



Department
for Education

Allocations methodology for the 16 to 19 Discretionary Bursary fund

Government consultation response

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Introduction

The Government provides financial support via the 16 to 19 Bursary Fund to help students overcome specific barriers to participation so they can remain in education. There are two types of 16 to 19 bursaries: bursaries for defined vulnerable groups and discretionary bursaries which colleges, schools and other education and training providers award to meet individual needs, for example, to help with the cost of transport, books and equipment.

Between 28 February and 23 May 2019, we sought views on our proposals for revisions to the 16 to 19 Discretionary Bursary allocations methodology since we felt the methodology needed updating to better match the financial disadvantage and need across the country. We proposed that targeting the available funding more towards those in most financial need should provide better support to ensure all students, regardless of their financial situation, can fully participate in education.

We published the consultation online for respondents to complete, and received 147 responses. This document summarises the main findings from the consultation and sets out the government's response. It also details the responses we received to each of the questions we asked in the consultation and what we propose to do in light of the responses received.

Taking into account the responses received during the consultation, we are separately publishing our Equalities Analysis along with this response.

Executive Summary of the Government Response

There was very strong support (95%) for the Government proposal that the methodology to allocate 16 to 19 Discretionary Bursary (DB) funding needs updating to better match the financial disadvantage and need across the country. Responses to the detail of the proposed revision were also positive, with a high degree of support for many of the proposals, and a majority support across all of the proposals (71% to 88%).

Since we received a majority support across all the principles in the consultation, we intend to revise the DB allocations methodology in line with the proposals we set out in the consultation, with the aim of introducing the revised methodology for the 2020/21 academic year.

In supporting the proposals, respondents agreed that

- change was needed to reflect current levels of deprivation
- a postcode-based methodology to denote deprivation would be preferable to one based upon previous free school meals status, and
- the methodology should account for expected costs; specifically travel and T Level industry placement costs, and that distance and rurality were acceptable proxies for travel costs, and that a reduction to account for the Transport for London (TfL) offer was a pragmatic step.

The proposal to have two elements to the methodology – disadvantage and costs – was positively received. Using an up-to-date measure of disadvantage, combined with both expected levels of financial disadvantage, and students' costs is a departure from the current methodology, however respondents appreciated that costs, particularly travel costs, vary considerably throughout the country and should be taken into account.

The consultation proposed that the current local flexibility available to institutions to support their most financially disadvantaged students would be retained. The retention of this flexibility and local discretion was welcomed. However, responses to a number of questions queried how the new methodology would work at a local level, implying that some respondents had not appreciated this flexibility would be retained.

The minority of respondents disagreeing with proposals did so for a number of reasons. The most common reasons were; a belief that using a postcode measure of deprivation would mask small areas of deprivation in affluent areas, that including a travel element would reduce the flexibility currently available for providers to support students' individual needs, and that introducing a T Level industry placement element would further reduce an already under-funded scheme. The consultation did not specifically ask about funding

levels however, we recognise overall concerns about funding more generally, and we are looking at this issue carefully in the spending review.

There was an incorrect assumption made by a number of respondents that the travel element would be ring-fenced or separate from their allocation in some manner; this misunderstanding gave rise to higher number of negative responses than would otherwise have been received to some questions. To be clear, all the proposals in the consultation related to the allocations methodology, not the local manner of delivery or decision making undertaken at an institution level. Each institution would receive a DB allocation and have the same flexibility to use this to support their most financially disadvantaged students in the same manner as at present.

Over the next few months we will discuss transition arrangements with FE sector representatives and develop shadow allocations for the fund, with the intention of introducing the new methodology from the 2020/21 academic year. A more detailed overview of the proposed next steps is available in Annex A.

Rationale for updating the 16 to 19 discretionary bursary fund allocations methodology

Where respondents commented on the rationale for the proposed change they tended to agree that the methodology was out of date and that it no longer reflected the levels of disadvantage seen in their students.

