers purchased the materials needed on behalf of the learners.

There was no evidence to suggest that the Government's policy on childcare had adversely affected the take up of the provision by learners. There was also no evidence to suggest that the merger of the Adult Learning Grant (ALG) with DLS budget had either impacted on learners or changed the profile of learners accessing DLS.

ILR Analysis of DLS learners

This section presents an analysis of adult learners who received DLS in the academic year 2011/12. It profiles the characteristics of learners and the types of learning aims[15] that they undertook in that year, along with highlighting differences within the wider learner population. The section also includes an analysis of the 'distance travelled' of these learners to assess the extent to which they have progressed in terms of attainment levels.

Overview of the ILR records used for analysis

The ILR analysis is based on the 2011/12 Individual Learner Record (ILR) dataset, the management information system used by all publically funded further education providers to record details about learners and their learner aims. It is based only on learners over the age of 19 as at 31 August 2011. The number of learners on DLS reported by providers in the 2011/12 ILR dataset is much lower than general adult DLS population. However, as discussed in Chapter 1, this sample is large enough to provide a good indication of the type of learners who had received financial support in that year.

The analysis is based on three main strands of DLS:

- 19+ Hardship support (composed of fees, transport and general costs)

- 20+ Childcare support

- Residential support.

The hardship support provided varied and included help with fees, transport and general support. Some learners received support from more than one strand. In these cases, learners have been counted twice when considering the separate strands for the analysis, but only considered once when considering the whole DLS cohort.

Overall, the ILR dataset had records of 83,634 adult learners who were on DLS in the 2011/12 academic year.[16] This represents about 3.7% of all adult learners funded under the Adult Learning and Skills Budget. 77,600 (3.4%) of these learners were on hardship support, 10,474 (0.5%) on childcare support and 2,328 (0.1% of all learners) on residential support. Out of those who received hardship support, 30,215 learners received support with fees, 34,519 learners received support with transport costs and 47,073 received general support (for example, to help with cost of books and other learning materials). Most learners had been supported on more than one strand. Table 4.1 provides a summary overview of learners receiving DLS for the 2011/12 academic year.

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[15] The learning aim is used to describe the qualification and course being pursued by the learner

[16] It should be noted that this figure, as discussed in Chapter One of the report, is much lower than that of over 200,000 reported in the previous review: *'Discretionary Learner Support (dLS) 2009/10 Analysis of MI, Report on Adult (19+) dLS, YPLA, 2011'.*

Table 4.1: Number of learners funded under the Adult Learning and Skills Budget in 2011-12

| Type of support	Number of learners	Percentage of all learners
19+ Hardship fees support	30,215	1.3%
19+ Hardship transport support	34,519	1.5%
19+ Hardship general support	47,073	2.1%
All 19+ Hardship support	77,600	3.4%
Residential support	2,328	0.1%
20+ Childcare support	10,474	0.5%
All learners on Discretionary Learner Support	83,634	3.7%
Not on Discretionary Learner Support	2,199,622	96.3%
All learners	2,283,256	100.0%

Source: 2011/12 ILR

Personal characteristics of learners

Adult learners receiving DLS in the 2011/12 academic year were more likely to be from an ethnic minority background than non-supported learners. Only 54% of learners on DLS were White British, compared to 70% of non-supported learners. The second most common ethnicity among DLS learners was Black African (10% of DLS learners compared to 4% of non-supported learners). Pakistani and Black Caribbean learners were also over-represented among DLS learners. However, 80% of learners on residential support were White British (indicating that ethnic minorities are under-represented on this stream) but note that this group makes up a small proportion of all DLS learners overall as shown in Figure 4.1.

Figure 4.1 Ethnicity of learners on DLS
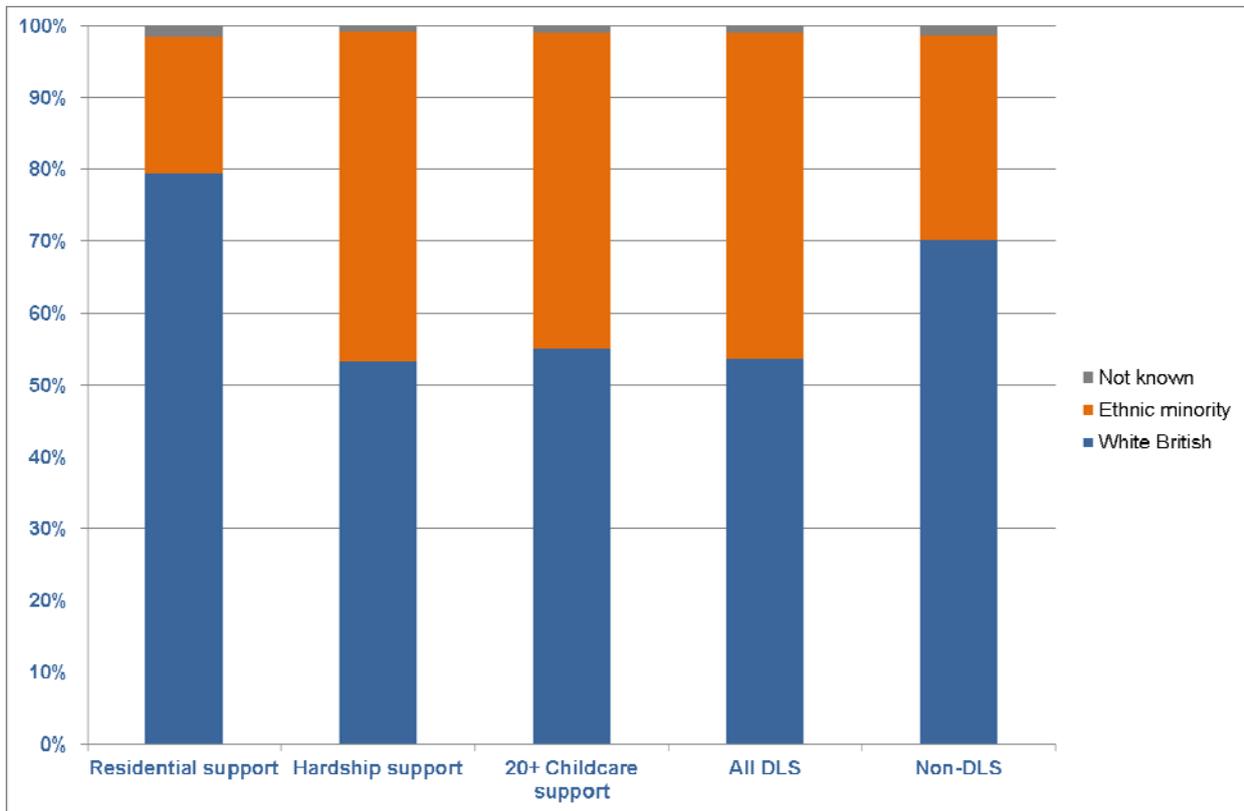
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

As shown in Figure 4.2 over two thirds (68%) of DLS learners were female, compared to only 53% of non-supported learners. About two thirds (67%) of learners on hardship support and nearly all (97%) learners on childcare support were female, although only half (51%) of learners on residential support were female.

Figure 4.2 Gender of learners on DLS
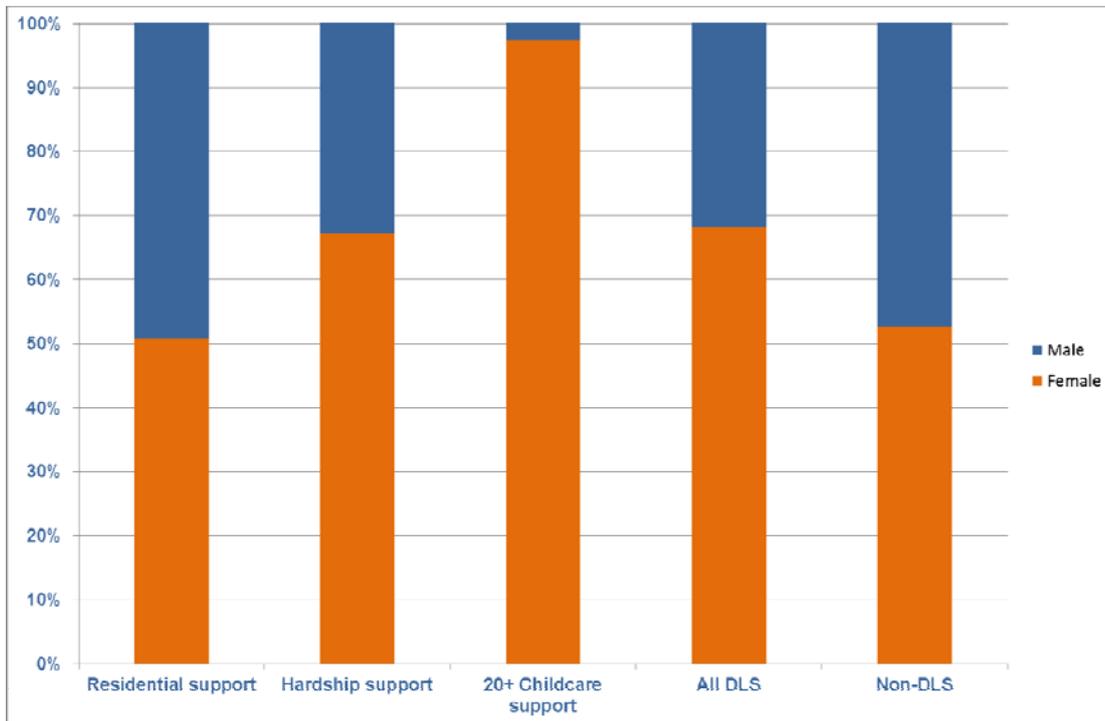
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

As figure 4.3 demonstrates, younger adults were more likely to be on DLS than older learners. About 18% of DLS learners were aged 19-20, compared to 11% of non-supported learners, while a further 18% were aged 21-24, compared to 16% of non-supported learners. However the proportion within the 25-49 age groups was quite similar for DLS and non DLS learners, 56% compared to 58% respectively. Figure 4.3 also shows that nearly three in ten (28%) learners on childcare support were in the 21-24 age group, while over a quarter (26%) of learners on residential support were 50 or over.

## Figure 4.3: Age group of learners on DLS
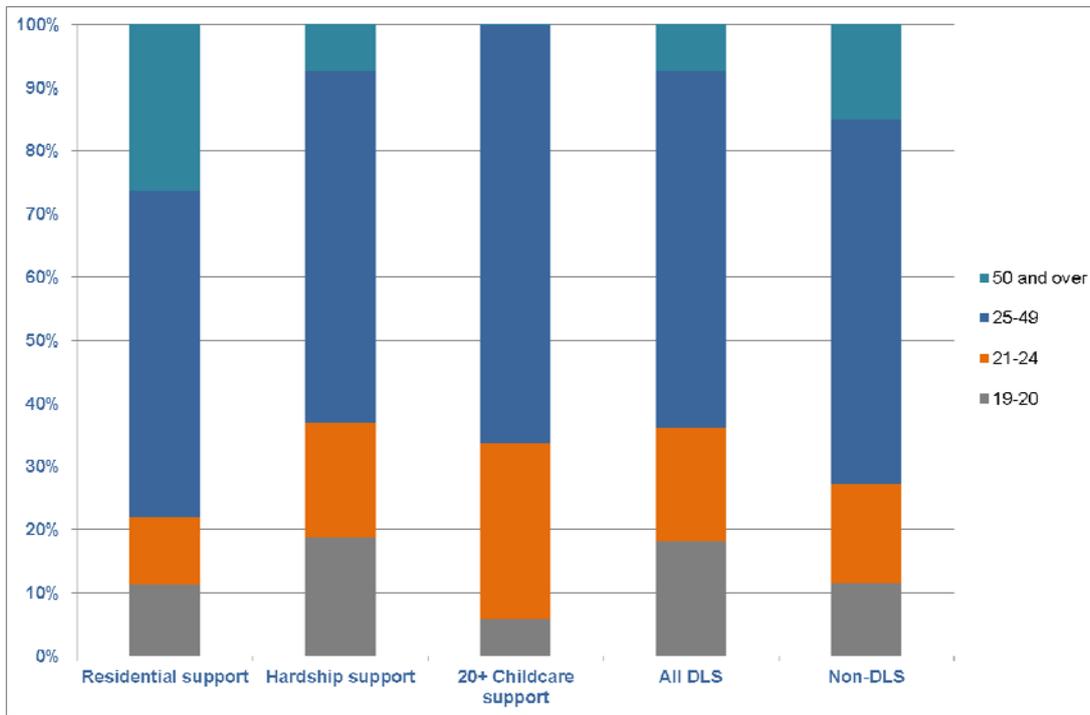
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

As shown in figure 4.4, one in five DLS learners was disabled. Excluding those individuals whose disability status was unknown, 21% of DLS learners considered themselves to have a learning difficulty and/or disability and/or health problem, compared to 11% of non-supported learners. Levels of disability were even higher (29%) for those receiving residential support. About 14% of DLS learners had a learning difficulty, compared to just 6% of non-supported learners. The most common type of learning difficulty was dyslexia, accounting for 5% of all DLS learners (3% of non-supported learners) while 4% had a moderate learning difficulty (2% of non-supported learners). Learning difficulties were less prevalent among those receiving childcare support, accounting for just 8% of that group.

Figure 4.4 Disability status of learners on DLS
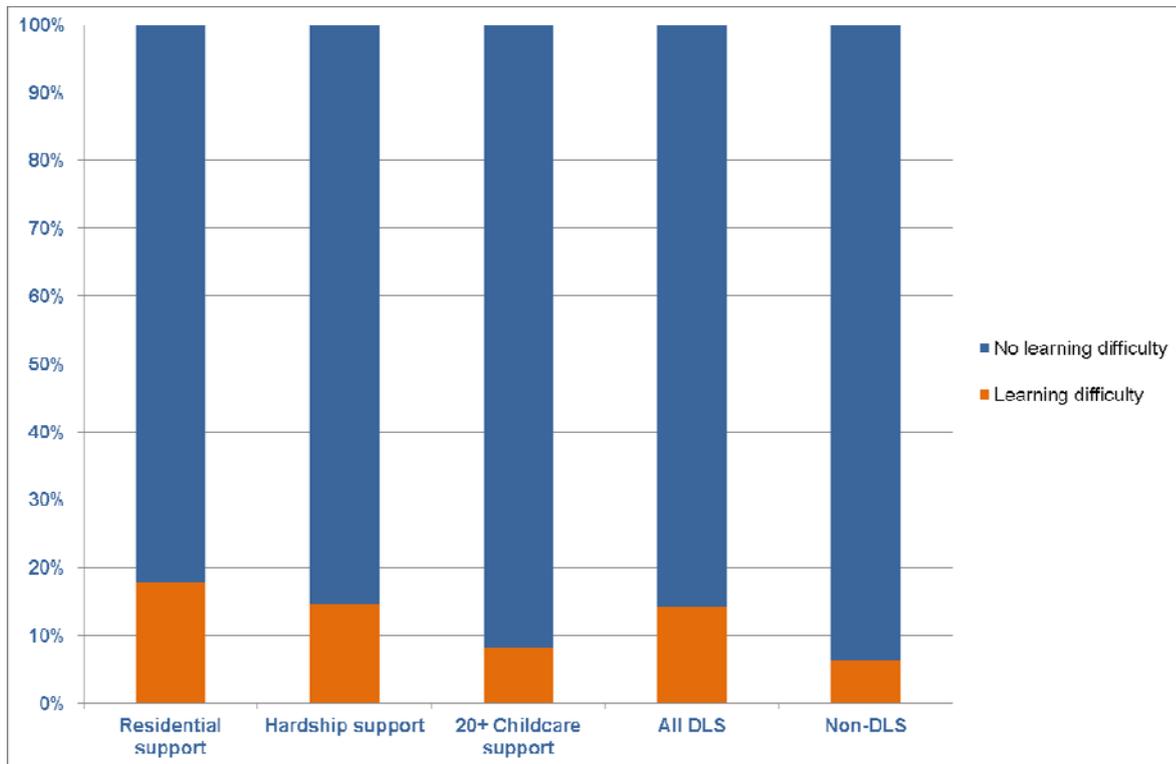
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

Regional spread of learners on DLS

Adult learners who received DLS in the 2011/12 academic year were spread across all regions but were more likely to live in urban areas. Over one in five (21%) lived in London, compared to 17% of non-supported learners, while 10% lived in Birmingham and Solihull compared to 3% of non-supported learners. Nearly 12% of all learners in Birmingham and Solihull had received DLS, as illustrated in the map below. The third most common sub-region of residence for DLS learners was Lancashire (accounting for 6% of DLS learners). Learners on childcare support tended to follow the regional profile of all learners on the ILR, while learners on residential support were most concentrated in South Yorkshire (22%), Birmingham and Solihull (18%) and West Yorkshire (16%) and under-represented in London.

As shown in Figure 4.5, there is a clear relationship between the concentration of DLS learners and regional deprivation. The map shows a distinct North-South divide, with learners in the North of England more likely to be on DLS than learners in the South (with the exception of London and Cornwall where there is known to be high levels of deprivation).

Figure 4.5 Percentage of learners receiving DLS, by sub-region

IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

Figure 4.6 shows a similar relationship with deprivation when considering learners who had received support with their transport costs. Although there were still high concentrations in urban centres, transport support was relatively more prevalent in deprived rural areas including those within Cornwall, Northumberland and Lancashire.

Figure 4.6 Percentage of learners receiving Hardship Transport support, by sub-region

IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES

Figure 4.7 shows that learners who had received support with their fees were more concentrated in Birmingham, Lancashire and North Lincolnshire.

