



Closing the Forgotten Gap: Implementing a 16-19 Student Premium

Emily Hunt

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About the Authors

Emily Hunt is Associate Director for Social Mobility and Vulnerable Learners at the Education Policy Institute (EPI). Emily's previous publications include EPI's 2024 Annual Report, research on pupil absence, outcomes for children in social care and school choice. Prior to joining EPI, Emily worked at the Department for Education as an economist from 2002 to 2016.

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Executive summary

- Building on previous research by the Education Policy Institute (EPI), this paper makes the case for a 16-19 student premium and considers who might be in scope, how much such a policy might cost, and wider considerations around its implementation.

Why do we need a student premium?

- Economically disadvantaged students are over three grades behind their peers across their best three subjects by the time they finish their 16-19 education.¹ Whilst this partly reflects the educational inequalities that disadvantaged students experience in earlier phases, they also fall further behind during the 16-19 phase.²
- The gap is wider still for disadvantaged students in long-term poverty at almost four grades, and the harmful effects of disadvantage continue to affect students' longer-term outcomes on entry to the labour market. Disadvantaged young people earn around 10 per cent less by age 28 than young people from non-disadvantaged backgrounds, even when holding constant their educational attainment both pre- and post-16.³
- The sizeable attainment gap indicates that existing resources in 16-19 education are not commensurate with the additional challenges of supporting disadvantaged students, particularly in the context of the further education sector having seen the largest spending cuts of any phase of education in the decade after 2010.⁴
- To prevent disadvantaged students from falling further behind, there is a strong case for additional targeted government funding for disadvantaged students in 16-19 education. We propose that this should be in the form of a student premium which would:
 - have the purpose of improving the educational attainment of economically disadvantaged students and narrowing the disadvantage gap;
 - be additional to existing 16-19 funding rather than displace it; and
 - be a fixed, per-student amount received by institutions.
- Potential advantages of introducing a student premium as its own targeted funding mechanism rather than using existing 16-19 funding include: sharpening institutions' focus on economic disadvantage; providing certainty over the amount of funding per eligible student; stimulating the market for interventions aimed at improving outcomes and developing the 16-19 evidence base on what works; and driving impact.
- However, there are also challenges with introducing a student premium as its own funding mechanism such as adding further complexity to the existing 16-19 funding system and the potential for more bureaucracy with any associated accountability system.

¹ David Robinson et al., 'EPI Annual Report 2024'.

² Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

³ Elena Lisauskaite et al., 'Going Further. Further Education, Disadvantage and Social Mobility'.

⁴ Drayton et al., 'IFS Annual Report on Education Spending in England 2023'.

Who would be eligible?

- We have modelled a range of eligibility criteria for a student premium to demonstrate the potential numbers of students in-scope and the trade-offs in targeting disadvantage in different ways.
- In secondary schools, pupils' eligibility for free school meals in the six years prior to finishing secondary school ('FSM6') is used to identify which pupils attract pupil premium funding. However, while further education institutions have an obligation to provide a free meal to students, take-up is low, and the data are inconsistent. We therefore propose pupil's eligibility during secondary school (FSM6) as the starting point for student premium eligibility.
- The key drawback of the FSM6 definition is that it would miss students who did not have a FSM6 record in year 11 (for example, those recently arriving to the English education system from abroad), as well as students whose financial circumstances had deteriorated since year 11. For these students for whom FSM6 won't be a reliable indicator we propose the use of area-based measure of deprivation based on where a student currently lives (the Index of Multiple Deprivation or IMD).
- Under this proposed 'EPI definition' which combines student-level and area-level measures of economic disadvantage, we estimate that 28 per cent of students in 16-19 education would be eligible for a student premium – or 329,000 students in 2021/22. This EPI definition is more complex than the other definitions that we consider but is our preferred choice as, by combining measures at both individual and area-levels, it does a better job of targeting disadvantage.⁵
- Using a measure based solely on FSM6, we estimate that 22 per cent of students in 16-19 education would be eligible for a student premium – or around 260,000 students.
- Using the Department for Education's definition of disadvantage in the 16-19 funding formula – which targets low prior attainment alongside area-based deprivation – would result in twice as many students being eligible for a student premium: 45 per cent, or 536,000 students. Whilst having benefits in terms of reaching other groups of students with additional needs such as SEND, it would dilute the focus on economic disadvantage and result in a much higher policy cost (or lower student premium rate if the quantum of funding was fixed). The Department's definition would still exclude around 70,000 students who are themselves disadvantaged (on the FSM6 measure) despite not living in a deprived area or having low prior attainment.

How much would it cost?