We were clear that the amount of available funding did not form part of the consultation. However in a number of responses comments reflected a view that the amount of funding available fell short of being able to provide a meaningful bursary amount to students at their institution, or to support the number of students with a financial need. Many respondents reported having more financially disadvantaged students at their institution now than they had when the bursary fund was first introduced in 2011.

Support for the most financially disadvantaged students

Supporting the rationale for change, respondents noted a number of reasons that suggested the scheme was no longer supporting the most disadvantaged students nationally. Respondents remarked that the group of students they needed to support had changed substantially over the past 10 years. Many reasons were given for this, including

- the changes to the number and style of education institutions now compared to 2009 – particularly where there had been mergers or new institutions created
- immigration – affecting student cohorts

- changes to employment levels (both of parents and students), and
- changes to how benefits are calculated, and therefore which families/students are receiving support via the benefits system.

The majority of respondents used the variety and complexity of issues to evidence the need for change and to support the underlying principle of the proposed revision. They agreed that the fund was no longer supporting the most financially disadvantaged students when looked at from a national perspective.

Support for students' costs to participate

There were many positive responses to the proposal to include a costs element in a revised allocations methodology. Reasons for this support included

- students' transport costs – particularly for their industry placements, and/or where the student had a long distance to travel, or were from a rural or coastal location
- parents needing to pay for multiple children's travel costs, and
- needing flexibility to support individual need, for example, following family breakdowns/house moves, or due to complex mental health issues.

A minority of respondents did query the use of costs in the methodology and were concerned this would skew the funding too much away from those with more general financial disadvantage. Respondents were concerned about the effects this might have on social mobility, and that students not supported for their travel costs could face a reduced choice of providers compared to their more affluent peers. There was concern that introducing a travel element to the methodology would reduce the funding available to support students needing financial assistance to pay for books, equipment and food.

Proposed methodology

We received support across all the principles in the consultation and therefore intend to revise the DB allocations methodology in line with the proposals we set out.

In a number of cases, respondents remarked that they would prefer not to comment on the detail of the proposals until they had seen the impact that the proposals would have on their 16 to 19 DB allocation, and subsequently to their recruitment, retention and achievement rates. This is perfectly understandable within an environment where all providers are using their allocation to support those most in need at their institution. However, it is important to recall the main purpose of the fund, which is to support individual students' participation costs where needed so that all 16 to 19 year old students are able to participate in education and training regardless of their personal financial circumstances.

Details of the responses received are available at Annex A, and an explanation follows as to the percentage deprivation to be used within the two elements of the methodology.

In the consultation there was majority support that the 27% most deprived students, by IMD (2015), was an appropriate level at which to set the disadvantage element threshold for support via the methodology. Respondents also agreed that a wider cohort should be used for the costs element – the consultation text noted a range of 50% to 60%.

Supporting the majority view that the costs element of the fund should support a wide cohort of students, we intend to set this element at the 60% most deprived students for this part of the calculation. The intention here is to support the respondents preference for reflecting a wide cohort of financially disadvantaged students in respect of costs, whilst ensuring the disadvantage element of the fund was more tightly targeted at those most in need.

Transition

Following the strong support for a change of methodology, we will calculate shadow allocations so institutions are aware of how the new methodology will impact on their discretionary bursary allocations.

We do expect there to be significant changes in the new allocations, compared with the current allocations, for two main reasons. Firstly, we have identified that the current allocations - based on Education Maintenance Allowance (EMA) data - are no longer a true reflection of need. In a significant number of cases, the allocations no longer reflect the amount institutions should have received if the allocations had kept in line with the disadvantage levels and numbers of students needing support. Both of these factors should have reflected more or less need over time, with subsequent increases or decreases in allocations – this has not happened. Secondly, there are now around 700 providers, roughly a quarter of all those with a discretionary bursary allocation, that are funded using an ‘average’ EMA percentage. This is because they have either come into existence after 2009 and therefore have no historic EMA data, or are a merged provider. Again, we know that using ‘average’ allocations appears to result in providers that have too little, or too much, funding comparative to the disadvantage levels of the students they are supporting. Whilst comparing ‘new’ allocations to existing ones is perfectly understandable, any such calculation will start from an incorrect baseline for the level of student need at the institution.