Figure 4.7 Percentage of learners receiving Hardship Fees support, by sub-region

*IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES*
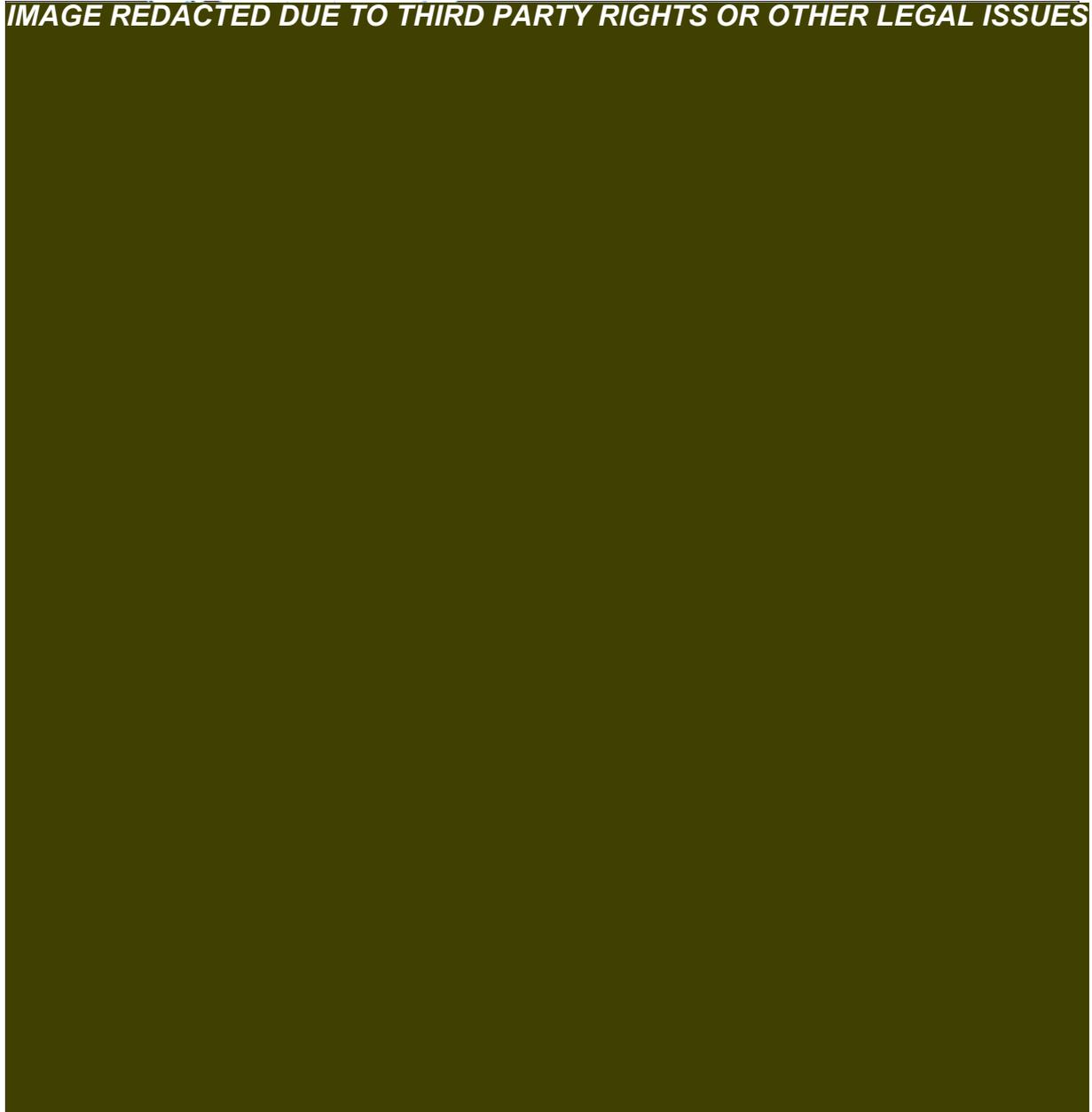
Learners who had received support with their childcare were more widely spread across England. Although there is still a clear link with deprivation, some more prosperous counties (e.g. Oxfordshire) are also among the areas with the highest concentration of learners on childcare support (Figure 4.8).

Figure 4.8 Percentage of learners receiving 20+ Childcare support, by sub-region

*IMAGE REDACTED DUE TO THIRD PARTY RIGHTS OR OTHER LEGAL ISSUES*

Prior attainment and employment status of learners

DLS learners were less likely than non-supported learners to have no qualifications prior to the start of their learning. Excluding those whose prior attainment was not known, only 18% of DLS learners had no qualifications compared to 27% of non-supported learners. However, DLS learners were more likely to have lower level prior attainment, with 11% having an Entry Level qualification (compared to 5% of non-supported learners), 23% having a Level 1 qualification (20% of non-supported learners) and 27% having a Level 2 qualification (25% of non-supported learners). Learners on hardship support and childcare support had a similar profile to the overall DLS group but learners on residential support were more polarised. About 29% of learners on residential support had no prior qualifications (27% of non-supported learners) although 14% had a Level 3 qualification (11% of non-supported learners) and 12% had a Level 4 qualification (5% of non-supported learners) (Figure 4.9).

Figure 4.9 Prior attainment of learners on DLS
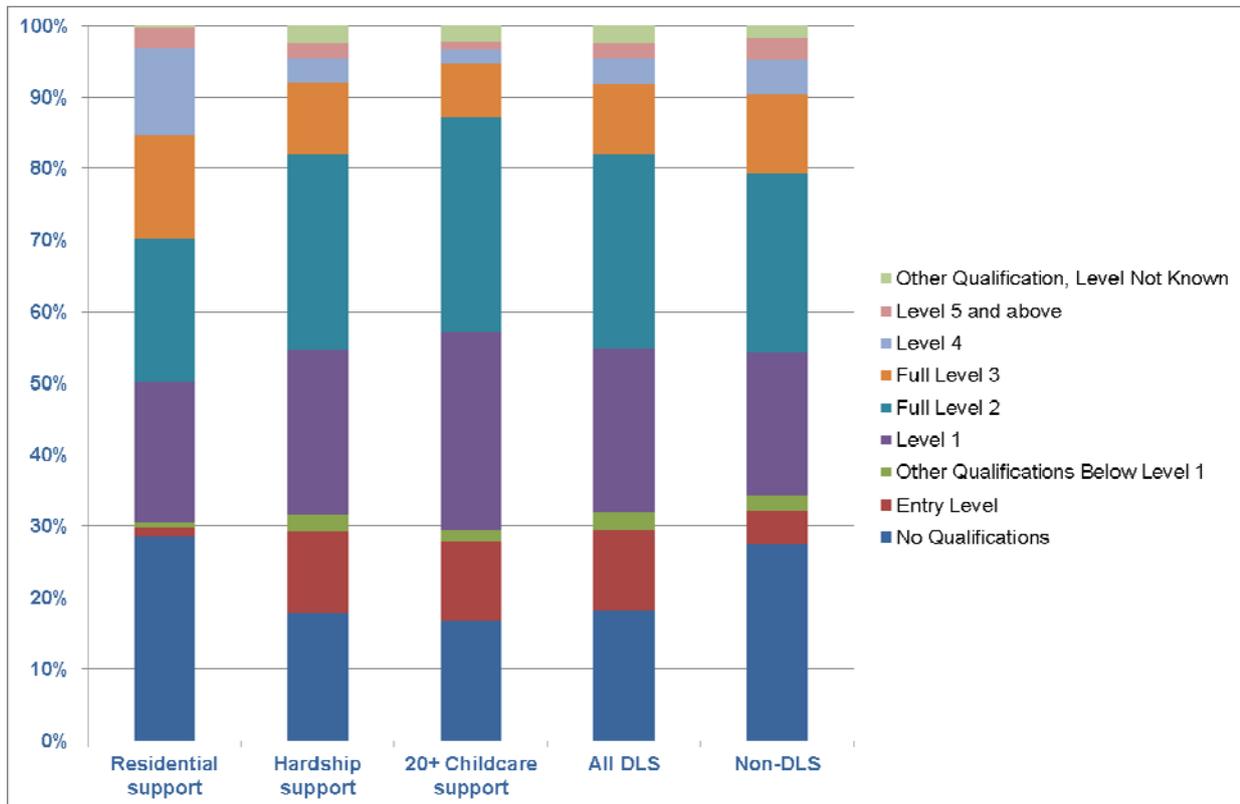
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

As shown in Figure 4.10, DLS learners were less likely than non-supported learners to be employed when they started their learning. Excluding those whose employment status was unknown, only one in five (21%) DLS learners were employed, about half of whom were employed part-time. In comparison, over two thirds (68%) of non-supported learners were employed at the start of their learning, the majority of whom were in full time employment. At least two thirds (68%) of DLS learners were unemployed (actively seeking work), compared to 26% of non-supported learners, while at least 9% of DLS learners were economically inactive, compared to 3% of non-supported learners. Among the DLS sub-groups, employment rates were highest for those receiving residential support and lowest for those receiving childcare support.

Figure 4.10 Employment status (on first day of learning) of learners on DLS
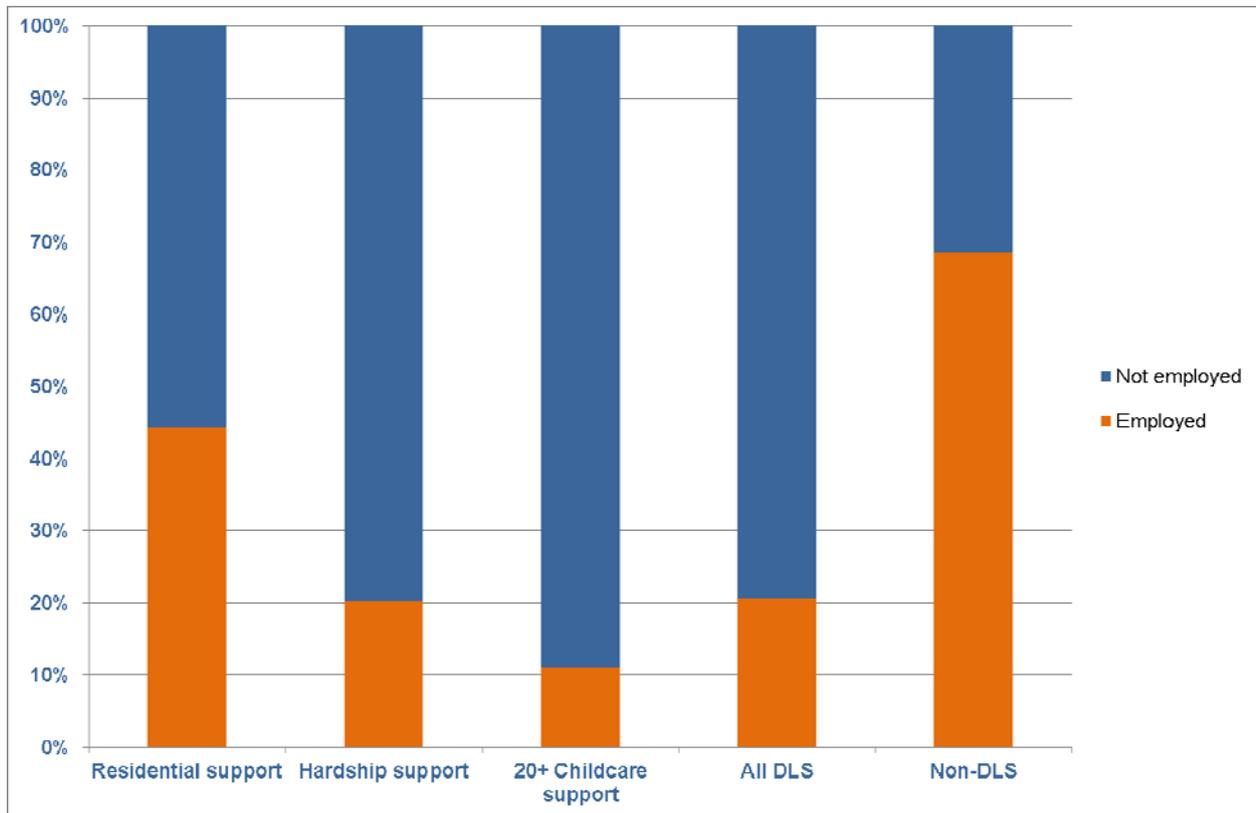
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

Learning aims of DLS learners

The sample reviewed included DLS learners on all levels and types of learning aim. However, as figure 4.11 shows, there was a particularly high concentration of DLS learners on Entry Level courses. More than a quarter (26%) of learning aims undertaken by DLS learners were at Entry Level, compared to 9% of learning aims of non-supported learners. DLS learners were less likely to be in Level 2 learning (27% of DLS learning aims compared to 41% of non-supported learning aims) but more likely to be in Level 3 learning (17% of DLS learning aims compared to 13% of non-supported learning aims).

Figure 4.11 Level of learning aims undertaken by learners on DLS
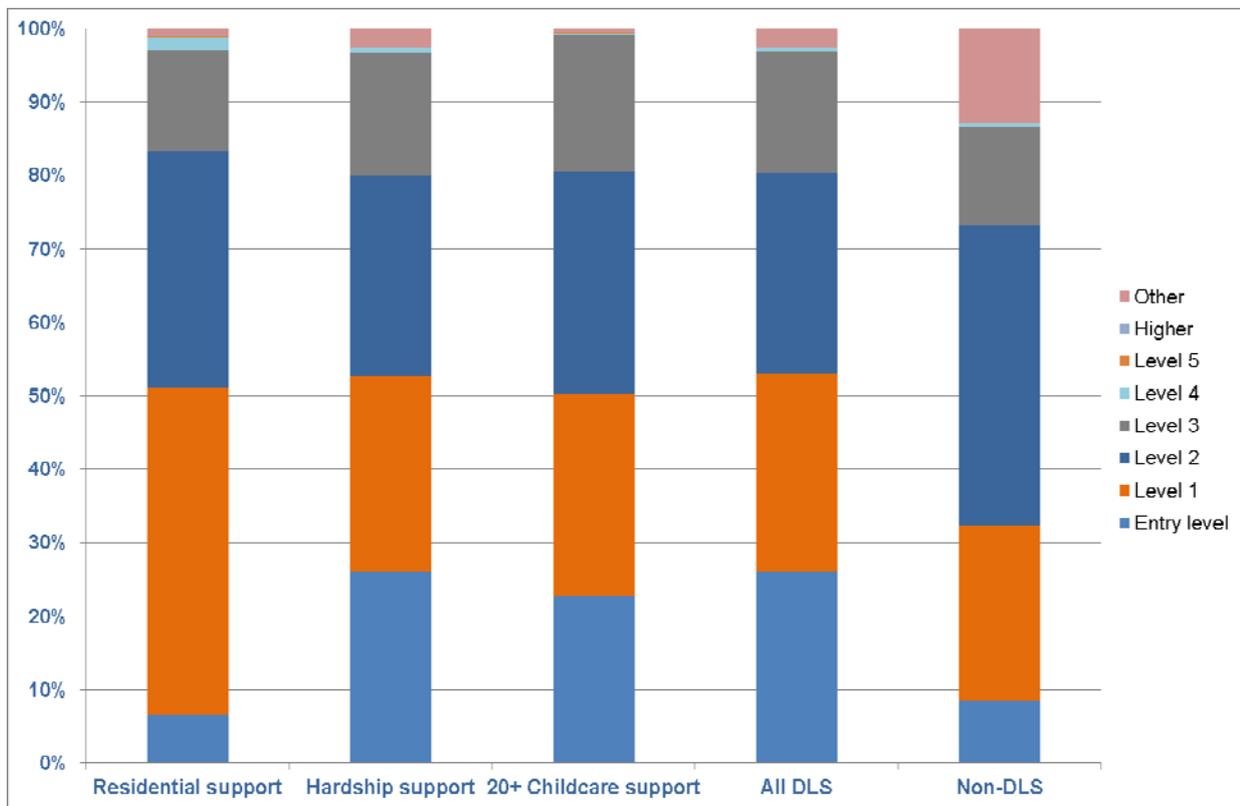
Source: ILR. Base = 5,079 for residential support; 177,028 for hardship support; 23,823 for childcare support; 190,133 for all DLS; and 5,734,324 for non-DLS

As shown in table 4.2, DLS learners were represented across many different subject areas. Approximately half (51%) of DLS learning aims were in Preparation for Life and Work courses, compared to 47% of non-supported learning aims. Other subject areas where DLS learning aims were more strongly represented included: Retail and Commercial Enterprise (9%, compared to 8% of non-supported learning aims); Arts, Media and Publishing (5%, compared to 2% of non-supported learning aims); and Information and Communication Technology (5%, compared to 4% of non-supported learning aims). Meanwhile, DLS learning aims were under-represented in: Business, Administration and Law (5%, compared to 12% of non-supported learning aims); Health, Public Services and Care (8%, compared to 11% of non-supported learning aims); and Engineering and Manufacturing Technologies (2%, compared to 6% of non-supported learning aims).

## Table 4.2 Framework of learning aims undertaken by learners on DLS

Framework	Residential support	Hardship support	20+ Childcare support	All DLS	Non-DLS
Health, Public Services and Care	1%	8%	12%	8%	11%
Science and Mathematics	0%	3%	3%	3%	1%
Agriculture, Horticulture and Animal Care	6%	2%	1%	2%	1%
Engineering and Manufacturing Technologies	1%	2%	1%	2%	6%
Construction, Planning and the Built Environment	0%	3%	1%	3%	3%
Information and Communication Technology	4%	5%	3%	5%	4%
Retail and Commercial Enterprise	0%	10%	13%	9%	8%
Leisure, Travel and Tourism	1%	2%	1%	1%	2%
Arts, Media and Publishing	1%	5%	2%	5%	2%
History, Philosophy and Theology	0%	1%	3%	1%	0%
Social Sciences	1%	1%	1%	1%	0%
Languages, Literature and Culture	0%	2%	2%	2%	1%
Education and Training	6%	2%	2%	2%	1%
Preparation for Life and Work*	61%	50%	53%	51%	47%
Business, Administration and Law	17%	5%	4%	5%	12%

Source: ILR. Base = 5,079 for residential support; 177,028 for hardship support; 23,823 for childcare support; 190,133 for all DLS; and 5,734,324 for non-DLS

** Mainly access courses in different subject areas*

Figure 4.12 shows that completion rates tended to be higher among DLS learners than non-supported learners. Over four-fifths (83%) of learning aims undertaken by DLS learners were completed, compared to 54% of non-supported learning aims. Only 4% of DLS learners were continuing or intending to continue in the learning aim (29% of non-supported learning aims), while 11% of DLS learners had withdrawn (14% of non-supported learning aims).