- We explore three scenarios for setting the rate of a student premium. Our starting point for each of these is to consider how disadvantage is currently funded in secondary schools. Specifically, we model the per student and total cost of a student premium policy under the following scenarios:
 - Scenario 1 matches the secondary school pupil premium rate;
 - Scenario 2 matches the per student rate at which disadvantage is funded in secondary schools through the national funding formula and the pupil premium; and

⁵ Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

- Scenario 3 matches the overall percentage share of funding (%) allocated to disadvantage in secondary schools.
- Making funding comparisons across phases is not straightforward but our scenarios consistently demonstrate that disadvantaged students are funded at least one-third higher in secondary schools than in 16-19 education. With an attainment gap that continues to widen beyond age 16, there is no obvious rationale for this cliff-edge in the funding system.
- Under our preferred EPI definition of disadvantage, a student premium could range between £647 under scenario 3 and £1,495 under scenario 2 (at a total cost of between £213m and £491m). Using our preferred student premium rate in the first scenario, which matches the secondary school pupil premium (of £1,035 in 2023-24), would have a total annual cost between these extremes of £340m.

Wider implementation issues

- For a student premium to be used effectively, institutions must be able to identify disadvantaged students. This requires a data-sharing system that allows institutions to automatically identify who is eligible for the student premium and one that is widely used by institutions. Less than one-third of further education colleges used the existing system between 2021 and 2023.
- The success of the student premium will depend on the degree to which it is spent effectively. The 16-19 evidence base on ‘what works’ and at what cost is still at a nascent stage and additional funding should help stimulate the market for interventions that can be evaluated. A staggered roll-out of the student premium could help grow the evidence base and the rate of the student premium should be kept under review during this time.
- There is no requirement for 16-19 institutions to report how they spend their disadvantage funding, in contrast to the pupil premium. This means that there is more limited information on whether and how disadvantaged students are benefitting from funds aimed at supporting their needs. Other accountability mechanisms in the form of Ofsted and school and college performance tables define disadvantage using (previous) pupil premium eligibility, which is at odds with who is currently funded as disadvantaged (based on low prior attainment and area-based deprivation).

Recommendations

To effectively support disadvantaged students during the 16-19 phase we propose:

- The introduction of **a student premium for disadvantaged students in 16-19 education, based on eligibility criteria that combine student-level (FSM6) and area-level (IMD) measures of disadvantage;**
- That **the student premium is initially pegged to the rate of the secondary school premium** to help address the cliff-edge in funding for disadvantaged students at age 16 but that this rate is kept under review;
- That the **Department for Education develops the 16-19 evidence base on what works** and at what cost – supported by the Education Endowment Foundation’s expanded focus on post-16 education – and that is used to inform the value of the student premium longer-term;

- The Department should ensure that **institutions are automatically able to identify which students are eligible for the student premium** and evaluate institutions' use of the shared data system to ensure it is fit-for-purpose;
- **16-19 institutions should be held to account by publishing information** on how much student premium funding they receive and how they are using it to support their disadvantaged students; and
- **The Department should consider a staggered roll-out of the student premium** in order to evaluate its effectiveness.

1. Rationale for a 16-19 student premium

The Education Policy Institute (EPI) – along with several other organisations – has previously called for a 16-19 student premium.⁶ With departmental budgets set to expire in April 2025, and a spending review on the horizon, it is a timely opportunity to set out the case for a 16-19 student premium and how the policy might work in practice – who might be in scope, how much it might cost and wider considerations around its implementation.

Around 85 per cent of all 16 and 17 year olds are in education, taking a range of qualifications including A levels, and vocational, technical and lower-level qualifications in further education colleges, sixth form colleges and school sixth forms.⁷ Yet despite the requirement for young people to participate in education or training until age 18, there is no equivalent of the pupil premium once students turn 16. The cliff-edge in disadvantage funding at age 16 comes at a critical stage in young peoples' lives: the qualifications achieved in the 16-19 phase have high stakes for students' future progression, careers and lifelong outcomes.

The aim of a student premium would be to provide additional funding to improve educational outcomes for disadvantaged students in 16-19 education and help narrow the disadvantage attainment gap. It would continue the additional funding that already exists in primary and secondary education into the 16-19 phase and would build on the lessons learned from the pupil premium.

There is a clear rationale for a 16-19 premium. In 2023, disadvantaged students were the equivalent of 3.2 A level grades behind their better off peers across students' best three qualifications.⁸ These gaps reflect the educational inequalities that disadvantaged students experience in earlier phases, but disadvantaged students also fall further behind during the 16-19 phase.⁹ The gap for persistently disadvantaged students – those who were in poverty for at least 80 per cent of their time in school – was even higher, at almost 4 A level grades.

Whilst the 16-19 disadvantage gap has returned to pre-pandemic levels, the disadvantage gap in GCSE English and maths at the end of secondary school is at its widest in over a decade at 19.2 months in 2023. This means that the task of helping students who fell behind at school to catch-up during 16-19 education is even greater.