The underlying principle of the transition will be that providers should be in a position to support individual students continuing on their study programmes to the same, or similar, degree as they would have been able had we continued with the current methodology. In order to help providers achieve this, we aim to introduce any decreases over 4 years. For that to be possible, we will also need to introduce the increases over the same timeframe.

We will work with representative bodies to explain the plan for transition. We will also look to provide communications that providers could tailor for their students and parents to help explain why they may see a change in local policies.

Monitoring of the effects, by region, and institution type, will be an important feature of the feedback we intend to gather about the effects the new methodology. We will aim to share this with the FE representative bodies and ensure we are available for discussions about the impact the revised methodology is having.

Public Sector Equalities Duty

There was general consensus among respondents that the rationale for change to the discretionary bursary allocations methodology is aimed at ensuring a more equitable system for all, resulting in an overall positive impact on all students facing financial challenges to participate, including those who share protected characteristics. Our proposal to create a transition plan should help to mitigate against any short term negative impacts for individual students.

28 respondents raised concerns about how we aimed to support a number of different groups of students, with the majority of the queries raised being in connection to students with special educational needs and/or disabilities (SEND). Further detail about the issues raised and suggested mitigations are summarised later in this document, and in the Equalities Impact Assessment.

Annex A – Detail of responses to the proposals

Summary of responses received

The Consultation generated 147 responses. A breakdown of respondents by institution type and region is provided in Table 1 below.

Table 1: Summary of respondents by institution type and region

Provider type	Number of respondents	Percentage of respondents
Academy	52	35.4%
Free school	3	2.0%
General FE College including Tertiary	27	18.4%
Higher Education Provider	1	0.7%
Independent Learning Provider	7	4.8%
Local Authority	6	4.1%
Other individual or organisation	12	8.2%
School Sixth Form	11	7.5%
Sixth Form College	20	13.6%
Special Post-16 Institution	3	2.0%
Special Colleges - (Agriculture and Horticulture & Art Design and Performing Arts), Specialist Designated College	5	3.4%
Grand Total	147	100.0%
Provider by region (head office)		
East Midlands	10	6.8%
East of England	18	12.2%
London	11	7.5%
North East	11	7.5%
North West	21	14.3%
South East	24	16.3%
South West	16	10.9%
Unknown or not applicable	4	2.7%
West Midlands	14	9.5%
Yorkshire and the Humber	18	12.2%
Grand Total	147	100.0%

We received responses from a wide variety of provider types and from all regions of the country. Consultation respondents were matched to one of 11 provider types, and 9 regions. Responses were not weighted. Provider type categorisations were based on the categories used for the 16 to 19 allocations. Provider region has been based on their head office address.

The highest proportion of responses was received from Academies, followed by General FE colleges, then Sixth Form Colleges.

All of the 147 respondents to the online consultation answered all 10 consultation questions, with a majority providing reasons for their responses. The length of the supporting comments varied by respondent and by question.

1. Rationale for updating the 16 to 19 discretionary bursary fund allocations methodology

Question 1: Do you agree that using a 2009/10 EMA based disadvantage measure to calculate the 16 to 19 discretionary bursary allocations is no longer appropriate? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	140	95%
No	7	5%

We received 147 responses of which 95% answered 'yes' to the above question. The reasons stated for supporting the proposals were generally based upon the understanding that the underlying data being used is out of date, and no longer reflects the cohort make-up or size of the student body being supported.

Reasons given for why the allocations no longer match the level of need were varied, pointing to a complex picture of financial disadvantage and student costs across the country. Some respondents noted that number of students, and their reasons for needing financial support, has changed substantially since 2009 – the date of the EMA data being used in the current methodology. The factors stated as underpinning this mismatch between allocation levels and need included

- increased transport costs, particularly for students who live in rural or coastal locations, need to use expensive modes of transport, and/or with SENDs
- less funding being available from Local Authorities to support transport costs
- high levels of unemployment or families in work but on low incomes or with a single wage earner, and/or a number of children to support
- a shift in how benefits are calculated, and the introduction of Universal Credit
- an increase in mental health issues, leading to an increase in the number of young people who are becoming estranged from their families and at risk of homeless
- the opening and/or merging of institutions

- immigration into specific geographic locations – often of families, and hence students, with few financial resources, and
- the general economic position of the country.