Figure 4.12 Completion status of learning aims undertaken by learners on DLS
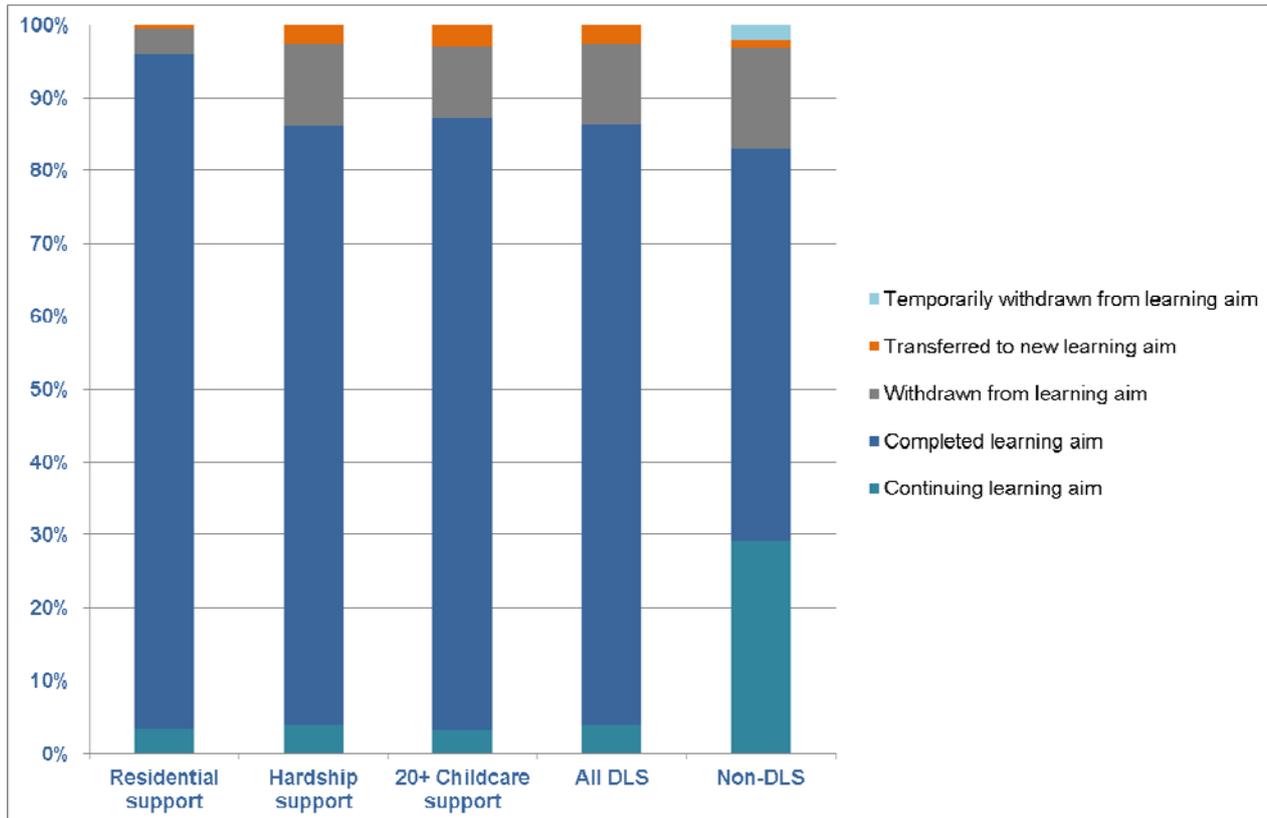
Source: ILR. Base = 5,079 for residential support; 177,028 for hardship support; 23,823 for childcare support; 190,133 for all DLS; and 5,734,324 for non-DLS

As shown in Figure 4.13, three-quarters (74%) of learning aims undertaken by DLS learners were achieved, compared to 51% of non-supported learning aims. This difference is mainly accounted for by the lower proportion of DLS learners who were continuing with their studies (4% compared to 29% of non-supported learning aims). The proportion of DLS learning aims not achieved was similar to that of non-supported learners (20%, compared to 19%). Achievement rates were highest for learners on residential support (87% of learning aims achieved, 8% not achieved). It should be noted that differences in completion and achievement rates are likely to be related to significant differences in the types of courses undertaken by DLS learners. Where entry route was known, 87% of DLS learning aims were first time entrants, a similar proportion to non-supported learning aims

Figure 4.13 Learning outcome of learning aims undertaken by learners on DLS
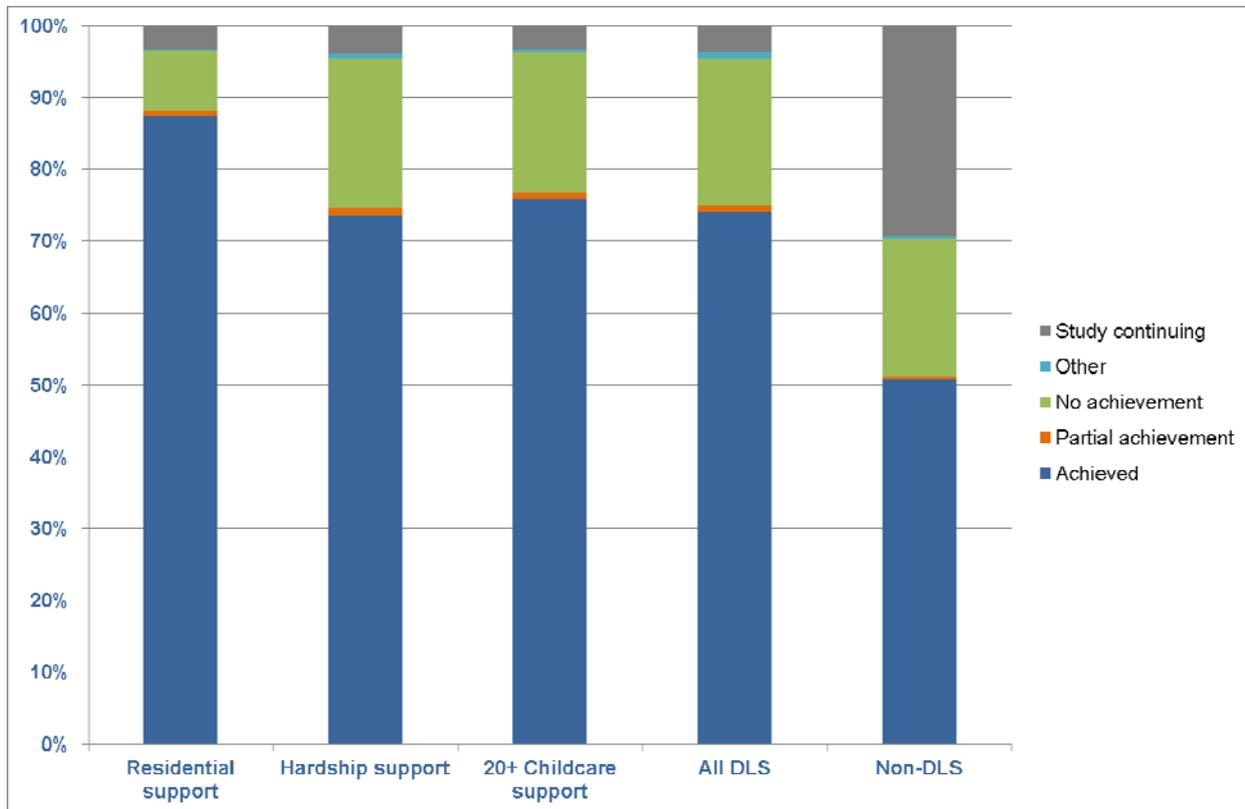
Source: ILR. Base = 5,079 for residential support; 177,028 for hardship support; 23,823 for childcare support; 190,133 for all DLS; and 5,734,324 for non-DLS

Progression of learners on DLS

Distance travelled

This section presents an analysis of the distance travelled by priority groups supported by DLS. The analysis uses information from the ILR on the prior attainment of learners, the notional level of learning aim and the learning outcome (whether or not achieved) of the learning aim. The following three priority groups can be identified from the ILR, and are discussed in turn:

- Women

- Adults with a learning difficulty

- Adults not employed when they started their learning.

Just over a third (37%) of the learning aims undertaken by women on DLS resulted in the achievement of a qualification higher than prior attainment levels.[17] This compares to 32% of non-supported learning aims. As figure 4.14 shows, female DLS learners who had no prior qualifications were particularly likely to have progressed, with 81% having achieved a qualification, compared to 71% of learning aims undertaken by non-supported women.

Figure 4.14 Percentage of learning aims undertaken by women resulting in a higher qualification, by prior attainment level
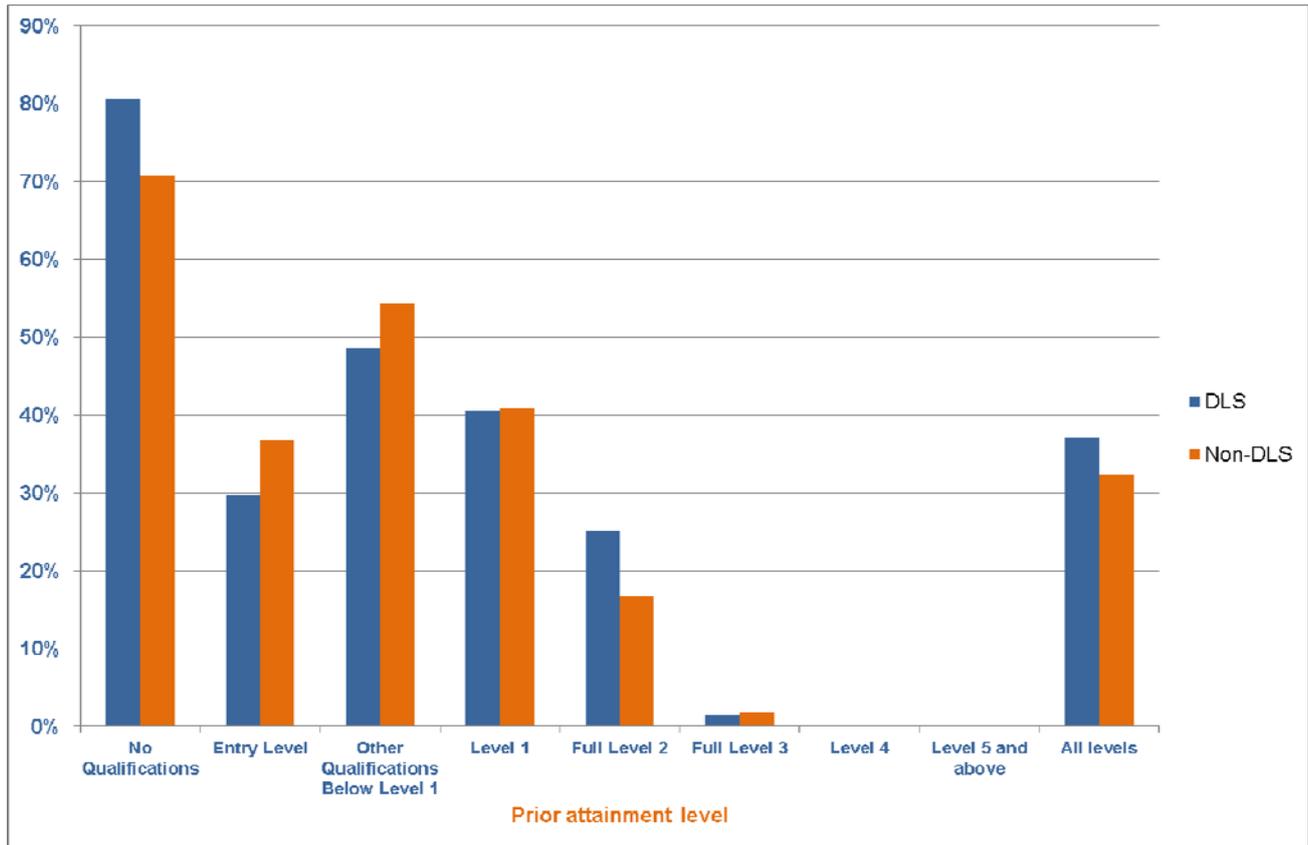
Source: ILR. Base = 190,133 for DLS; and 5,734,324 for non-DLS

Similarly, among learners with learning difficulties, those with no qualifications were more likely to have achieved a qualification. As shown in Figure 4.15, 83% of the learning aims undertaken by DLS learners in this category resulted in progression compared to 76% of non-supported learning aims. In terms of all prior attainment levels, those with learning difficulties who had received DLS were just slightly more likely to achieve progression (38% compared to 37% of non-supported learning aims).

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[17] This analysis excludes individuals where prior attainment was unknown or where the level of the learning aim was unknown such that distance travelled could not be measured. It also excludes learning aims which were continuing or had other outcomes (such as partial achievement). The distance travelled rate counts all learning aims where the NVQ level was higher than the learner's prior attainment and the learning aim was achieved. Where the learning aim was at the same or a lower level than the learner's prior attainment or where the learning aim was not achieved, it is assumed there was no distance travelled.

Figure 4.15 Percentage of learning aims undertaken by learners with a learning difficulty resulting in a higher qualification, by prior attainment level
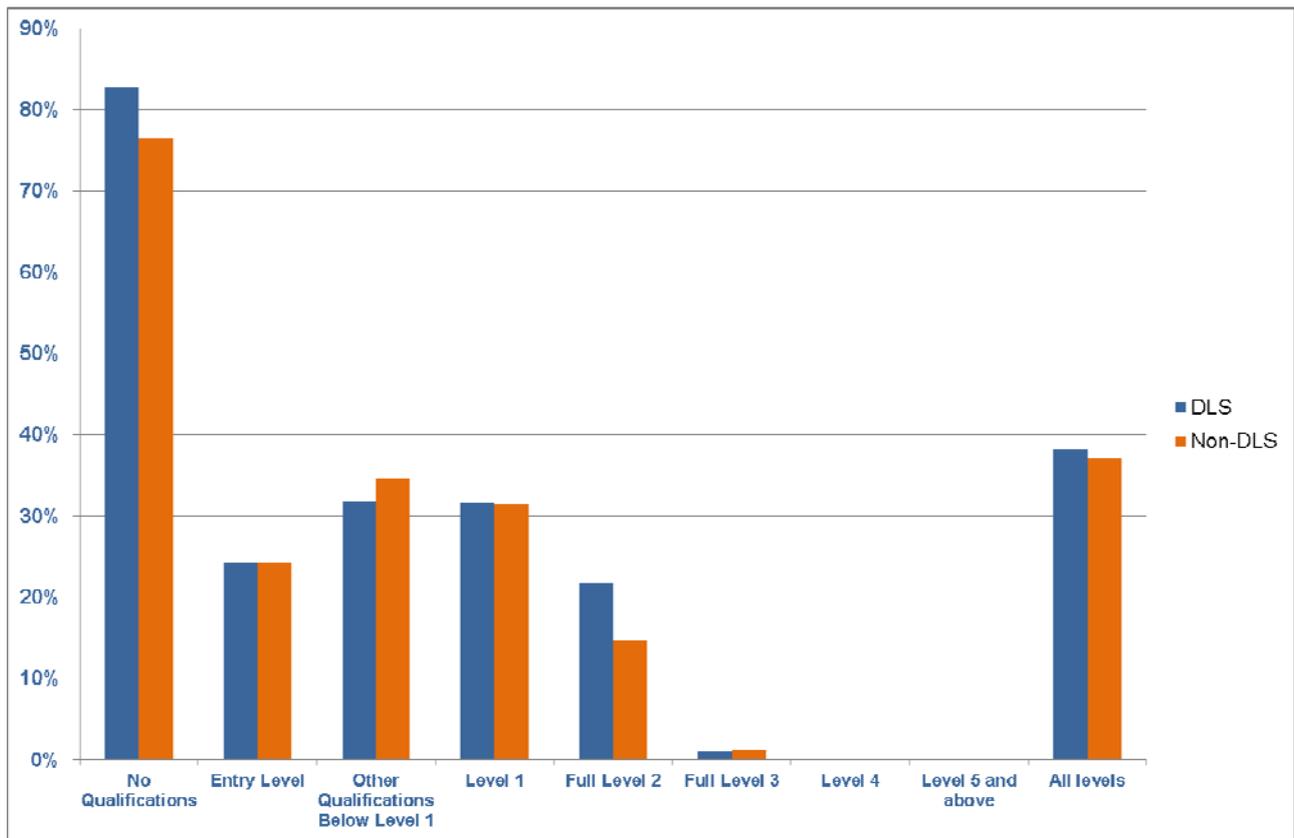
Source: ILR. Base = 190,133 for DLS; and 5,734,324 for non-DLS

A similar pattern was evident when looking at those who were not employed on the first day of their learning, although in this case the differences between DLS learners and non-supported learners were smaller. As shown in Figure 4.16, 37% of DLS learners who were not in employment achieved a higher qualification from their learning aim, the same percentage as for non-supported learners. Meanwhile, 80% of DLS learners who were not in employment and with no prior qualifications achieved a qualification, compared to 78% of non-supported learners in that category.

Figure 4.16 Percentage of learning aims undertaken by learners not employed at the start of their learning resulting in a higher qualification, by prior attainment level
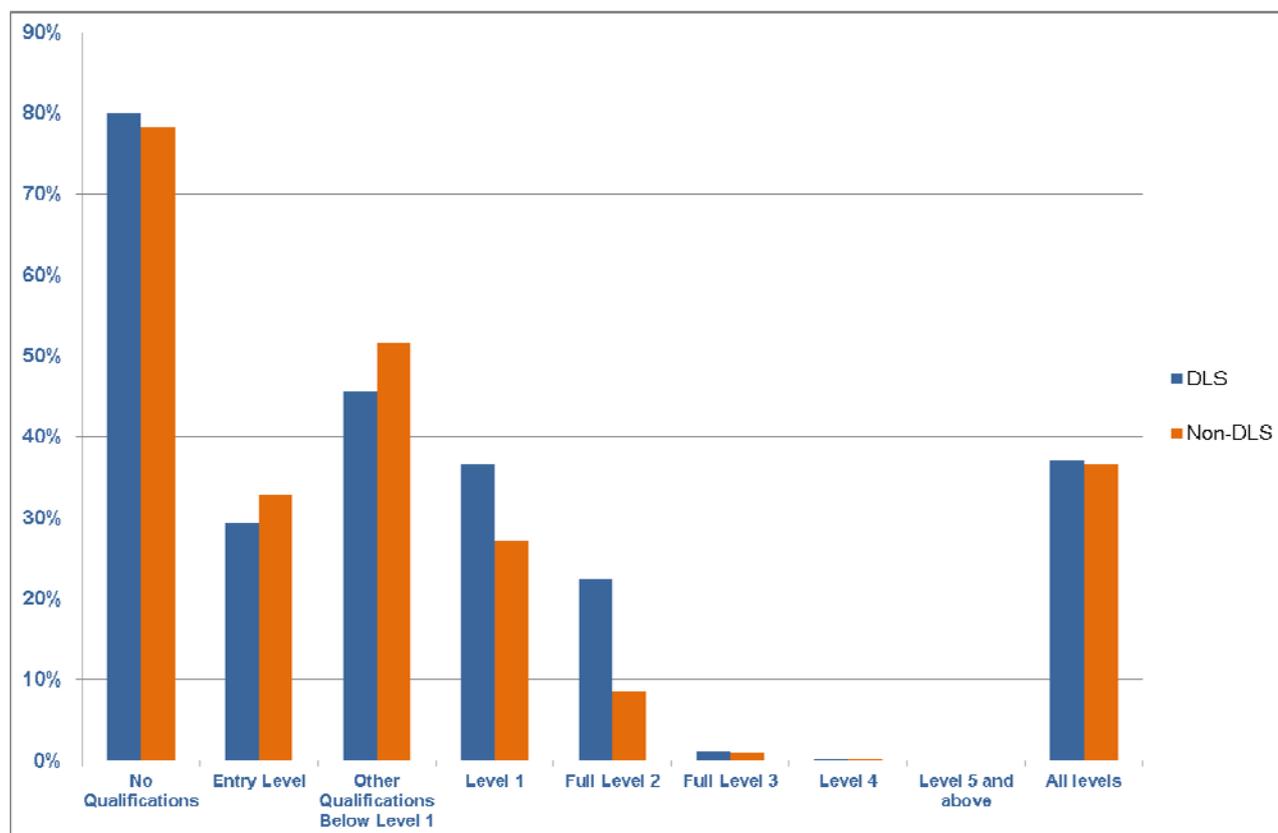
Source: ILR. Base = 190,133 for DLS; and 5,734,324 for non-DLS

Destination of DLS learners

Learners on DLS were more likely to continue with their learning but less likely to move into full time employment than non-supported learners. This is to be expected given that, as illustrated in Table 4.2, a large proportion of DLS learners were on access courses intended to support progression into further learning rather than employment. The likelihood of moving straight into employment for these learners would therefore be low. Out of those whose destination was known, nearly two-thirds (63%) of DLS learners were continuing in their existing programme of learning, compared to 51% of non-supported learners. A further 12% progressed to pursue other further education courses (just 2% of non-supported learners) and 7% entered higher education (1% of non-supported learners). Only 5% of DLS learners went into full time employment (compared to 27% of non-supported learners). Learners on DLS were no more likely than other learners to move into unemployment but were slightly more likely to be economically inactive, although relative numbers were small. Although a small proportion of the total DLS cohort, learners on residential support bucked the trend with 22% entering full time employment and just 32% continuing on their current programme of learning (Figure 4.17).