Whilst a more equitable distribution of the available DB funding was welcomed, there was concern that changes to methodology without any increase to the amount of funding available would simply be ‘shuffling money around’ and would not tackle one of the underlying issues, that is, insufficient funding to support students’ needs. In addition, there were a minority of calls to remove the assessment of need from the institutions, and a request to place this back at a national level as it was for the EMAs.

The small minority disagreeing with this proposal noted that EMA was a good indicator of need since it was based upon the amount of low wage earners in an area.

This link with income levels remains an important feature of the 16 to 19 DB, and is a key indicator of need, as set out in the national guidance.

Question 2: Do you agree that using a postcode-based deprivation measure would be a better proxy for the overall financial deprivation of students at an institution than a Free School Meal (FSM) measure? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	105	71%
No	42	29%

The majority of respondents agreed that using a postcode-based deprivation measure would be a suitable proxy for the overall financial deprivation of students at an institution, with a minority expressing concern that a postcode measure could mask poor students living in, generally, affluent areas. In particular, this concern was raised a number of times in relation to students with rural home postcodes.

Reasons given in support of the proposal included that

- FSM measures use historical data, so a student may have been eligible for FSM in the past but the family’s financial circumstances may have improved
- a geographical measure would catch those who have never claimed FSMs (for whatever reason), including those who did not attend school in England, so would be a fairer measure to support migrant families

- FSM measures are restricted to a small number of learners, and there are many households facing deprivation with low incomes who do not qualify for FSMs
- this would provide consistency with the disadvantage element of the 16 to 19 funding formula, and
- a postcode based measure could allow for the degree of deprivation whereas FSM is binary – ‘under or over’ the threshold.

A minority of respondents raised concerns about using a postcode-based measure. It was noted that a single criteria such as postcode may not be sufficient to gauge need. Suggestions included a fairer evaluation would also factor-in individual circumstances such as students having disabilities, or caring responsibilities.

We are pleased to note that institutions are concerned with individual needs of students, however this is not something we can build into the methodology without it becoming overly cumbersome. We would therefore ask institutions – as we do now – to look at each students’ needs on their own merits. For example, one student who is a carer, has disabilities, or lives in a single-parent household, may need additional support to participate, but that will not always be the case. Institutions, following national guidance, set their own eligibilities for support, and in many cases use FSM take-up as a guide to student need. Local decisions of this nature would not be affected by how the allocations methodology is calculated.

Other concerns stemmed from the change taking place in the FE institution base, with courses being withdrawn and initiated on an annual basis, meaning the postcode balance of students can change quite readily one year to the next; particularly for areas of specialist provision. As noted in the consultation, we would aim to use the latest deprivation dataset available, combined with the latest available full year student data. However, for consistency, we will use the same datasets as are used in 16 to 19 funding allocations. We will review the take-up and usage of the DB on a regular basis.

There was a minority concern that neither FSM nor a geographical measure would be ideal since both measures would benefit inner city areas and highly urbanised areas. It was felt this would disadvantage rural learners where there are fewer postcode areas that would be classed as deprived and where there may be fewer learners in general.

Our overarching aim is to target the funding where it is needed the most. Internal DfE analysis shows that 83% of 16 to 19 students are from urban areas which will have an impact on how the funding is allocated.

Consultation responses showed some misunderstanding, in that some respondents assumed this measure would need to be used by the institutions. This is not the case. The national guidance asking institutions to consider household incomes and individual needs would remain, as would the discretion at local level to support those students that institutions felt needed the most support to participate. To re-iterate, all the proposals in

the consultation related to the allocations methodology, not the local manner of delivery or decision making undertaken at an institution level.

Question 3: Do you agree that using the latest available version of the Index of Multiple Deprivation (IMD), as the disadvantage measure within the methodology would better reflect the deprivation level of students, compared to using the Income Deprivation Affecting Children Index (IDACI)? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	126	86%
No	21	14%

There was strong support for this proposal, even though the ‘no’ response was elevated by a number of respondents commenting that they did not know enough about either of the measures to make an informed response. Many respondents agreed with the premise that households classed as deprived are often dealing with a number of different issues, not just low income, and whereas discretionary bursary awards exist to support financial hardship, the issues leading to that hardship can be many and complex. Access to education was noted as a key issue for overcoming multiple deprivation, so using this measure within a scheme that supported participation was seen as appropriate and consistent with other 16 to 19 funding.

It was recognised that using a wider measure – IMD rather than IDACI – should help to capture more students within the methodology, and be a more reliable measure for identifying need. Since IMD looks at broader contributing factors – and noting that IDACI related more to 0-15 years olds – a number of respondents felt using IMD would provide a more accurate way of targeting the most in need students post-16. Additionally, it was noted that many families may not be aware that they are entitled to the benefits used as the basis of the IDACI measure, which in turn may lead to less students being captured by this measure. And that, families may move away from benefit payments for a period of time if a parent secures employment, however that this employment might be remunerated at a low level, leading to the reapplication for benefits which may take time.

Similarly, many respondents noted the need for consistency and transparency in any revised methodology, and it was felt that using IMD could help towards this goal. We intend to use IMD alone as the measure of disadvantage, however students will be grouped according to whether they live in the top 27% most deprived areas. Different weightings will be applied to account for whether the student lives in the top 9% most deprived areas, in the 10 – 18% most deprived areas, or the 19 – 27% most deprived areas.

There was some concern that neither IMD nor IDACI would capture rural deprivation readily. This is a wider issue than for this consultation, and there are studies considering how a Rural Deprivation Index could be developed. We will keep this issue under review, and meanwhile have recognised this issue, in part, via the rurality weighing within the costs element of the methodology.

The variable costs of living in different areas of the country was also raised in responses, specifically asking if there would be a regional weighting of any kind. We do not intend to introduce such detail. This would be overly cumbersome within the methodology.

In addition, local flexibilities will be retained. Institutions will therefore be able to set thresholds for household incomes at levels that are appropriate for each institution, based upon the average household incomes for the location, and the local cost of living.

2. Support for students' costs to participate

Question 4: Do you agree we should include a travel element to better match the allocations to the student need for travel support? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	113	77%
No	34	23%

Over three quarters of respondents supported this proposal. When considered by region or institution type, the majority of responses were still positive however, there were considerable variations.

Reasons given for agreement to the proposal included

- agreement to a needs based approach for a revised methodology
- transport costs being the most common, and most expensive, expenditure from their allocation
- families needing to support multiple children with their travel costs, and
- the ability to support individual need; for example, following family breakdowns/house moves where travel support becomes necessary, support for the costs of specific modes of transport – particularly train use, support for students needing to travel long distances, or from rural locations, leading to students incurring high travel costs.

Some respondents noted that retaining local flexibility to support students was of vital importance. Evidence was given of institutions – particularly rurally-based and/or specialist providers – needing to devote considerable funds from other income streams to extend the support available via the DB allocations so that students could afford their essential travel to participate.

Negative responses were increased by a number of institutions that mistakenly thought the travel support to be a separate fund, and/or that they would lose their current flexibility and decision making at a local level. As stated in the consultation, this is not the intention. There was also a query regarding the implications that introducing a travel element would have for local administration of awards. This is also a misunderstanding. This proposal, like all the proposals in the consultation, relates to the allocations methodology for the DB, which will be undertaken by the Education and Skills Funding Agency (ESFA). There are no changes planned to the local flexibilities and decision-making available to institutions.

Other reasons given for disagreeing with the proposal included

- concerns over a reduction in student choice for students who may no longer receive travel support – an issue that would not have the same impact on more affluent students
- concern that there would be less funding available to support other costs if travel support was ‘ring-fenced’
- assumptions that these factors would result in a decrease in allocation for the respondent, and
- concerns that this would disadvantage urban areas where the majority of students would live relatively close to the provider.