Figure 4.17 Destination of learners on DLS
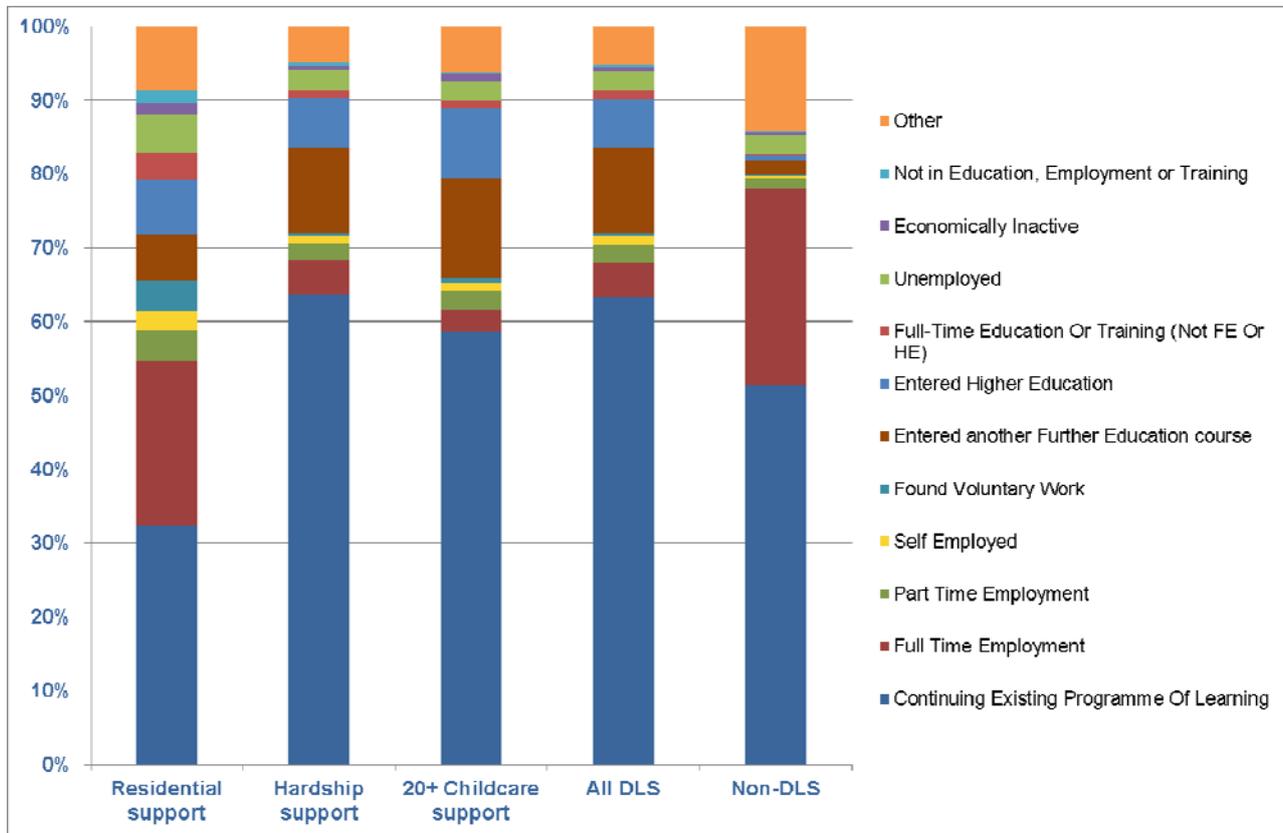
Source: ILR. Base = 2,328 for residential support; 77,600 for hardship support; 10,474 for childcare support; 83,634 for all DLS; and 2,199,622 for non-DLS

Summary of findings

In the 2011/12 academic year, according to available ILR data, nearly 84,000 adult learners were in receipt of DLS, most of whom received 19+ hardship support. Compared to non-supported learners, learners on DLS were more likely to be female and from a minority ethnic background. They were also more likely to be younger adults and living in a more deprived area of England, including urban areas. DLS learners were also more than twice as likely to have a learning difficulty as non-supported learners.

Prior to starting their learning, DLS learners were more likely than non-supported learners to have lower level qualifications (including entry level qualifications) but less likely to have no qualifications at all. Only a fifth of DLS learners were employed on the first day of their learning, compared to two-thirds of non-supported learners.

DLS learners were much more likely than non-supported learners to continue in education (including moving to higher education or other further education courses) than non-supported learners, but were much less likely to be in employment at the end of their learning. However, this is likely to be related to the fact that DLS learners have significantly lower levels of employment prior to their learning.

DLS learners were spread across all frameworks and levels. A quarter of learning aims undertaken by DLS learners were at Entry Level, although there was also a high concentration of DLS learners working towards higher qualifications with just under a fifth working towards a Level 3. DLS learners were less likely than non-supported learners to withdraw from their learning aim, although overall achievement rates were broadly similar.

DLS learners who were women, adults with a learning difficulty and adults not employed at the start of their learning) tended to achieve greater levels of distance travelled than non-supported learners in the same groups. This is particularly true for learners with no prior qualifications. While these associations do not necessarily imply causality or impact, it is reasonable to assume that, in the absence of DLS, eligible learners may have been less likely to achieve positive outcomes due to their higher levels of financial disadvantage. Therefore, this analysis does suggest that the support may have helped learners, particularly those with low prior attainment, to achieve higher progression than they would have done otherwise.

Learners views on DLS

This section discusses adult learners' experiences in accessing DLS, their views on the support and its impact in respect to progression into either further education or work. The analysis is based on the findings from a learner survey and focus group sessions carried out with adult learners who had received DLS.

Overview of the learner survey and focus groups

Learner survey

The learner survey was carried out by telephone interviews with 388 learners who received DLS in the 2011/12 academic year. The following quotas for each strata were achieved.

Table 5.1 Range of learners involved in the survey

	N	%
Total	388	100%
Completed	248	64%
Still studying	40	10%
Withdrawn	100	26%

The survey was designed to cover a number of areas including the following:

- **General questions about the learner, for example:**

  - Their situation prior to the start of the course

  - Prior attainment

  - Demographics - age, gender and ethnicity.

- **The type of financial support received by the adult learner -** this section included questions on the:

  - Type of support that the learners were offered at the start of their study programme

  - Form of support (i.e. whether this was in the form of a regular allowance, cash, travel passes, childcare vouchers/direct payments to the nursery)

- Processes involved in receiving DLS

- Marketing approaches used by providers.

- **Impact of the support -** questions under this section included the impact of DLS on learners:

  - Ability to start, continue and complete their courses

  - Social and economic wellbeing such as on their confidence, willingness to either engage in learning or employment and

  - Education, employment and training status.

In addition, the survey explored learners' views on DLS including their overall perceptions of the support received.

Focus groups

The focus groups sessions carried out with learners explored their awareness and experiences of DLS, the impact of the support on their decision making processes and their ability to continue with learning. As such, they aimed to explore in more depth the responses provided in the survey.

The findings from these focus groups and learner survey are discussed in the rest of the chapter.

The characteristics of learners involved in the survey

As figure 5.1 shows, just over half (56%) of the adult learners involved in the survey were aged between 24 and 50 years old. The 19 to 24 age group accounted for 35% of respondents and 9% of respondents were over 50. This is broadly reflective of the ILR data given that, as set out in Chapter 4, approximately 36% of those who received DLS were in the 19-24 age category.

Figure 5.1 Age groups by gender
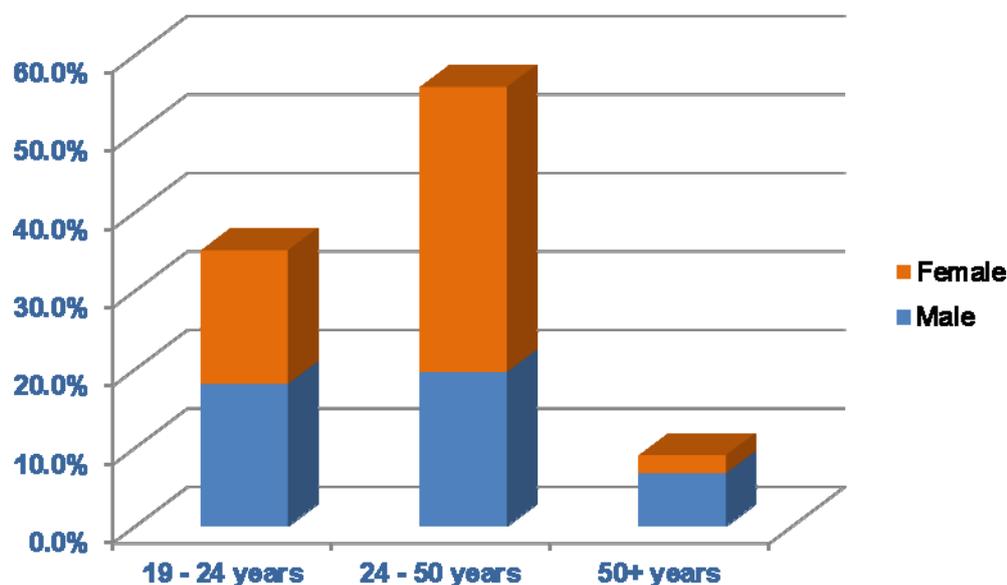
Source: Learner Survey (n=388)

Whilst the majority of the respondents were White British (51%), a wide range of ethnicities were represented. The second and third most common groups were 'White any other background' (13%) and 'Black African' (12%).

Just over half of the adult learners surveyed were female (56%), who were largely concentrated in the 24 to 50 years old age group, which had a female to male ratio of roughly 2:1. The 19 to 24 years old group had slightly more men than women (70 to 66), and the over 50s group was predominantly men (26 to 9).

Under a quarter of the adult learners surveyed classified themselves as disabled (20%),[18] which closely reflects the national average for disabled people of working age. There are over 6.9 million disabled people of working age, representing 19% of the working population.[19]

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[18] Self declared
[19] http://www.dlf.org.uk/content/key-facts

A wide variety of courses were undertaken by respondents, ranging from bookkeeping and accountancy to horticulture. The five most popular courses were:

- English/Literacy Course with Maths/IT - 30%

- Access Course - 8%

- Health and Social Care - 5%

- Accountancy/Book-keeping - 4%

- Business Administration - 4%.

Table 5.2   Courses taken up by survey respondents

	N	%
Total	**388**	**100%**
Access course	30	8%
Accountancy/Book keeping	14	4%
Business Administration	17	4%
Childcare	11	3%
Computer	7	2%
English/Literacy/Maths/IT	119	30%
Hairdressing/Beauty	15	4%
ICT	17	4%
Health and Social Care	18	5%
Horticultural	6	2%
Maths	7	2%
Media	7	2%
Teaching assistance course	15	4%
Other*	100	27%

*Source: Learner survey *linked to courses where there were less than 5 learners*

At the time of the survey, the majority of respondents had completed their course. Of those who withdrew, the reasons given were diverse. However the most common response was that respondents withdrew due to family problems/illness (38%). Following this, choosing the wrong course, work related and financial reasons were the next most common reasons given.

The respondents who had withdrawn from their course were given the option of whether or not they wanted to continue with the survey, 16 of these declined thus reducing the overall base number to 372. Of these, and as shown in figure 5.2, approximately a third (32%) were unemployed and claiming benefit, just over a quarter (26%) were at home looking after family (26%) and under a quarter (23%) were either working full time or part-time.

Figure 5.2 Learners situation prior to starting their course
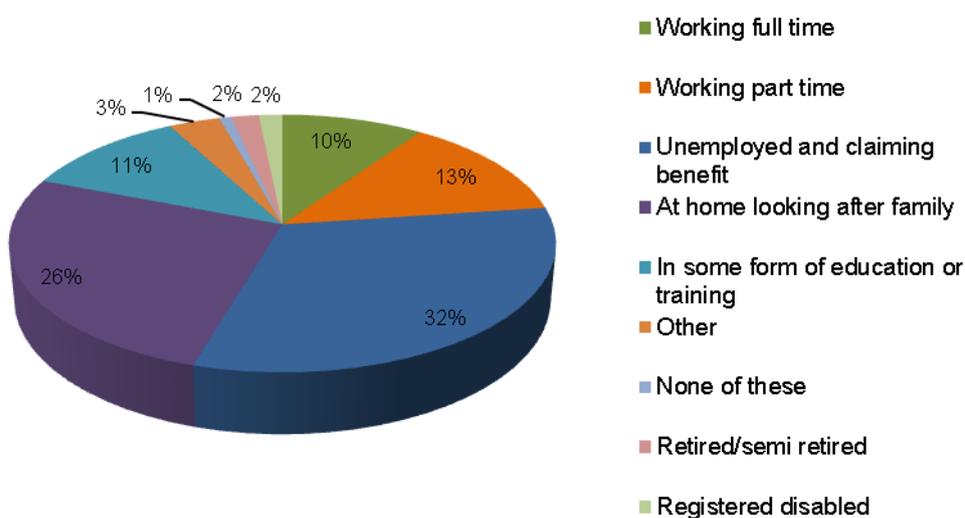
Source: Learner Survey (n=372)

In terms of the types of qualifications that respondents held prior to starting their course, whilst the most common responses were 'No qualifications' (31%), Level 2 (29%) or Level 1 (25%), there were slight variations across the different age groups. As figure 5.3 illustrates, the 19-24 year olds were more likely to have Level 2 qualifications (47%), they also had fewer respondents with no qualifications on average compared to the other age groups. In comparison, the 24-50 and 50+ age groups had far fewer Level 2 qualifications (20% and 19% respectively), and had more respondents with no qualifications (35% and 44% respectively). Interestingly the 50+ age group already had a far higher amount of Level 4 qualifications compared to the other age groups (16% compared to 4%).

Figure 5.3 Previous qualifications held, by age group
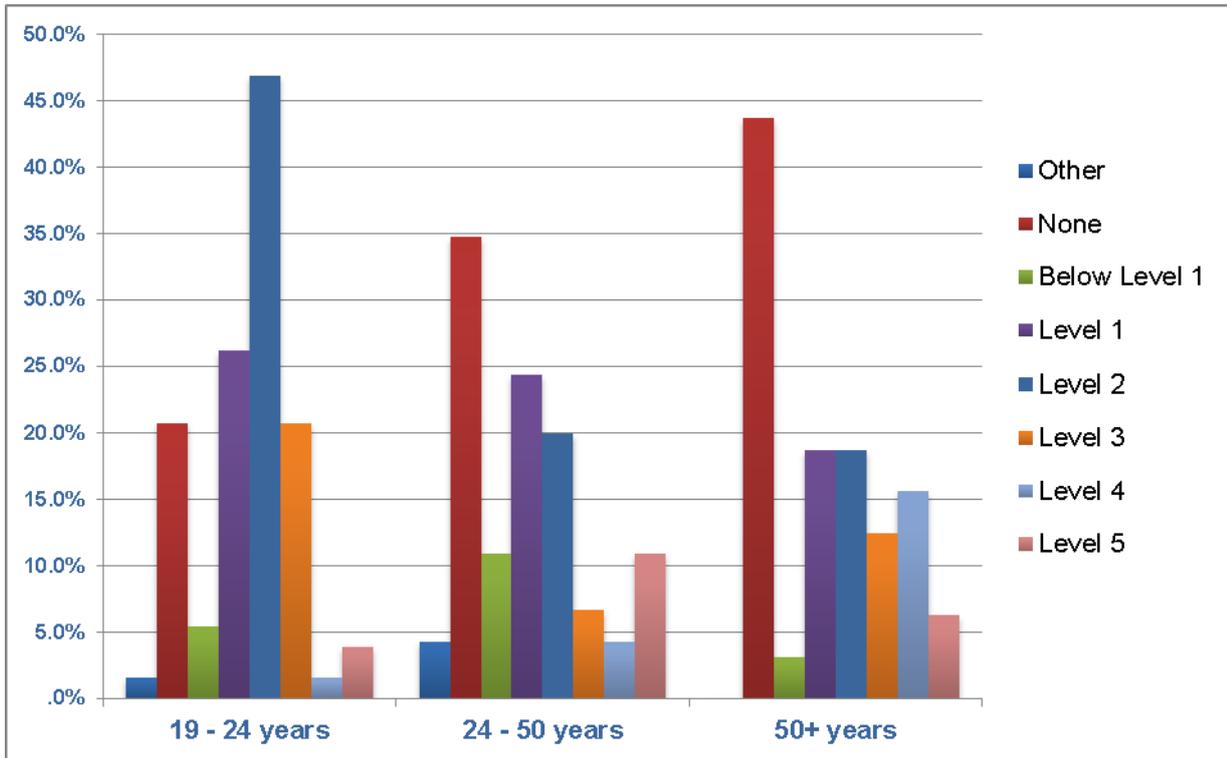
Source: Learner Survey (n=372)

Of the reasons given for starting a course, the four most common responses provided by the learners surveyed were as follows:

- Interested in a particular career and thought it would help - 26%

- Help to gain employment -15%

- Help to change to a new career - 13%

- Gain entry qualifications for higher education - 13%.

Table 5.3   Reasons for taking up the course

	N	%
Total	**372**	**100%**
Interested in a particular career and thought it would help	95	26%
Would help you gain employment	55	15%
To help me change to a new career	50	13%
To gain entry qualifications for higher education	47	13%
To learn/improve my English	43	12%
For promotion or career prospects in the job you are already in	7	2%
Best route to chosen career (it is seen as a key requirement for that type of job)	10	3%
Other*	36	9%
To increase my confidence	9	2%
To gain new skills	20	5%

*Source: Learner survey n=372 * linked to responses where there were less than 5 respondents*

Learners awareness of DLS

Processes involved in receiving DLS including learners' expectations

Overall, almost all respondents felt that the processes involved in claiming support had been straightforward as shown in table 5.4. Of the few that stated otherwise, the reasons varied. However, a few common themes emerged.

Firstly, those who were dissatisfied highlighted that they had not been paid upfront and so struggled to pay for materials and fees whilst waiting for support to be arranged or received. In an extreme case, one stated that it took about 4 months to get support arranged. Secondly, arranging support was seen as quite complicating and required a lot of forms to be completed and information provided.