In addition, there were a few respondents who felt that all travel costs for all learners should be reimbursed, or a free 16 to 18 travel pass introduced. This is an understandable comment due to the raise in the participation age, however national funding of travel for all 16 to 18 year olds would be extremely expensive and is not currently an option we are able to pursue.

Question 5: Do you agree that distance to travel and rurality are appropriate factors to build into the travel element? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	112	76%
No	35	24%

A similar percentage of respondents agreeing to the use of a travel element in the methodology, also agreed with the proposed use of distance to travel and rurality as factors for that calculation. The majority of respondents noted that distance and rurality were the most suitable proxies for more expensive journeys but there were 3 caveats to the positive responses, namely, that

- this should be costed, and the total bursary pot adjusted as necessary
- the availability and cost of public transport in the area should also be considered, and
- this should not restrict, or limit, student choice.

As already explained, the consultation did not specifically ask about funding levels however, we do recognise concerns about the level of funding available, and our ambition is to address this in the spending review. The availability and cost of transport in each location is an important factor when considering individuals' needs. Due to the complexity of travel support available across the country and the year-on-year changes to the offers available, going forward we need to rely on institutions – as we do now – to look at each students' needs on their own merits, and to adjust the financial assistance offered depending on the personal and local circumstances of the learner.

There is no reason to assume that a change in the allocations methodology will directly affect student choice of provider. We do appreciate that allocations will change and hence institutions will need to adjust their local policies to match the level of DB available to support their students.

The respondents disagreeing with the proposal raised a number of issues, noting

- travel time – rather than distance – should be considered
- there should be a consideration of the actual transport route (as opposed to using a straight line distance) particularly in rural locations, and the mode of transport should be considered since this impacted on costs
- the cost of daily/weekly/monthly travel passes is not based on the number of journeys or the distance travelled in the period of validity therefore, students living further away will not necessarily incur higher costs, and
- the 3 mile limit should be reduced to 2 so as to not disadvantage urban students living closest to city centre institutions.

We will retain the current proposal due to the majority agreement for that position however we will remain vigilant to these issues as we monitor take-up via the new methodology.

There were 3 groups of students for whom concerns were raised regarding using a 3-mile threshold to attract travel support; those in extremely deprived areas, those accessing industry placements and those with SENDs.

In extremely deprived areas there was concern that although students may live within close proximity to their institution, there could be poor local infrastructure leading to few safe routes for learners to walk, combined with these students often having limited access to other means of family transport. Deprived, rural and/or coastal locations were noted as having less access to work experience and industry placements due to the dispersed employment opportunities, hence support for students in these locations was also deemed as important.

Institutions will retain their local flexibilities to support those most in need. The revised methodology is intended as a general indicator of the travel need at an institution level but individuals in financial need with circumstances such as those in the 3 groups mentioned, could be supported at the discretion of the provider. We certainly do not want to create unsafe or inappropriate travel conditions, but we do need to ensure value for money from the DB fund wherever possible. We would encourage all institutions to consider each students' needs, and to be clear that local policies do not need to reflect the allocations methodology, so long as the national 16 to 19 Bursary guidance is followed.

The Residential Support Scheme remains available where financially disadvantaged students face excessive daily travel times to achieve the same or similar qualification and we would also encourage institutions to promote take-up of the new rail card to their 16 and 17 year olds students, which should help to reduce costs for many train users from September 2019.

Question 6: Do you agree we should reduce the travel element calculated for students with a home and delivery postcode in the London area by half, so as to account for the additional support these students have available to them via the Transport for London (TfL) offer? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	109	74%
No	38	26%

There was a majority support for this proposal, including when considered by institution type. A number of explanations for the support were offered including that

- it made fiscal sense

- bursaries should be considered in the context of other support available, since funds need to be allocated fairly and not in duplication – which can disadvantage students in (other parts) of the country, and
- due to the support costs for travel being so high, this limits the further support students without the TfL offer can receive. Introducing this reduction was seen as ‘fair’.