Table 5.4   Whether respondents found it easy or not to claim support

	N	%
Total	372	100%
Yes	353	95%
No	19	5%

Source: Learner survey

The respondents also reported a wide range of evidence which was needed in order to receive support, this included paper work to evidence earnings such as payslips or, in cases where respondents were unemployed, evidence of receipt of benefits. In some cases, third parties such as the Job Centre took care of this, reducing the burden on those surveyed. These findings were in line with responses provided by learners at the focus group sessions. Most of the learners involved in these sessions had provided income related evidence or benefits information as part of their application for financial support.

Table 5.5   Evidence needed for support

	N	%
Total	**372**	**100%**
Proof of receipt of benefits	203	55%
Proof of income/bank statements	71	19%
Show ID/Visa	66	18%
No evidence required	45	12%
Other*	36	10%
Don't know	19	5%

*Note: Multiple responses: Source: Learner survey * linked to responses where there were less than 5 respondents*

IAG for learners on DLS

Approximately two thirds (65%) of the survey respondents reported that they knew they would be able to receive financial support before they applied for the course.

A high proportion (71%) of the respondents also indicated that their institution had provided guidance or information about the financial support available to help with their studies through a number of sources; some found out about the support from a tutor or head of department, and others through course brochures, student services, college websites or other internet sources (Figure 5.4).

Figure 5.4 Sources of information for financial support of a college course
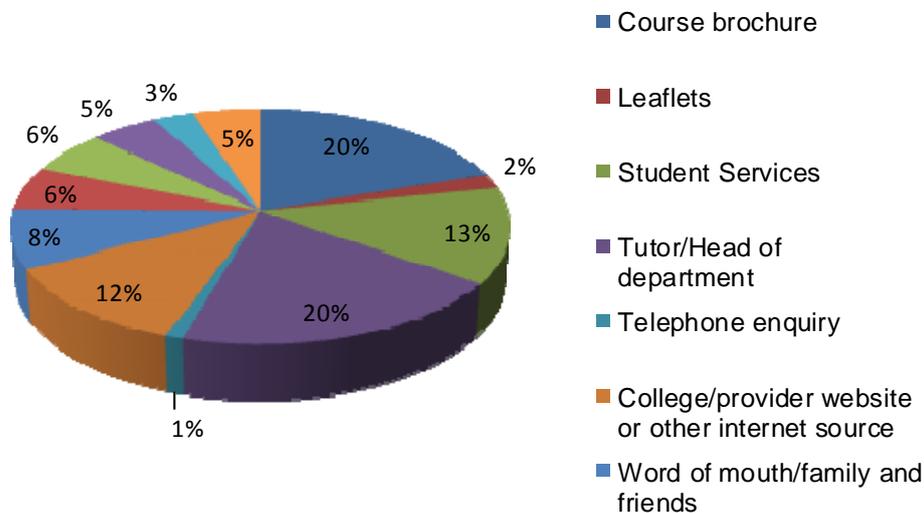
Source: Learner survey (n=264)

In terms of when all the respondents precisely knew of the type of support they would receive, figure 5.5 shows that half became aware of this before registration. The others knew of it at various points including at the point of registration, the start of their course and when they were part way through their course.

Figure 5.5 Awareness of the type of support received
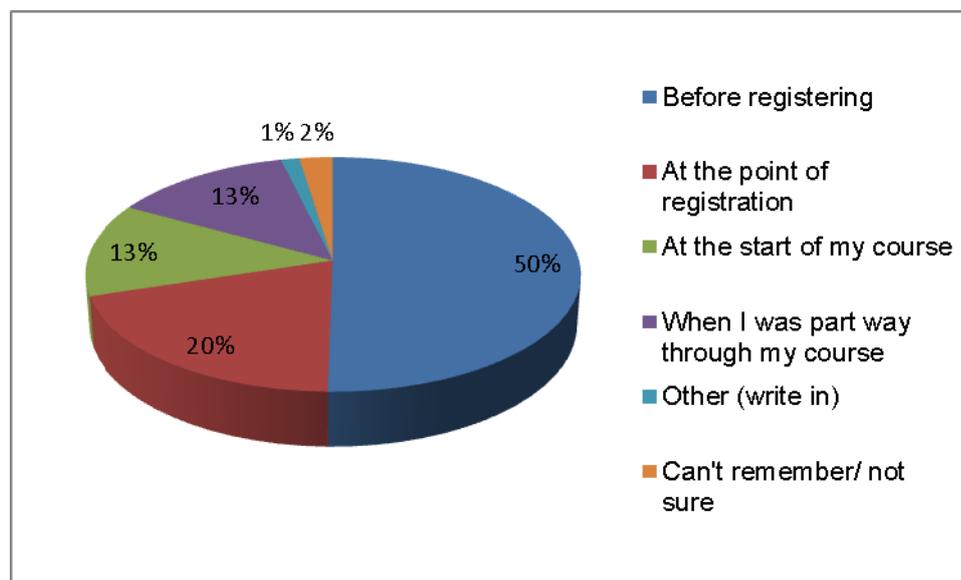
Source: Learner Survey (n=372)

Views on financial support accessed

The majority of adult learners surveyed (78%) stated that they were offered help with fees at the beginning of their course, while 26% were offered childcare support and 24% help with travel (24%). However as seen from the table below, the question involved multiple responses therefore some learners were offered more than one type of support.

Table 5.6 Type of support offered

	N	%
Total	**372**	**100%**
Help with fees	290	78%
Help with childcare	98	26%
Help with travel	90	24%
Help to buy books and course materials	46	12%
Help with accommodation	18	5%
Other	8	2%

Source: Learner Survey (n=372): Note: Multiple responses

When learners were asked about whether the support offered was what they received, the proportion that were initially offered support with fees and travel dropped slightly to 72% and 23% respectively (Table 5.7).

Table 5.7   Type of support received

	N	%
Total	372	100%
Help with fees	269	72%
Help with childcare	98	26%
Help with travel	86	23%
Help to buy books and course materials	45	12%
Help with accommodation	18	5%
Other	8	2%

Source: Learner Survey (n=372): Note: Multiple responses

While the actual forms of support received varied, as figure 5.6 shows, the most common form accessed by respondents was in relation to fee support. However the overall proportion of types of fee assistance reported of 63% (including 'fees paid', 'part of course fees paid' and 'free course' was slightly lower than the proportion (72%) who indicated that they had received help with their fees (as indicated in table 5.7). Further analysis to explore the difference in the figures between the support received and the form of support indicates that 10% of the respondents who had received help with their fees also reported that they were given regular allowance in the form of cash. This suggests that this group may have been provided with the allowance to help towards the cost of their fees. It should also be noted that the 4% reporting that they had gone on free courses were actually exempted from paying fees rather than the course being 'free' as such.

As figure 5.6 also shows, childcare vouchers and reimbursement of costs were the second and third most common forms of support received amongst respondents. As well as the most common forms of financial support detailed in figure 5.5 there were also a variety of 'other' forms such as paying a bursary by direct debit, cheque or into a bank account and loan options.

Figure 5.6: Forms of support received
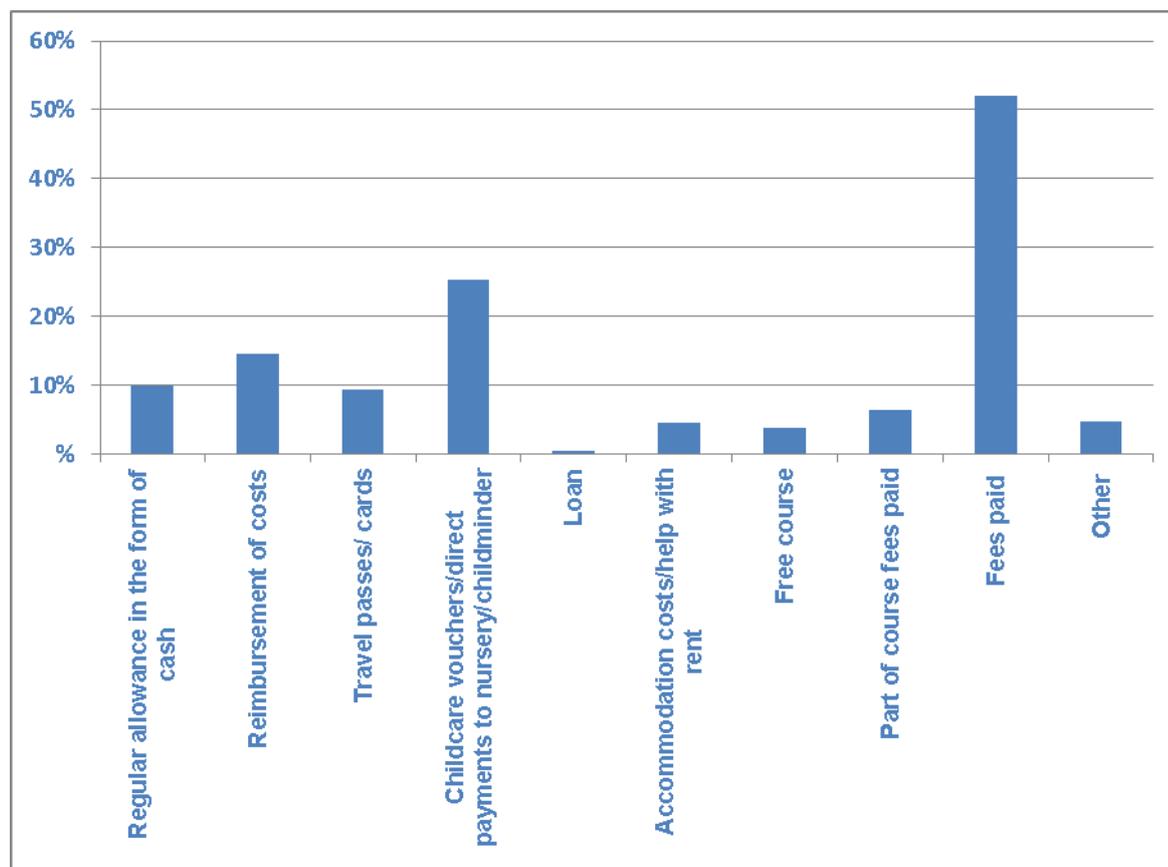
Source: Leaner survey (n=372)

Of the payments that were made through DLS, travel cards and cash tended to be paid termly, whilst most other forms of support were provided as one off payments. The timing of these payments varied by the form of support with, on average, a similar number of payments being made in arrears compared to in advance.

The sums of payments made to beneficiaries of financial support varied greatly both within and across types of support. Examples of the most common types of support are summarised below:

- Ad-hoc cash allowance – these ranged from less than £100 to £1120l

- Reimbursement of costs –some were reimbursed with costs from £24 to up to £960

- Travel passes/cards – the value of the travel passes offered ranged from £15 to £500

- Help with childcare –answers under this varied greatly and covered costs up to £2,900.

The focus group sessions commonly reflected the findings of the learner survey in terms of the nature and type of support received. Childcare costs tended to be paid directly to the childcare provider. Other learners received travel support in the form of monthly bus passes which depended on how far they lived from the college. Learners who had help

with fees in some cases paid a discounted rate, some up to 70% off the cost of their fees, there were a few who had their fees paid in full. There were also a few learners at the focus group sessions who had received one off grants ranging from £100 to £300. In addition, for learners who were studying at specialist institutions, the residential support had been key to whether or not they pursued the course they were on.

Just over half (56%) of adult learners involved in the survey indicated that the financial support given came with conditions attached to it, thus corroborating the views of the providers who were involved in the consultation phase of the review and the focus group findings. The conditions reported by these learners varied, but the most common were attendance of a course, followed by proof of receipt of benefits, as shown in table 5.8 below. 'Other' reasons included entering work or looking for work and not being able to remember what the exact conditions were.

Table 5.8 Conditions attached to financial support

	N	%
Total	207	100%
Attendance	145	70%
Proof of receipt of benefits	44	21%
Other	22	11%
Show income	10	5%
Had to complete the course	2	1%
No conditions	1	.5%

Learner survey (n=207): Note: Multiple responses

When the adult learners were asked about whether the support received was what they expected, the majority (77%) reported that it was, 16% said they had no expectations and a minority, 7%, reported that it was not what they expected. Of those who reported that the support was not what they expected, the reasons given tended to focus around three areas: not being aware that the support was available, being pleasantly surprised about how large the support was, and being disappointed that more was not covered by the support. The following quotes from survey respondents sum up these views:

"I was not aware that I could claim until I registered for the course"

"I didn't expect it to be so helpful. It was a lot more than I expected"

"I was happy that the fees were paid but the one off payment of £50 for travel expenses was not enough to cover my actual travel expenses. I also had to purchase course materials which I had to pay for out of the carers allowance I receive which impacted on funds available for my family"

Almost all the respondents (91%) reported that the support received had been sufficient to meet their needs. Of the 34 (9%) who responded otherwise, 21 suggested that they had relied on a number of other sources of income to top up the support, with the most common being support from a partner, a loan from parents, savings and earnings from employment.

Overall, the learners surveyed were very satisfied with the financial support received. A few common themes emerged from the additional comments provided by those surveyed. In terms of limitations, travel expenses appeared to have been a constraining factor for some learners. A lack of or inadequate IAG also meant that some had picked the wrong course, in addition, others had not known about the full support on offer.

Figure 5.7   Overall satisfactions with financial support
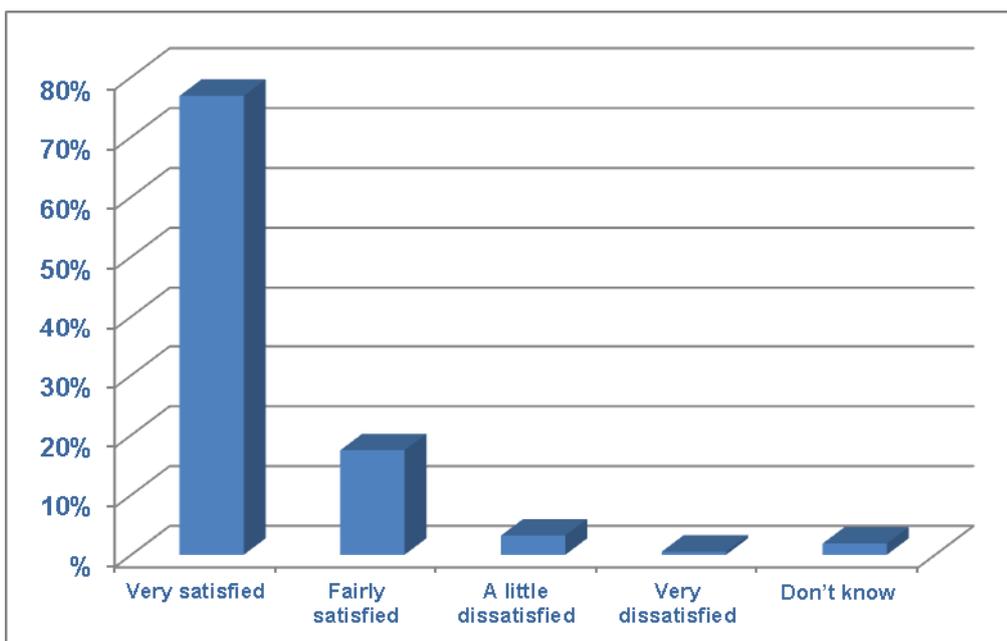
Source: Leaner survey (n=372)

It is also worth noting that a number of learners commented on how great their institutions and tutors were in giving support. The learners overall viewed the courses they attended as very useful and through this felt that their confidence and career prospects had improved. The following comment highlights this last point:

"Very much value the help and support of this second chance college - helped me move forward without judging me - got me back into part-time work after a long time on incapacity. Previously thought studying at this sort of place was beyond my reach"

Equally, all the learners at the focus group sessions found it difficult to pick out the support they valued the most and the least; they all felt that the support they had received was what they needed. Those who had received childcare support felt this was crucial, without it they would not have been able to start the course; this view was also shared by those who had help with their fees and learners who had received help with course related materials, these learners reported that they would not have been able to afford these materials without the support.

Impact of DLS on learners

The survey findings suggest that the availability of DLS has had a positive influence on participation. As table 5.9 shows, over three-fifths (62%) of adult learners reported that they would not have started the course if financial support had not been available. In comparison, the 2010 evaluation of the ALG showed that only one in eight (13%) of all recipients reported that they would not have started their course without support from the ALG[20]. Whilst not a direct comparison, this does indicate the low level of deadweight[21] that can be ascribed to DLS. Indeed, as the survey showed, only just over one-fifth (21%) of respondents reported that they would have started the course anyway (that is, without the financial support). A further 10% stated that they would have started the course but that a lack of financial support would have impacted on their participation in some way - for example, by delaying the date at which they could start the course, by changing the nature of their participation or by increasing the amount of paid work they would need to do in addition to their studies. In these cases there will similarly have been some degree of deadweight; however, DLS seems to have added some value in terms of accelerating or improving the scale or nature of participation

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[20]Understanding the Impact of the Adult Learning Grant (ALG) 2010 November, YPLA

[21]In this case deadweight refers to the learners who would have started the course even in the absence of financial support. These outputs can be seen as non-additional as they would have taken place anyway.

Table 5.9   Whether respondents would have started the course if financial support had not been available

	Count	%
Total	372	100%
Yes	78	21%
Yes –but at a later date	14	4%
Yes – but in another way (e.g. part-time instead of full-time, different course or with another provider)	6	2%
Yes – but I would have had to work/work more hours to support myself.	15	4%
No	232	62%
Don't know	20	5%
Other	7	2%

Leaner survey (n=372)

These findings were in line with the responses from the focus group sessions. Most learners at the sessions reported that they would not have been able to start their respective courses without the support and that, in most instances, this was because they could either not afford the course fees or childcare costs (for those receiving childcare support). Equally, some learners indicated that they would have tried to continue with their course but would have struggled. Several learners with childcare responsibilities said that they would have asked their parents to help them out in the absence of DLS. However, such learners also tended to note that they would have struggled to pay the required fees even with additional support from parents or others.

Breaking down the responses in the survey by the situation of the adult learners prior to the start of their course, the extent to which learners reported that they would not have been able to start if financial support had not been available reached over 70% in the case of those who were at home looking after family (72%; 71 out of 98) and part-time workers (71%; 35 out of 49). Similarly, amongst the 118 whom were unemployed and claiming benefits prior to starting their course, 80 (68%) stated that they would not have started the course without financial support. Again breaking down the responses in the survey by employment status, the groups most likely to report, without caveats concerning timing, that they would have started the course without financial support were those who were previously working full-time 15 out of the 36) and those who were retired/semi-retired, 3 out of 7), although it should be noted that these groups made up only a small proportion of the overall sample and so these findings are based on small sample sizes.

There is also evidence to suggest that the availability of DLS has had a positive effect on retention and completion. As table 5.10 shows, the proportion of respondents who reported that they would not have been able to continue and complete their course if financial support had not been available was 64%, a similar proportion to that recorded in terms of not being able to start their course without support (62%). Less than one-fifth reported without caveats (i.e. only those who only stated 'Yes') that they would have been able to continue and complete the course without financial support (18%). Meanwhile, as shown below, a further 10% reported that they did not know what impact a lack of financial support would have had on their ability to continue and complete the course.