By region, only a minority of London institutions agreed with this proposal. As with other proposals, the negative responses were slightly increased by those not agreeing with a travel element at all, and by some misunderstanding – again, there was an incorrect assumption that this would affect institutions local flexibilities to support students in most need. Across all those disagreeing with the proposals the reasons given included concerns that

- the measure was too rigid
- just because there was access to the TfL offer, this did not mean that students had suitable free public transport available at suitable times, and
- this would reduce ‘bursary’ students’ choices. It was noted that learners of this age often have no choice of where they live so should not be penalised for a choice others have made for them.

Some institutions noted that when issuing travel support they already take into consideration whether the student was able to use the TfL offer, so funding from the DB allocation was only used to award support for students who, for whatever reason, could not access free travel. This approach of looking at individual needs is exactly how we hope all providers deal with requests for support, and is why the proposal only suggested reducing the London allocations by 50%, acknowledging that not all students living and studying in the TfL coverage will be able to use the offer for their travel to/from their education provider.

The overall premise underpinning this proposal that, in general, since London institutions did not have to support travel costs they had a greater proportion of their DB allocation available to support other costs was not refuted by any of the respondents. It was noted however, the funding allocations currently being received were not felt to be sufficient to offer support to all students who require financial support. There was concern that if the allocations were reduced, some institutions may not be able to support all students in need and thereby risk such students not participating in education or dropping out of their course.

When we monitor the effects of the methodology change, we will make specific reference to the impact the revised methodology is having on travel within the TfL area.

Question 7: Do you agree we should introduce a small element in the discretionary bursary methodology that accounts for the additional costs likely to be faced by

disadvantaged students undertaking T Level industry placements? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	116	79%
No	31	21%

Nearly 4/5th of respondents agreed with this proposal. This was in recognition that

- disadvantaged students should have the same opportunity to access T Levels and to participate effectively in the mandatory industry placement as their more affluent peers, including all students in rural locations
- students should not be put off choosing a T Level due to the costs they could incur
- some students not accessing bursary support did not have additional financial support from their families available to deal with the significant increased costs that a 45 day work placement could result in
- providers undertaking the pilot scheme had evidence of the additional costs students faced to participate in the industry placement, and
- providers needed to build and maintain appropriately prepared students in order to keep a high level of employer engagement in the placement programmes they had devised.

However, there were also many concerns raised including

- that the significant demands that will be placed on learners completing T Levels and industry placements could make the programmes unaffordable for some learners who rely on part time employment to subsidise the cost of learning
- that the additional funding should not be 'a small element' since the costs may be significant, particularly for rurally based learners, or where accommodation will be needed to access the industry placement, and
- institutions not providing T Levels should not be disadvantaged via the methodology, especially when many are having to support substantial amounts of work experience placements.

Of the minority disagreeing with the proposal the most quoted concern was that of the funding available. Respondents were very clear that Government should identify additional funding to support these new additional requirements, rather than redistribute the existing pot, which they felt would result in a lowering of the available funding for all existing support – from an already stretched resource. Respondents wanted the

students' T Level industry placement costs to be calculated and new, additional funding provided to meet the need.

Other disagreements arose from respondents feeling T Levels should not be treated any differently just because they are 'the latest educational initiative' and support costs for one study programme should attract more funding than another.

Since the majority of respondents to the consultation agreed we should reflect students' costs, and the industry placement element in particular, we will include this element in the methodology. The length of industry placements makes T Levels fundamentally different, and more expensive to participate in than most other study programmes, and we have noted concerns that additional funding should therefore be made available rather than relying on the existing DB budget.

The principle of providing additional funds for industry placement student costs has been in place since 2018/19 when we allocated additional DB funds for providers with a Capacity and Delivery Fund (CDF) allocation. We have committed to offer additional funds to those with CDF allocations for 2019/20, and will make reference to the need for additional funding to support students undertaking industry placements in our Spending Review considerations.