Table 5.10   Whether respondents would have been able to continue with and complete the course if financial support had not been available

	Count	Column N %
Total	248	100%
Yes	45	18%
Yes –but at a later date	3	1%
Yes – but in another way (e.g. part-time instead of full-time or with another provider)	10	4%
No	159	64%
Don't know	25	10%
Other	6	3%

Leaner survey (n=248)

Looking specifically at those adult learners who were shown in the ILR as having achieved a qualification (n=178), a similar proportion of this sub-group (65%) noted that they would not have been able to either continue with or complete the course without financial support.

Breaking down the responses by the situation of the learners prior to starting their course again shows that those who were working part-time (70%; 21 out of 30), those who were unemployed (72%; 58 out of 81) and those who were at home looking after their family (75%; 47out of 63) were most likely to say that they would not have been able to continue and complete their course if financial support had not been available.

As figure 5.8 shows, of those who reported that they would have been able to continue and complete their course in some form if DLS had not been available, 29% stated that they would have used support from parents or family to finance the course and a further 22% suggested that they would have used their own savings.

Figure 5.8   Alternative means of financing the course if financial support had not been available
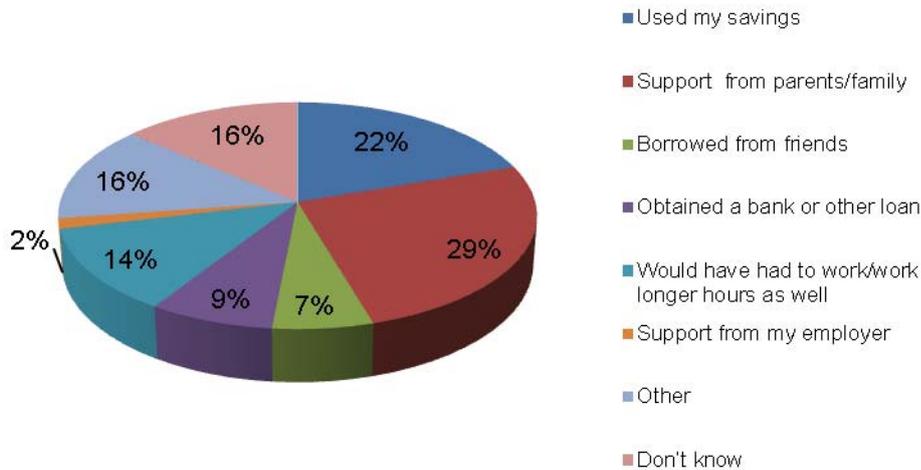
Leaner survey (n=58)

Of the 248 adult learners surveyed who had completed their course, this group most commonly reported an increase in confidence as an impact of completing their course (50%), followed by improved career prospects (38%) and starting a further FE qualification (30%). This pattern of outcomes was the same for those who had achieved a qualification as a result of completing the course (n=178) and those who had recorded no achievement (n=53), with slightly higher proportions of those who had achieved a qualification benefiting from these outcomes (52% of this sub-group reported increased confidence, 39% better career prospects and 33% progression to an advanced qualification) compared to those who had not achieved a qualification (47%, 26% and 25% respectively).

Figure 5.9   Impact of qualification on personal circumstances
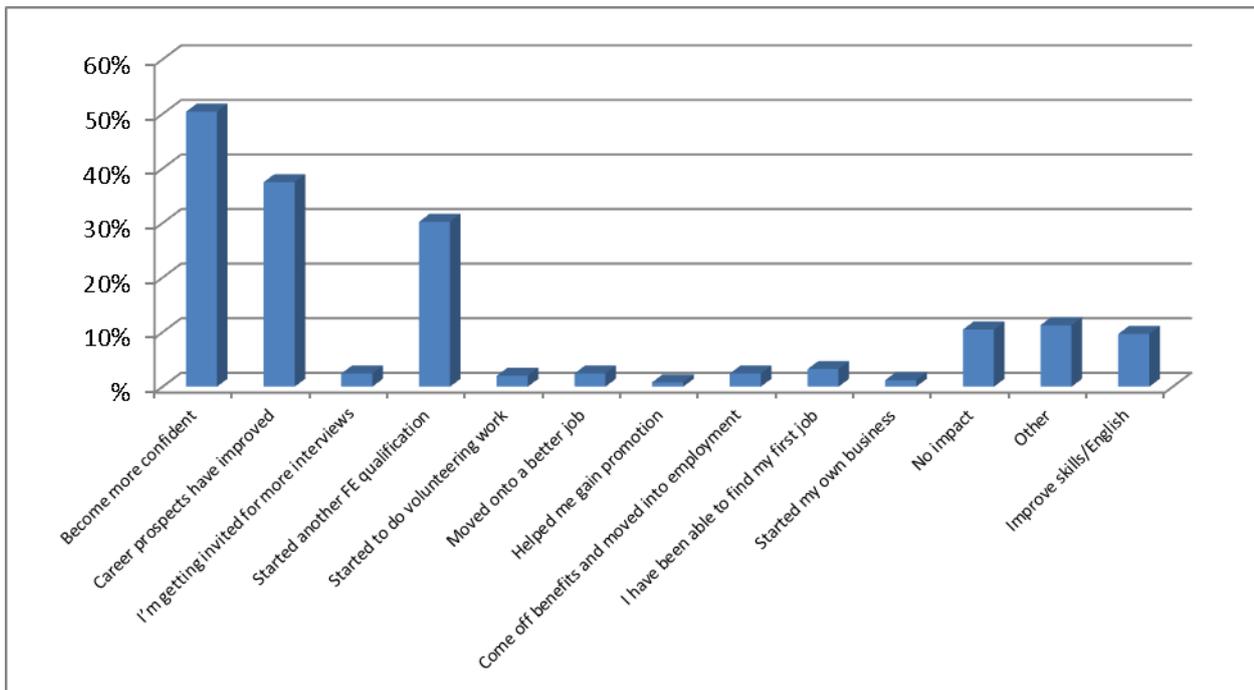
Leaner survey (n=248)

In terms of progression to employment, 2% of those who had completed the course reported that they had come off benefits and moved into employment since completing their course while 3% stated that they had obtained their first job and 1% had started their own business. In addition, 3% of these learners reported that they had moved on to a better job or gained promotion.

Positively, over three-quarters (77%) of those who completed the course indicated that they would not have obtained the reported outcomes without the qualification which suggests a high level of additionality of outcomes. For those who had achieved a qualification (n=162), this proportion increased to 79%, and for those who had recorded no achievement (n=44) it fell to 68%.

Figure 5.10   Likelihood of achieving outcomes without the qualification
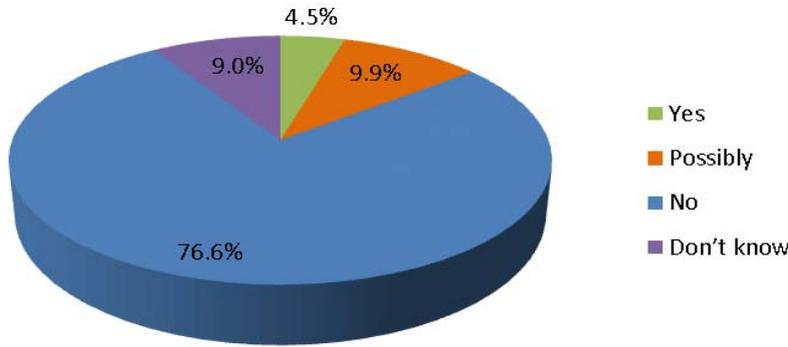
Leaner Survey (n=222)

As figure 5.11 shows, for those who had not yet completed their course the most commonly reported benefit of taking the course to date was improved confidence (39%), followed by increased enthusiasm for learning (22%). However, 19% of respondents stated that they had experienced no benefits so far.

Figure 5.11 Benefits so far of taking the course
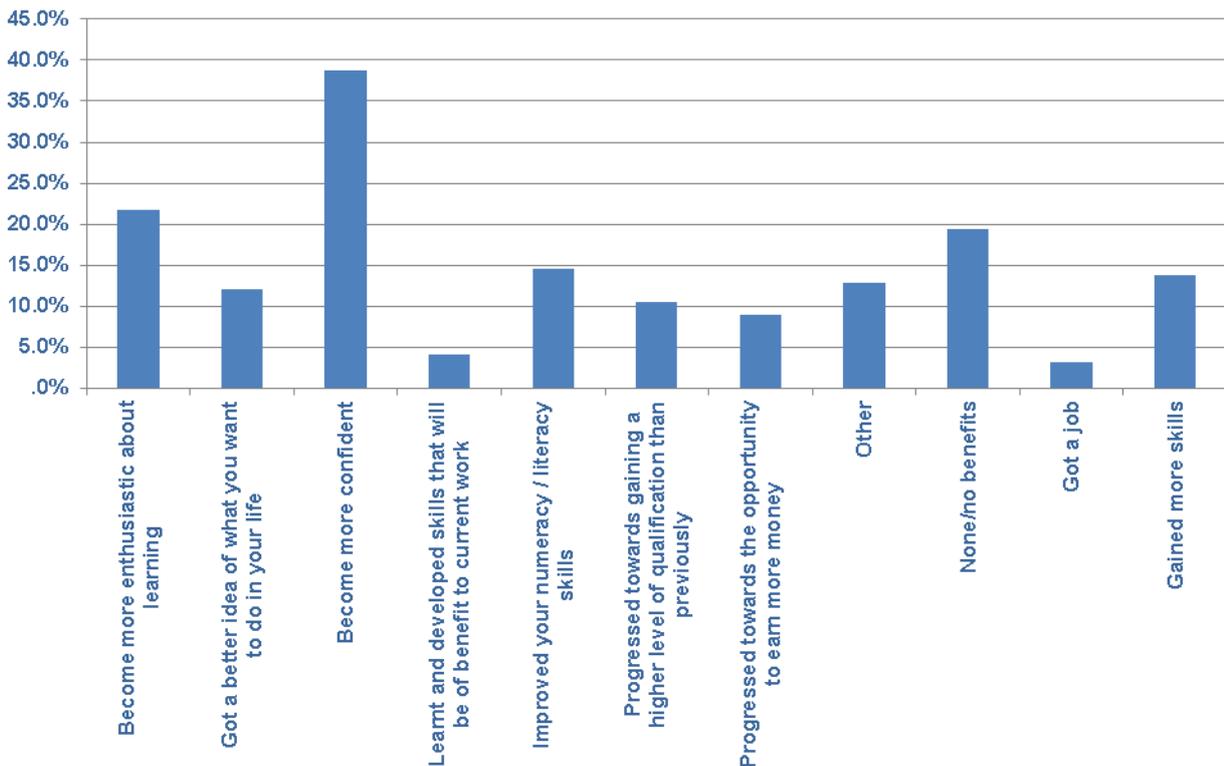
Learner Survey (n=124)

The learners involved in the focus group sessions also reported a number of impacts as a result of the courses they had pursued. For some, their course had enabled them to progress towards a higher qualification. For example, one learner had finished her Level 2 course and had enrolled to start a Level 3 in the 2013/14 academic year. Another planned to pursue media studies at a University. Others felt the course had taught them relevant skills, increased their employability, enabled them to have a career and increased their sense of purpose and confidence.

The following comments sum up the common gratitude that learners felt as a result of the support provided:

"[It's the] first time I have completed anything in my life"

"All of us appear to be in the same situation, either lone parents or on benefits trying to better ourselves. It's just that push start, that leeway to say 'Here you go, we're giving you a chance, now go better yourself.'"

"[Its helped me tremendously, I realise I want to go to leadership and management and I'm going to get there."

"Please don't stop [the support]...[its] really useful... without the money I cannot do my course .... The course has opened doors to me to achieve what I want to achieve."

Summary of findings

The findings from the learner survey and focus group sessions highlight the value that the adult learners involved in the study placed on DLS and the extent to which the scheme has enabled some learners to progress into further learning or employment. Despite the fact that some learners indicated that they would have done their course with our without the support, in the main it was evident that for the majority, DLS was the principal catalyst for pursuing their course. This was particularly the case for key groups such as the unemployed where a high proportion reported that DLS was essential to entering learning.

DLS also clearly helped learners to stay in education and complete their studies. A similar (high) proportion to those who indicated that they would not have started the course without support reported they would not have been able to continue and complete the course in the absence of DLS. This was particularly the case for learners who were working part-time, those who were unemployed and learners who were at home looking after their family.

Learners who had completed their courses also cited a number of beneficial outcomes linked to improvements in well being. In particular these included an increase in confidence as well as enhanced future education and employment prospects, some of which involved progressing further in learning and were expected to lead to better career options. Similarly, those who had not completed their courses at the time of the review also cited a number of benefits such as improved confidence and an increase in enthusiasm for learning. It is interesting to note that, whereas only 2% of learners cited an 'increase their confidence' as the reason for taking up their course, approximately half felt that their confidence had increased on completion.

According to the survey responses from a majority of the learners these outcomes would not have been achieved without DLS support, again indicating its importance in facilitating these outcomes.

Value for money assessment of DLS

This section discusses the extent to which DLS can be assessed to be providing good value for money. Value for money refers to the extent to which an organisation has made the best use of the resources available in order to maximise the benefits gained. The level of value money provided by an intervention is an important consideration, particularly in the current climate of financial austerity.

Approach used

The assessment of value for money is based on the standard 3Es framework which commonly used in evaluations of government interventions. The basic relationship between the 3Es and the stages of the logic chain is illustrated below.

Figure 6.1   Logic Chain
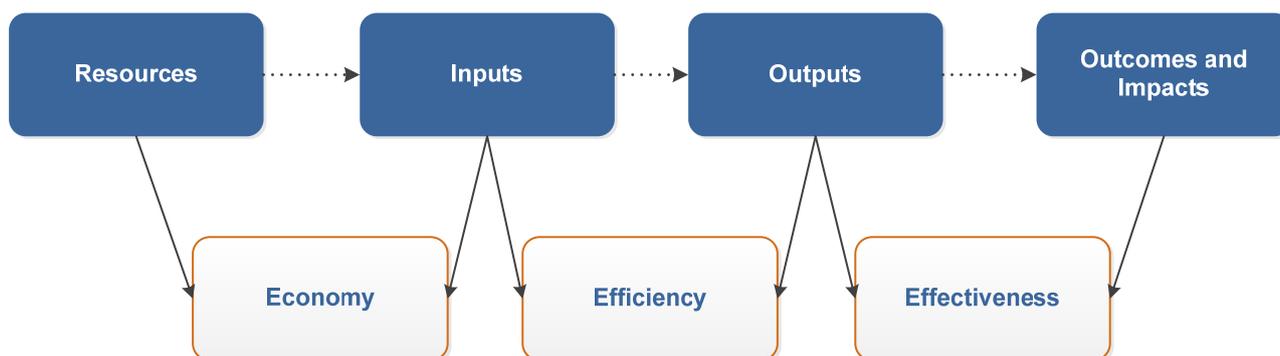
Source: adapted from 'Assessing the Impacts of Spatial Interventions' ODPM, 2004.

In broad terms:

- Economy relates to securing the right inputs (in terms of quantity and quality) at the right price.

- Efficiency considers how well the scheme has converted inputs into outputs.

- Effectiveness is concerned with how well the scheme is generating the desired outcomes.

It is important to note that although providers have direct control over inputs and outputs they do not have direct control over outcomes.

Findings

Economy

As noted above, economy relates to the cost of delivery. For DLS, the recorded spend on administration of the scheme offers a proxy for the cost of delivery. Providers are permitted to retain up to 5% of their funding allocation to cover their spending on administration for DLS. As reported in Section 2, analysis of the available data shows that (79%) of the providers spent 5% of their allocation on administration, 18% spent between 1% to 4% while 3% had no administration expenditure. This indicates a relatively low proportion of funding being used for administration purposes which suggests a reasonable level of economy is being achieved.

As shown in section 2, the total DLS provider administration expenditure was £5.96m in 2011/12. In previous years, the ALG scheme was administered centrally whilst DLS administration costs were also incurred separately by providers. For the 2010/11 academic year, the cost of administering ALG centrally was £2.5m; this would have resulted in a total administration expenditure of around £6.37m for that year. Comparing this figure to 2011/12 shows a reduction in administration expenditure of over £0.4m. This again is positive from an economy perspective. However, it would also be useful to compare the figure for 2011/12 with that for 2012/13 when it becomes available to examine if the total administration costs show signs of a declining trend.

Efficiency

Efficiency relates to the conversion of inputs into outputs and outcomes (i.e. the unit cost of key metrics achieved by the scheme). The total amount of DLS funding allocated to providers in 2011/12 was approximately £124m, while the total recorded spend was in the region of £109m   excluding administration costs). A total underspend of approximately £8.8m was recorded in that year. This underspend was as a result of the Agency allocating a further £23m sourced from other budget underspends late in the academic year to providers, in response to reported pressures on childcare funding. However as this was late in the academic year, providers were unable to spend all of the additional. Unfortunately, information on the total number of learners in receipt of DLS in 2011/12 was not systematically recorded. Therefore, we have used data on the estimated number of recipients in 2010/11 (249,000) as the basis of the unit cost estimates.[22]

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[22] Use of this data implicitly assumes that there has been no significant change in the number of adult learners benefiting from financial support in 2011/12 compared to 2010/11, which may not be the case given the changes which took place for 2011/12. As a comparison, ILR data suggests that 83,634 learners benefited from DLS in 2011/12, although this is known to be an underestimate as stakeholder discussions suggest that information concerning receipt of support is often not added to the system

A key element in of assessing value for money is the degree to which DLS is supporting learners to participate in learning and complete courses who would not otherwise have done so, hence securing the maximum additional outputs and outcomes for the resources allocated. The findings of the learner survey suggest that a relatively small proportion of learners (just over a third) would have participated in, and completed their learning, without DLS support. This suggests that the amount of deadweight in respect of DLS (that is, funding that would not be required to support participation or retention) is relatively limited when compared to some related grant based schemes to support learning and the achievement of qualifications (for example, Train to Gain or the Education Maintenance Allowance). This provides a good prima facie case for the intervention representing value for money.

In terms of unit cost metrics, the cost per learner supported (in terms of DLS received) might also be considered to be reasonable. While information on the total number of learners in receipt of DLS in 2011/12 was not systematically recorded, data on the estimated number of recipients in 2010/11 (249,000) is available. If this 249,000 is used as the basis to calculate the cost of DLS support per learner, on the basis of the total DLS spend plus administration expenditure for 2011/12 of just over £115 million this cost is £463 per learner. Likewise, placing the 249,000 figure against the total recorded administration cost of £5.96m in the 2011/12 academic year results in a unit administration cost of £24 per learner (lower than the corresponding figure of £26 estimated for 2010/11,[23] the previous year, if ALG administration expenditure is taken into account).

It is important, however, to adjust the above cost per learner figure of £463 to take account of deadweight (i.e. those learners who would have taken part in learning anyway in the absence of DLS). Survey findings highlight that 62% of those in receipt of DLS would not have started their course if financial support had been unavailable. In turn this suggests that DLS is helping to support 154,380 additional learners to participate in learning over and above those who would have done so anyway (that is, 154,380 of the 249,000 learners only participated due to the availability of DLS). Adjusting for deadweight (i.e. those who would have participated anyway in the absence of DLS) in this way results in an estimated cost per additional learner (participating as a result of DLS) of £746.

It is also possible to estimate the cost of DLS support per learner completing their course. The learner survey revealed that 64% of respondents had completed their course. Applying this to the estimated population of DLS learners in 2010/11 academic year (249,000) suggests that a sub-set of 159,360 DLS learners will have completed their course, resulting in a unit cost of £723 per completion. However, this figure again needs to be adjusted for deadweight. This calculation can be undertaken by using the survey finding that 64% (i.e. 64% out of 159,360 = 102,163 learners) would not have completed their course without financial support. When adjusted for deadweight in this way, the cost per learner completing their course as a result of DLS support is estimated at £1,128.

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[23] This comparison is based on the assumption of no significant change in recipient numbers between 2010/11 and 2011/12.

Effectiveness

Effectiveness concerns the extent to which the scheme led to the desired outcomes for it. The overarching aim of DLS and Government policy in this area is to support adult learners with a specific financial hardship that prevents them from taking part in learning. The survey of learners suggests that some DLS recipients have achieved this outcome with 30% revealing that they had progressed to further learning. There were also a number of other outcomes that, although not directly related to the core objectives of DLS, are worth highlighting. Around 5% of learners moved into employment (comprised of 2% who had moved off benefits and into employment and 3% who found their first job). Applying these proportions to the estimated number of DLS recipients who completed their course in 2011/12 (159,360), it is estimated that almost, 47,808 progressed to further learning and 7,968 progressed into employment.

Given that 64% reported that they would not have completed their course in the absence of financial support, it appears that DLS has played a significant role in the achievement of these outcomes. Furthermore, 77% of respondents said that they would not have achieved the outcomes reported in terms of their progression without the qualification they had achieved. This level of success suggests that a good level of effectiveness is being achieved in terms of the intervention meeting its desired outcomes.

Summary of findings

Overall, the above figures and calculations suggest that the DLS scheme as a whole can be said to demonstrate good value for money. This conclusion rests on the basis that the unit cost of interventions is relatively low and the success rate (in terms of learners encouraged to participate and / or helped to complete) is relatively high. While the available data provides a positive picture of value for money, as the assessment is based on an estimated population of adult learners on DLS, it would be beneficial to systematically collect information on the number of learners in receipt of DLS to enable calculation of more accurate unit cost metrics in future years.

Conclusion and Recommendations

This concluding section provides some overall reflections on the review undertaken and highlights some of the pertinent findings emerging along with their implications. It then highlights some key recommendations for consideration that arise from the findings of the study.

Overall reflections on the research

The aim of the review of DLS was to help BIS answer three broad questions:

- Are DLS funds being used as ministers intended – that is, being directed towards those for whom financial hardship might otherwise be expected to limit their engagement with learning?

- Is the application of the funds having the intended outcomes for recipients and increasing both participation and achievement?

- Taking into account the costs of the scheme, does it represent good value for money?

Associated with these questions is another – have the changes in rules introduced in 2011/12 and most notably the integration of the ALG within DLS affected the operation of the scheme and its impact.

At a strategic level the research findings give a positive answer to all three questions. Providers clearly seek to focus DLS on those for whom the costs of participation might be prohibitive, in most cases because of low income but also due to childcare responsibilities or residential support being required. This targeting is confirmed by evidence from recipients of the funds and also, insofar as relevant data is available, by the profiles of recipients and non-recipients extracted from the ILR. Those receiving DLS are, for example, more likely to have learning difficulties and/or disabilities, are more likely to come from ethnic minority backgrounds and are significantly more likely to not be in employment. An examination of the distribution of DLS recipients across the country also suggests that numbers are broadly associated with areas of higher deprivation – for example in northern cities, London, and areas such as Cornwall that suffer from rural deprivation.

Providers use a variety of mechanisms to ensure that the funds are directed as intended, setting eligibility criteria, normally in terms of income or benefit receipt, but also requiring evidence of expenditure. Approaches are not identical but this reflects the intention of the policy to rely more on local discretion. Many providers share good practice through participating in national and regional conferences, though there may be a need to increase the opportunities to do so.

Since the overall purpose of the policy is to promote engagement with learning the key tests of its impact relate to the participation, retention and achievement of learners. To be deemed successful in respect of the former it is necessary to demonstrate a low level of 'deadweight' – that is, the number of recipients who might have participated in the absence of the funds must be kept low. Around a quarter of learners questioned suggested that they would have undertaken their course without help from DLS, this being consistent with the fact that around a third were not aware of the help they would get before they applied for a place. Compared with other policy interventions (for example EMAs or Train to Gain) this is a relatively low level and can be considered to demonstrate the significant additionality offered by the intervention.

The impact on retention and achievement of recipients can be identified from the ILR records. In almost all cases the performance of those in receipt of funds is better than average – that is, than the rest of those participating. Although it would be necessary to construct a carefully matched sample based on learner and course characteristics to provide definitive statistical evidence it is a reasonable inference that DLS recipients would, in the absence of support, be less likely to stay and succeed.

The DLS scheme as a whole can be said to demonstrate good value for money on the basis that the unit cost of interventions is low and the success rate high. Set against the average cost of a full time programme which runs into thousands of pounds this is modest.

The absorption of the national ALG scheme within locally administered DLS arrangements seems to have been associated with no significant turbulence. There is similarly no evidence of adverse impacts from the absorption of the Residential Support Scheme (RSS). The relaxation of restrictions on virement between elements of the scheme seems to have been widely welcomed. The decentralisation of DLS can therefore be judged to have been a success on these grounds, though it has not necessarily led to any substantial redistribution.

Although not strictly part of DLS some provider interviewees raised queries about inconsistencies between the loan bursary arrangements and DLS proper. Since loans (and therefore presumably loan bursaries) are likely to play a greater role in the sector in future, further consideration might usefully be given to the linkages between the two schemes.

Recommendations

On the basis of the evidence in this report we conclude that the DLS scheme is working effectively and should continue. In particular it is recommended that:

- The power to vire between elements of the scheme be maintained and confirmed through providing a single funding allocation to providers.

- Expenditure on the two high cost elements of the scheme (childcare and residence) should continue to be reported separately so that value for money can continue to be monitored.

- The integration of ALG and the RSS within DLS has been achieved successfully and should be maintained.

- BIS should seek ways to encourage all providers to share and learn from effective practice concerning the administration of the scheme.

- Consideration should be given to how the loan bursary scheme should develop alongside mainstream DLS.

- BIS and the Agency seek ways to ensure that providers systematically record the number of learners receiving DLS to enable the calculation of more accurate unit cost metrics in future years.

Annex One: Topic Guide – Stakeholder Consultations

Introduction for interviewers

This topic guide has been developed for consultations with a wide range of stakeholders with an interest in DLS funding. The interviews will examine views on the administration of the DLS funds, consistency of practice and the extent to which DLS is responding to local needs and supporting appropriate learners.

What do we want to get out of these interviews?

The guide has been designed to explore the following:

1. **The extent to which changes made to the DLS funds have simplified processes for providers** including the:

   - Closure of the Adult Learning Grant (ALG) scheme to new learners from AY 2011/12 and merger of the ALG funding with the Adult Discretionary Learner Support budget
   - Closure of the Residential Support Scheme (the centrally managed Residential Support Scheme that supported adult learners at providers without in-house accommodation) from AY 2012/13 and merger of the budget with the Adult Discretionary Learner Support budget (the funding has been allocated directly to providers to distribute at their discretion).
   - Removal of virement restrictions from AY 2012/13 between the three schemes within DLS – Childcare, Hardship and Residential – but retention of ILR data on spend against each category.
   - From AY 2012/13, expansion of provider eligibility to receive DLS allocations to include Skills Funding Agency contracted private providers delivering classroom provision.

   Specifically, we are interested in the implications for providers and learners since the roll out of the new arrangements.

2. **Whether DLS is currently operating according to the original policy intent,** looking at whether DLS is supporting learners in most need of help and whether there are any learner groups that DLS is not currently reaching.

3. **Whether providers' are content with the current funding arrangements or feel that alternative funding arrangements would be more effective - e.g. combining DLS with participation funding** - for example, would combining all the strands into one category work and would it make the administration of funding more cost effective?

Section One: Introduction *(Checklist for interviewers)*

- Outline the background to the study, *explain confidentiality,* tell them how long the interview will last *(up to an hour)*

- Ask about the interviewee's role in their organisation (*complete the box below*)

- Emphasise that you are talking only about adult DLS
- Ask whether they have any questions before you start

Name	
Job Title	
Organisation	
Date completed	

Section Two: Simplification of DLS/ DLS policy

1. What are your general views on the recent changes made to DLS arrangements? *Cover, in turn:*
   - *Closure of the Adult Learning Grant scheme to new learners from AY 11/12 and merger of ALG with DLS funding*
   - *Closure of the Residential Support Scheme to new adult learners from AY 12/13 and merger with DLS budget*
   - *Removal of virement restrictions between the 3 schemes within DLS from AY 12/13 (while retaining ILR spend data against each category)*
   - *Expansion of DLS provider eligibility to include private providers delivering classroom provision /*

2. These changes were designed to simplify processes for providers and reduce the administration burden involved; to what extent have the new arrangements done that? *(Probe on whether the interviewee thinks these changes go far enough in simplifying the process for providers and why?)*

3. What changes have providers made to their practice and procedures as a result of the new arrangements? Are they operating as they would have done under the old arrangements or have they modified their systems to adapt to the changes?

4. In your view what impact have the changes had on providers' ability to assist learners? Are they able to support more learners or fewer; have they increased or decreased the average level of support? *(Probe for which changes have resulted in the impacts mentioned?)*

5. In your view is DLS currently operating according to its policy intent in terms of supporting those learners most in need of help? Equally, are there any learner groups that DLS is not currently reaching? *(Probe for the reasons for the interviewees' perspective)*

6. Is DLS currently operating according to its policy intent in terms of addressing the priorities of the sector? *(Probe for gaps in terms of addressing priorities etc.)*

Section Three: Current and alternative funding arrangements

7. In general, what are the strengths and weaknesses of the current funding arrangements? *Probe on the following:*
   - *Do allocations reflect need?*
   - *Are the administrative and reporting arrangements straightforward?*
   - *Do providers have sufficient freedom to respond to needs?*
   - *Have providers been able to provide a better/comparable/lower level of support to those who would formerly have been entitled to ALG?*
   - *Has the change affected the level of support they can give to other learners?*

8. In your view are providers content with the current arrangements? (*Probes: Are the arrangements currently meeting the needs of all the different provider types? Are certain types of providers likely to be disadvantaged as a result of the new arrangements? Note for interviewer: cover the new arrangements set out under Q1 in turn when you probe*)

9. What are your views on combining the different DLS strands into one strand? Will this simplify processes for providers? Will this enable them to support more learners? How and why?

10. In your view are there any alternative funding arrangements that are likely to be more effective than the current arrangements? *(Probe on what these might be, what they would look like and their perceived advantages over current arrangements)*

11. How has the merger of the Adult Learning Grant with the DLS impacted on learners in general? (*Probes: For example, has it changed the learner profile? How and why?)*

12. Are there any barriers that are created as a result of the way that the DLS funding is applied? If so, what are these barriers? For example, are there any barriers to learners accessing funding?

13. In your view is DLS providing good value for money? How are providers monitoring its impact?

14. Although there are no plans to either reduce or stop the funding, what would be the implications for learners/providers if DLS was reduced or stopped? *(Probe for effects on participation (who?), retention and achievement. Also any impact on the viability of certain courses. How much more could learners achieve if the budget was increased?)*

15. In which area of DLS are the pressures greatest? (E.g. childcare, travel?)

16. Are there any further restrictions within the funding rules that might be relaxed to give greater flexibility/ discretion to help learners?

Thank you very much for your time

Notes for interviewer before closing: please ask the interviewee whether there are any other stakeholders who might be interested in the study who might usefully be consulted.

Annex Two: Learner Survey Questionnaire

Versions

Draft telephone questionnaire for learner survey

Good <%~_DayPart_%>. My name is <%~_IterName_%> from Ecorys an independent research organisation. We are conducting a survey of learners (past and current) who have received financial support whilst studying at a college or training provider. This survey is being carried out on behalf of the Department for Business, Innovation and Skills who allocate the funding. We would like to ask your experiences and opinions of the financial support received and find out if it has/had made a difference to your studying. Could you please spare 10-15 minutes for a short interview over the telephone? Any information we collect under this survey will not be attributed to you, but will be aggregated as part of our reporting process.

Thank you.

Start

Questiontype	Single response
Text	**Section One: Type of financial support received by the adult learner**
	We understand that the course you are/were taking was at <%~Providername%>, (to confirm), is that correct?

Items	Code	Description	Routing
	1	Yes	
	2	No	end2

Routing	course

Course

Questiontype	Text
Text	**Can you tell me what the course was please?**

Properties	Property	Value
	Minimum length	0
	Maximum length	300
	Randomise groups	0

Routing	Q1a

Q1a

Questiontype	Single response
Text	**Have you completed this course or are you still studying?**

Items	Code	Description	Routing
	1	Completed	q3a
	2	Still studying	
	3	Withdrawn	Q2

Routing	Q1b

Q1b

Questiontype	Single response
Text	**When do you expect to complete your course?**

Items	Code	Description	Routing

1	In less than 3 months	q3a
2	In 3- 6 months time	q3a
3	In 6 – 9 months	q3a
4	In 9 – 12 Months	q3a
5	In more than 12 months time	q3a

Routing   Q2

Q2

Questiontype   Multiple response

Text   **Can you tell me why you were unable to complete the course?Probe fully and if there is any reference at all to financial reasons for withdrawing, ask specifically about this.**

Items

Code	Description	Open category
1	Financial reasons	
2	Other1	•
3	Other2	•
4	Other3	•

Routing   q2b

---

q2b

Condition   Q2 contains [1]

Questiontype   Multiple response

Text

Check if there was a particular aspect of the finances which was a problem e.g. <#Question>

Items

Code	Description	Open category

1	Fees	
2	Books and course materials	
3	Travel	
4	Childcare	
5	Accommodation	
6	Other 1	•
7	Other 2	•
8	Other 3	•

Routing   q2c

---

q2c

Questiontype   Single response

Text

**Now ask – I realise that you are no longer doing the course but it would be really helpful if you could
continue to answer some questions about the financial support, is that alright? Thank you**

Items   <u>Code</u>   <u>Description</u>   <u>Routing</u>

1   Carry on interviewing

2   Stop interview   end1

Routing   q3a

---

q3a

Questiontype	Multiple response

Text   **If I could now ask some questions about the financial support you have received**

What type of financial support were you offered at the start of your study programme? Code all that apply

Items

Code	Description	Open category
1	Help with fees	
2	Help to buy books and course materials	
3	Help with travel	
4	Help with childcare	
5	Help with accommodation	
6	Other (write in)	•

Properties

Property	Value
Randomise groups	0
None title	None

Routing   q3b

---

q3b

Questiontype	Multiple response

Text   **And which of those you were offered are you actually receiving/did you actually receive? (system will show only those mentioned at Q3a)**

Items   Inclusion from q3a

Routing   Q4

Q4

Questiontype	Multiple response

Text   **What form does/ did the support take? Code all that apply**

Items

Code	Description	Open category
1	Regular allowance in the form of cash	
2	Reimbursement of costs	
3	Travel passes/ cards	
4	Childcare vouchers/direct payments to nursery/childminder	
5	Loan	
6	Accommodation costs/help with rent	
7	Other (write in)	•

Routing   Q5

Q5

Questiontype	Items popup

Text   **And, for each of these, how is this allocated – is/was it…**
Interviewer - System will bring back only those mentioned at Q4

Items   Inclusion from Q4

Labels

Code	Description
1	Paid weekly
2	Paid termly
3	One off payment
4	Other

Properties

Property	Value

Randomise groups   0

Routing   Q6

Q6

Questiontype   Items popup

Text   **And, for each of these, is/was it……….**
Interviewer - System will bring back only those mentioned at Q4

Items   Inclusion from Q4

Labels   <u>Code</u>   <u>Description</u>

1   Paid in advance

2   Paid in arrears

3   Other

Properties   <u>Property</u>   <u>Value</u>

Randomise groups   0

Routing   Q7

Q7

Questiontype   Text

Text   **What is/ was the value, in pounds, of the payment or support for each of these..**
Interviewer - System will bring back only those mentioned at Q4

Items   Inclusion from Q4

Properties   <u>Property</u>   <u>Value</u>

Minimum length   0

Maximum length   80

Randomise groups	0
None/don't know	Yes
None title	Refused/don't know/can't remember

Routing   Q8

Q8

Questiontype   Items popup

Text   **and, in your opinion, is/was the amount you received for each…….**
Interviewer - System will bring back only those mentioned at Q4

Items   Inclusion from Q4

Labels

Code	Description
1	Less than you needed
2	About right
3	More than you needed

Properties

Property	Value
Randomise groups	0

Routing   Q9a

Q9a

Questiontype   Single response

Text   **Are/were there any conditions attached to the financial support you receive/received? (E.g. attendance, etc.)**

Items

Code	Description	Routing
1	Yes	

2	No	Q10

Routing   Q9b

Q9b

Questiontype   Open ended

Text   **Can you explain what these conditions are/were?**

Items   <u>Code</u>   <u>Description</u>

Routing   Q10

Q10

Questiontype   Single response

Text   **Did you know before you applied to do the course that you would be able to receive financial support?**

Items   <u>Code</u>   <u>Description</u>

1   Yes

2   No

Routing   Q11a

Q11a

Questiontype   Single response

Text   **Did your college give you any guidance or information about the financial support available to you to help with your studies?**

Items   <u>Code</u>   <u>Description</u>   <u>Routing</u>

1   Yes

2   No   Q11c

3   Can't recall   Q11c

Routing   Q11b

Q11b

Questiontype   Single response

Text   **How did you first find out that your college could offer this kind of financial support?**

Items   <u>Code</u>   <u>Description</u>   <u>Open category</u>

            1   Course brochure

            2   Posters

            3   Leaflets

            4   Through IAG Services

            5   Student Services

            6   Tutor/Head of department

            7   Telephone enquiry

            8   College/provider website or other internet source

            9   Word of mouth/family and friends

            10   Careers service/Job Centre

            11   Other way (write in)   •

            12   Can't recall

Routing   Q11c

Q11c

Questiontype	Single response

Text   **When did you know exactly what support you would get?**

Items

Code	Description	Open category
1	Before registering	
2	At the point of registration	
3	At the start of my course	
4	When I was part way through my course	
5	Other (write in)	•

Routing   Q12a

Q12a

Questiontype	Single response

Text   **Did you find it straightforward to claim support or not?**

Items

Code	Description	Routing
1	Yes	Q13
2	No	

Routing   Q12b

Q12b

Questiontype   Open ended

Text   **Can you explain why it was not straightforward please?**

Items   <u>Code</u>   <u>Description</u>

Routing   Q13

Q13

Questiontype   Open ended

Text   **What evidence did you have to produce to support your application for financial support?**

Items   <u>Code</u>   <u>Description</u>

Routing   Q14a

Q14a

Questiontype   Single response

Text   **Probe fully**
                Was the kind of support that you received what you expected or not?