3. Proposed methodology

Question 8: Do you agree we should support the 27% most disadvantaged students by IMD for the disadvantage element? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	106	72%
No	41	28%

The majority of respondents agreed with this proposal. It was felt that using the same benchmark as in the 16 to 19 funding, Disadvantage Block 1, was appropriate and rational. In general, institution types with fewer deprived students tended to respond more positively, since they felt targeting on a smaller cohort would be appropriate from the perspective of having fewer students at their institution in need of support.

Respondents in areas where postcode measures were likely to show more affluence were concerned that the threshold was potentially too low and could result in a significant loss of funding in some rural and coastal areas in comparison to urban areas, such as London. This proposal gave rise to the highest variation by region with a minority positive of 44% up to a high positive approval of 93%.

A number of respondents disagreed with the proposal on the basis that they did not have evidence of the impact this would have on their allocations, whilst others, again, responded negatively stating that this would be difficult for them to implement, when in fact the proposal was in relation to the ESFA allocations methodology, not local practices.

Question 9: Do you agree that we should include a wider cohort of the most disadvantaged students by IMD in the specific costs element of the revised allocations methodology? Yes/No. Please give reasons for your response.

	Total	Percent
Yes	129	88%
No	18	12%

There was strong support for using a wider threshold for the costs element of the methodology, though few respondents offered comments to support their reasoning. Respondents in support of the proposal noted their institution was supporting many 'middle income' households at present, and that deprivation 'did not have a uniform cut off point', so the use of a wider threshold for this element was deemed to be appropriate.

Respondents again raised concerns over the levels of funding available, and the impact on the support available for students if no additional funding for the costs relating to travel and industry placements was forthcoming.

Of the minority disagreeing with the proposal, this tended to follow on from earlier responses where they had previously disagreed with the use of a costs element or a postcode based deprivation measure.

Various responses to the proposals concerning costs and travel, suggested that rural travel was more expensive and less accessible, resulting in an increased need for support from rurally based students. The introduction of distance travelled and rurality factors, and by basing the costs element of the methodology on students being resident in the top 60% most disadvantaged areas, should help to address this issue.

4. Public Sector Equalities Duty

Question 10: Are you aware of any particular equalities impacts? How could any adverse impact be reduced and are there any ways we could better advance equality of opportunity or foster good relations between people who share a protected characteristic and those who do not? Please provide evidence to support your response.

	Total	Percent
Yes	28	19%
No	119	81%

We have taken into account the responses received and in accordance with our duty under section 149(1) of the Equality Act 2010 we have considered the impact of the proposals on individuals sharing protected characteristics, in order to give due regard to the need to eliminate unlawful conduct, advance equality of opportunity and foster good relations. We have published our equalities analysis alongside this response.

5. Next steps

We intend to use the revised methodology for the 2020/21AY 16 to 19 DB allocations. The following timeline will be followed.

Work with FE sector representative bodies to <ul style="list-style-type: none"> Communicate the plan for transition – to include discussions for how we will deal with T Level industry placement numbers prior to lagged data being available, and Devise communications for 16 to 19 providers 	Autumn 2019
Provide communications that providers could tailor for their students and parents to help explain why they may see a change in local policies.	Autumn 2019
Provide institutions with shadow allocations	Autumn 2019
16 to 19 Bursary Fund guidance published	March/April 2020
New methodology incorporated in 2020/21 allocations to institutions	March 2020
1 st year of new allocations methodology – Transitional year 1	2020/21AY
Initial review of the implementation / survey / evidence gathering	Summer 2021
2 nd year of new allocations methodology – Transitional year 2	2021/22AY
Supplementary review of the implementation / survey / evidence gathering	Summer 2022
3 rd year of new allocations methodology – Final (3 rd) transitional year	2022/23AY

Supplementary review of the implementation / survey / evidence gathering	Summer 2023
4 th year of new allocations methodology – 1 st year without transitional protection	2023/24AY

From Autumn 2020 onwards, the allocations timeline will follow the standard process employed by the ESFA. In addition, we will use a cycle of continuous improvement throughout, to identify and instigate small adjustments that could be made to improve the effectiveness of the methodology.



Department
for Education

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