Items   <u>Code</u>   <u>Description</u>   <u>Routing</u>

                1   Yes   Q15

                2   No

                3   Did not have any expectations   Q15

Routing   Q14b

Q14b

Questiontype	Open ended
Text	**Can you explain why it was not what you expected? Probe fully**
Items	Code Description
Routing	Q15

Q15

Condition	Q2 doesn't contain [1]
Questiontype	Single response
Text	**Is the support you are receiving /was the support you received sufficient to meet your needs or not?**

Items

Code	Description	Routing
1	Yes	Q19
2	No	

Routing	Q16

Q16

Condition	(Q1a = 1) or (Q1a = 2)
Questiontype	Single response
Text	**Do you/Did you therefore need any additional financial support to enable you to complete the course?**

Items

Code	Description	Routing
1	Yes	
2	No	q19

Routing	Q17

Q17

Condition   (Q1a = 1) or (Q1a = 2)

Questiontype   Open ended

Text   **What additional financial support have you needed/will you need? Probe fully**

Items   <u>Code</u>   <u>Description</u>

Routing   Q18

Q18

Condition   (Q1a = 1) or (Q1a = 2)

Questiontype   Multiple response

Text   **What other sources of funding, if any, did you/do you plan to draw on?**

Items   <u>Code</u>   <u>Description</u>   <u>Open category</u>

                1   Loan from parents

                2   Bank or other loan

                3   Savings

                4   Financial support from partner

                5   Earnings from my own employment

                6   Other (write in)   •

                7   No other sources

Routing   q19

q19

Questiontype   Single response

Text   **Section Two: Impact of the support**

Would you have started this course if the financial support had not been available or not, do you think?

Items

Code	Description	Open category
1	Yes	
2	Yes –but at a later date	
3	Yes – but in another way (e.g. part-time instead of full-time, different course or with another provider)	
4	Yes – but I would have had to work/work more hours to support myself.	
5	No	
6	Don't know	
7	Other response (write in)	•

Routing   q20

q20

Condition   Q1a = 1

Questiontype   Single response

Text   **For those who have completed their course, others go to Q24**

                 Would you have been able to continue with and complete this course if the financial support had not been available, or not?

Items   Code   Description   Open category

                 1   Yes

                 2   Yes –but at a later date

                 3   Yes – but in another way (e.g. part-time instead of full-time or with
                           another provider)

                 4   No

                 5   Don't know

                 6   Other response (write in)   •

Routing   q21

q21

Condition   (Q1a = 1) and ((q19 = 1) or ((q19 = 2) or ((q19 = 3) or ((q19 = 4) or ((q20 = 1) or ((q20 = 2) or (q20 = 3)))))))

Questiontype   Multiple response

Text   **For those who have completed their course and answering yes at Q19 and/or Q20**

How would you have financed your course if the financial support had not been available?

Items

Code	Description	Open category
1	Used my savings	
2	Support from parents/family	
3	Borrowed from friends	
4	Obtained a bank or other loan	
5	Would have had to work/work longer hours as well	
6	Support from my employer	
7	Other (write in)	•
8	Don't know	

Routing   Q22

Q22

Condition   Q1a = 1

Questiontype   Multiple response

Text   **What impact has the qualification you obtained had on your personal circumstances since you completed your course? Probe fully**

Items

Code	Description	Open category
1	Become more confident	
2	Career prospects have improved	
3	I'm getting invited for more interviews	
4	Started an advanced qualification	
5	Started to do volunteering work	
6	Moved onto a better job	
7	Helped me gain promotion	
8	Come off benefits and moved into employment	
9	I have been able to find my first job	
10	Started my own business	
11	No impact	
12	Other (write in)	•

Routing   sk1

sk1

Type   Skip

Condition	Routing
Q22 contains [11]	Q26
Routing other	Q23

Q23

Condition   Q1a = 1

Questiontype   Single response

Text   **Do you think you would have achieved these outcomes without the qualification?**

Items

Code	Description	Routing
1	Yes	Q26
2	Possibly	Q26
3	No	Q26
4	Don't know	Q26

Routing   sk2

---

sk2

Type   Skip

Condition	Routing
(Q1a = 2) and ((q19 = 1) or ((q19 = 2) or ((q19 = 3) or ((q19 = 4) or ((q20 = 1) or ((q20 = 2) or (q20 = 3)))))))	Q24a
Q1a = 3	Q25
Routing other	Q24b

Q24a

Questiontype	Multiple response

Text   **For anyone who has not yet completed their course and answering yes at Q19**

How would you have financed your course if the financial support had not been available?

Items

Code	Description	Open category
1	Used my savings	
2	Support from parents/family	
3	Borrowed from friends	
4	Obtained a bank or other loan	
5	Would have had to work/work	
6	longer hours as well	
7	Support from my employer	
8	Other (write in)	•
9	Don't know	

Routing   Q24b

Q24b

Questiontype	Open ended

Text   **What would be the impact on your studies now if the financial support was reduced or stopped? Probe fully**

Items   Code   Description

Routing   Q25

Q25

Questiontype	Multiple response

Text   **What would you say have been the main benefits of taking the course so far? Probe fully**

Items

Code	Description	Open category
1	Become more enthusiastic about learning	
2	Got a better idea of what you want to do in your life	
3	Become more confident	
4	Learnt and developed skills that will be of benefit to current work	
5	Improved your numeracy / literacy skills	
6	Progressed towards gaining a higher level of qualification than previously	
7	Progressed towards the opportunity to earn more money	
8	Other (Please specify)...	•
9	None/no benefits	

Routing   Q26

Q26

Questiontype	Single response
Text	**Overall, how satisfied have you been/were you with the financial support you received or are receiving?**

Items	Code	Description
	1	Very satisfied
	2	Fairly satisfied
	3	A little dissatisfied
	4	Very dissatisfied
	5	Don't know

Routing	Q27

Q27

Questiontype	Open ended
Text	**Are there any comments you would like to make that we haven't covered so far? Probe fully**
Items	Code Description
Routing	q28

q28

Questiontype	Single response

Text   **Finally, if I could just ask some general questions**

Section Three: About the learner

What was your situation prior to starting your course?

Items

Code	Description	Open category
1	Working full time	
2	Working part time	
3	Unemployed and claiming benefit	
4	At home looking after family	
5	In some form of education or training	
6	Other (write in)	•
7	None of these	

Routing   Q29

Q29

Questiontype	Single response

Text   **What was your main reason for taking the course?**

Items

Code	Description	Open category
1	Interested in a particular career and thought it would help	
2	To help me change to a new career	
3	Because I have changed to a new career and need new skills	
4	Would help you gain employment	
5	For promotion or career prospects in the job you are already in	
6	Because your employer encouraged you to	
7	Best route to chosen career (it is seen as a key requirement for that type of job)	
8	Was required to do it by the Job Centre or Benefits people	
9	To gain entry qualifications for higher education	
10	Other (write in)	•

Routing   Q30

Q30

Questiontype	Single response

Text **How relevant is what you are doing /what you were doing in college to what you want to do in the future?**

Items

Code	Description
1	Very relevant
2	Fairly relevant
3	Not very relevant
4	Not at all relevant
5	Don't know

Routing Q31

Q31

Questiontype	Multiple response

Text **Which, if any, of the following qualifications did you have before starting your course?**

Items

Code	Description	Open category
1	Qualification below level 1 (E.g Entry level certificates and diplomas, Foundation learning Tier, Functional skills at Entry Level)	
2	evel 1 (GCSCEs graded D-G, BTEC awards, certificates and diplomas at Level 1, NVQs at Level 1, Functional Skills/Key Skills Level 1, OCR Nationals)	
3	Full Level 2 (GSCEs graded A*-C, NVQs at Level 2, Functional Skills/Key Skills Level 2, BTEC awards, certificates and diplomas at Level 2)	
4	Full Level 3 (AS/A levels, Key Skills level 3, BTEC awards, certificates and diplomas at Level 3, Advanced and Progression Diploma)	
5	Level 4 (NVQs at Level 4, Key Skills at Level 4, Certificates of higher education, BTEC Professional Diplomas, Certificates and Awards)	
6	Other qualifications	

7	Unsure (interviewer write in)	•
8	No qualifications	

Routing   Q32

Q32

Questiontype   Single response

Text   **In which region of England do you live ?**

Items

Code	Description	Open category
1	East of England	
2	East Midlands	
3	London	
4	North East	
5	North West	
6	South East	
7	South West	
8	West Midlands	
9	Yorkshire & the Humber	
10	Other (please state where)	•

Routing   Q33

Q33

Questiontype   Numerical

Text   **How old were you when you first started the course? Interviewer – record exact age**

Properties

Property	Value
Minimum	18
Maximum	80
Randomise groups	0
Whole numbers only	Yes

Routing   Q34

Q34

Questiontype   Single response

Text   **What would you describe as your ethnic origin?**

Items

Code	Description	Open category
1	Asian or Asian British – Bangladeshi	
2	Asian or Asian British – Indian	
3	Asian or Asian British – Pakistani	
4	Asian or Asian British – any other Asian Background	
5	Black or Black British – African	
6	Black or Black British – Caribbean	
7	Black or Black British – any other Black background	
8	Chinese	
9	Mixed – White and Asian	
10	Mixed – White and Black African	

11   Mixed – White and Black Caribbean

12   Mixed – any other Mixed background

13   White – British

14   White - Irish

15   White – any other White Background

16   Other (Please specify)...   •

17   Refused

Routing   Q35

Q35

Questiontype   Single response

Text   **Gender (Don't ask)**

Items   <u>Code</u>   <u>Description</u>

1   Male

2   Female

Routing   Q36

Q36

Questiontype	Text

Text   **What is your Post-code**

Properties

Property	Value
Minimum length	0
Maximum length	80
Input width	100
Randomise groups	0

Routing   Comments

Comments

Questiontype	Open ended

Text   **Last one... Comments**

Items

Code	Description

Routing   end1

---

end1

Text   **Thank respondent and close interview.**

Properties

Property	Value

---

end2

Text   **Unfortunately we can't go ahead as you don't fall under our selection criteria.**

Properties

Property	Value

Annex Three: Topic Guide – Provider Consultations

Introduction for interviewers

This topic guide has been developed for consultations with providers who administer DLS funds. The interviews will explore their views on the administration of adult DLS funds following on from the roll out of the new arrangements, examine the consistency of practice in providers' allocation of DLS and help determine the extent to which DLS enables learners who would otherwise be prevented by financial hardship from participating in learning and achieving their goals to do so.

Please note that most providers will also administer DLS funds to support young learners i.e. those under the age of 19; this interview is only concerned with adult support. Also, note that whilst FE colleges have administered these funds for many years, private providers have only been eligible since August 2012.

The interviews should be carried out with staff that are responsible for managing and administering DLS funds in their respective organisations. For example, Student Support Service managers or those who are aware of how the funds are administered in their organisation **and** will have a strategic overview. You may, for your visits, explore whether you can carry out joint interviews where relevant.

Note: Please collect any policy or guidance documents prepared by providers for their learners around DLS arrangements during these interviews.

What do we want to get out of these interviews?

The guide has been designed to explore the following:

1. **The extent to which changes made to the DLS funds have simplified processes for providers** including the:

   - Closure of the Adult Learning Grant (ALG) scheme to new learners from AY 2011/12 and merger of the ALG funding with the Adult Discretionary Learner Support budget
   - Closure of the Residential Support Scheme (the centrally managed Residential Support Scheme that supported adult learners at providers without in-house accommodation) from AY 2012/13 and merger of the budget with the Adult Discretionary Learner Support budget (the funding has been allocated directly to providers to distribute at their discretion).
   - Removal of virement restrictions from AY 2012/13 between the three schemes within DLS – Childcare, Hardship and Residential – but retention of ILR data on spend against each category.

- From AY 2012/13, expansion of provider eligibility to receive DLS allocations to include Skills Funding Agency contracted private providers delivering classroom provision.

Specifically, we are interested in the implications for providers and learners since the roll out of the new arrangements.

2. **Whether DLS is currently operating according to the original policy intent,** looking at whether DLS is supporting learners in most need of help and whether there are any learner groups that DLS is not currently reaching.

3. **How DLS funds are being administered following on from the roll out of the new arrangements** - this will cover criteria used by providers to assess eligibility, and how funds are allocated to learners.

4. **Whether providers are content with the current funding arrangements or feel that alternative funding arrangements would be more effective - e.g. combining DLS with participation funding** - for example, would combining all the strands into one category work and would it make the administration of funding more cost effective?

Section One: Introduction *(Checklist for interviewers)*

- Outline the background to the study, *explain confidentiality,* tell them how long the interview will last *(up to an hour)*

- Ask about the interviewee's role in their organisation (*complete the box below*)

- Emphasise that study is mainly about <u>adult</u> DLS
- Ask whether they have any questions before you start

Name	
Job Title	
Organisation	
Date completed	

Section Two: Impact of changes in DLS policy

17. What are your general views on the recent changes made to DLS arrangements? *Cover, in turn:*

- *Closure of the Adult Learning Grant scheme to new learners from AY 11/12 and merger of ALG with DLS funding*
- *Closure of the Residential Support Scheme to new adult learners from AY 12/13 and merger with DLS budget*
- *Removal of virement restrictions between the 3 schemes within DLS from AY 12/13 (while retaining ILR spend data against each category)*
- *Expansion of DLS provider eligibility to include private providers delivering classroom provision /*

18. One of the aims of these changes was to simplify processes for providers and reduce the administration burden involved; to what extent have the new arrangements done that? *(Probe on whether the interviewee thinks these changes go far enough in simplifying the process for providers and why? For private providers who are new to DLS probe on whether they feel they have had sufficient guidance to manage the fund)*

19. What changes have you made to your practice and procedures as a result of the new arrangements? *(Probe: Are they operating as they would have done under the old arrangements or have they modified their systems to adapt to the changes?)*

20. In your view what impact have the changes had on your ability to assist learners? Are you able to support more learners or fewer?

21. In your view does DLS currently enable you to support those learners most in need of help? Are there any learner groups that you are not able to help adequately through DLS? *(Probe for the reasons for the interviewees' perspective)*

22. Does DLS enable you to address the priorities of the sector? *(Probe for gaps in terms of addressing priorities etc.)*

Section Three: Administration of DLS Funds

23. How do you market DLS to your learners/potential learners? (*Probe on what guidance documents and marketing literature they provide for potential learners and ask for copies of these*)

24. What criteria do you use in allocating DLS to individual learners? *(Probe on how they determine whether a learner is eligible or not for financial support. Also explore the following:*

   - *Has the criteria they use changed as a result of the changes made to DLS arrangements? If so how?*
   - *Which learners do they prioritise for financial support? Single parents? Those with a household income less than a certain amount? Entry level learners? How do they define 'financially disadvantaged'?)*

25. What evidence of need do learners have to provide when applying for DLS funds? - for example, distance to college, costs of books etc. *(Probe for each strand - Hardship, Childcare and Residential (Accommodation))*

26. Are there any conditions attached to the financial support you provide to your learners? *(Probe on what these are. For example, attendance, punctuality etc.)*

27. What form does the financial support provided under DLS usually take? *(Probe for each of the following, and explore how the money is allocated. For example, is it allocated: Weekly? Termly? A one-off payment? Paid in advance? Paid in arrears?)*
   - *Regular allowance in the form of cash*
   - *Reimbursement of costs*
   - *Travel passes/ cards*
   - *Childcare (explore what form e.g. vouchers? cash? Direct payment to nursery etc.)*
   - *Loan*
   - *Accommodation costs (probe further about the form e.g. rental allowance?)*

28. How much do your learners receive under each of the following? *(We are looking for some figures here where possible. If they can't provide exact figures, ask for a range, for example, <£50, between £50-100, £100-150, £200+, for each of the following areas) Are there any financial caps for each of these areas? What is the maximum allocation for each?*
   - *Regular allowance in the form of cash*
   - *Travel passes/ cards*
   - *Childcare support*
   - *Loan*
   - *Accommodation costs*

29. On average how many learners do you have who are unsuccessful with their application on a termly basis? *(Probe further on these learners are unsuccessful with their application)*

30. What happens if a learner's application is unsuccessful? *(Explore what other alternative arrangements are there to support the learner)*

31. How has the Government's policy on free childcare for three to four year olds impacted on the take up of 20+ childcare support?

32. Which types of childcare do you use your 20+ Childcare support for? (*Probe on the following)*
- *On site nursery*
- *Direct payment to off site nursery / outreach provider*
- *Payment for registered childminders*
- *Unregistered childminders / babysitters*

33. Which learners do you prioritise for 20+ childcare support? (*Probe on the following*)
- *Single parents*
- *Parents with Special Educational or mental health Needs*
- *Children with Special Educational or mental health Needs*
- *Homeless / emergency housed*
- *Entry level learners*
- *Skills for life*
- *Level 2*
- *None, first come first served*

34. For which older age categories on the whole is the demand for DLS the greatest? *(Note for interviewers: probe on the following age groups):*

- *19-23*
- *24-39*
- *40-59*
- *60+*

Section Four: Views on current and alternative funding arrangements

35. In general, what are the strengths and weaknesses of the current funding arrangements? *Probe on the following:*
- *Are the administrative and reporting arrangements straightforward?*
- *Do they have sufficient freedom to respond to needs?*
- *Have they been able to provide a better/comparable/lower level of support to those who would formerly have been entitled to ALG?*
- *Have the changes in DLS arrangements affected the level of support they can give to other learners?*

36. What are your views on combining the different DLS strands into one strand? Will this simplify processes for you? Will this enable you to support more learners? How and why? Will this give you more flexibility to spend the funds as you see fit over and above current arrangements?

37. In your view are there any alternative funding arrangements that are likely to be more effective than the current arrangements? *(Probe on what these might be, what they would look like and their perceived advantages over current arrangements)*

38. How has the merger of the Adult Learning Grant with DLS impacted on learners in general? (*Probes: For example, has it changed the learner profile? How and why?)*

39. Are there any barriers that are created as a result of the way that the DLS funding is applied? If so, what are these barriers? For example, are there any barriers to learners accessing funding?

40. In your view is DLS providing good value for money? How are you monitoring its impact? Do you have any evaluation reports on how DLS has supported your learners to progress? *(Ask for any reports they may have)*

41. Although there are no plans to either reduce or stop the funding, what would be the implications for learners/providers if DLS was reduced or stopped? *(Probe for effects on participation (who?), retention and achievement. Also any impact on the viability of certain courses. How much more could learners achieve if the budget was increased?)*

42. In which area of DLS are the pressures greatest? (E.g. childcare, travel?)

43. Which subject /course areas is the demand for DLS the greatest?

44. Are there any further restrictions within the funding rules that might be relaxed to give greater flexibility/ discretion to help learners?

Thank you very much for your time

Notes for interviewer before closing: please ask the interviewee whether there are any other stakeholders who might be interested in the study who might usefully be consulted.