The harmful effects of disadvantage continue to affect students' longer-term outcomes on entry to the labour market. Disadvantaged young people earn around 10 per cent less by age 28 than young people from non-disadvantaged backgrounds, even when holding constant their educational attainment both pre- and post-16.¹⁰

The reasons for the attainment gap are complex and wide-ranging, spanning the home lives of students, the education system and wider society, and include factors like poverty, access to extra-

⁶ These include the House of Commons Education Committee, Sutton Trust, the Social Mobility Commission, Teach First, the Fair Education Alliance, the Association of Colleges and the Association of School and College Leaders.

⁷ Department for Education, 'Participation in Education, Training and Employment Age 16 to 18'.

⁸ David Robinson et al., 'EPI Annual Report 2024'.

⁹ Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

¹⁰ Elena Lisauskaite et al., 'Going Further. Further Education, Disadvantage and Social Mobility'.

curricular activities, good careers advice, social networks and mental health support. The falling behind of disadvantaged students during the final stage of compulsory education indicates that existing funding is insufficient to compensate for the educational challenges faced by 16-19 disadvantaged students, and increasingly so in the wake of the pandemic and recent cost of living crisis.

The attainment gap matters because poor attainment is directly linked to lower wages, lower productivity and higher unemployment in adulthood. The gap is therefore a mechanism through which poverty is transmitted from one generation to the next. Having a 16-19 phase that supports all students to achieve and progress to their full potential is important not only for educational equity but for the skills needed by the UK's workforce and long-term economic prosperity.

Building on the pupil premium

In assessing the case for a 16-19 student premium, a natural starting point is to consider the rationale for, and effectiveness of, the pupil premium. In 2011, the Coalition Government introduced new funding in the form of the pupil premium, with the specific purpose of improving educational outcomes for disadvantaged pupils aged 5 to 16 in state-funded schools in England. Disadvantaged pupils are defined as those who have been eligible for (benefits-based) free school meals at any time in the last six years, as well as children in care, previously looked-after children, and pupils who have parents in the armed forces. The Department for Education pays the pupil premium directly to schools as extra funding on top of core funding, according to their number of eligible pupils. In 2023-24, the (deprivation element of the) pupil premium was £1,455 per primary pupil and £1,035 per secondary pupil and over 2 million pupils were eligible.

Schools are expected to use pupil premium funding to support disadvantaged pupils to achieve more highly but schools have autonomy over how to spend it. It is not a personal budget for individual pupils, and it does not have to be spent so that it solely benefits eligible pupils. Schools are held to account for their spending decisions through Ofsted inspections, published pupil premium statements, scrutiny by school governors and trustees, and published school performance tables. To help schools use their funding effectively, the Department encourages schools to use evidence of 'what works'. To develop this evidence base and spread best practice, the Department made a major long-term investment in the independent research charity the Education Endowment Foundation (EEF), which is part of the What Works network to support evidence-based policymaking.

Over a decade after its introduction, the evidence on the impact of the pupil premium and whether it has met its objectives is limited. This partly reflects its introduction across the whole of England simultaneously without a phased rollout, limiting the scope for a comparison group and robust evaluation. In its 2015 review of the pupil premium, the National Audit Office concluded:

'The Department has already created a strong drive to improve support for disadvantaged pupils by targeting the pupil premium at schools on a rational basis; clearly communicating the funding's objective; investing in research and sharing best practice; and empowering teachers to try new things. However, the Department, working with others, has more to do to optimise value for money. Not all disadvantaged pupils currently attract funding. Some schools do not focus funding on disadvantaged pupils appropriately or use the most cost-effective interventions, and, in any event, the evidence base is still underdeveloped. Furthermore, the core school funding that the pupil premium supplements is not yet distributed on the basis of need. Most importantly, there is a risk

that accountability and intervention mechanisms allow schools to waste money on ineffective activities for many years without effective challenge. As the impact of the pupil premium becomes clearer, the Department will need to review if it is investing the right amount in it, including whether spending more in this way could allow it to close the gap more quickly, generating wider savings for the taxpayer.’¹¹

Whilst a full evidence review on the effectiveness of the pupil premium is beyond the scope of this paper, there are some positive findings with potential relevance to a 16-19 student premium:

- The idea of the pupil premium enjoys substantial support from the education sector;¹²
- Introducing the pupil premium has increased schools’ focus on improving outcomes for disadvantaged children: after the introduction of the pupil premium, 94 per cent of leaders targeted support at disadvantaged students compared to 57 per cent before;¹³
- The disadvantage attainment gap narrowed at key stage 2 and key stage 4 until around 2017;¹⁴
- Whilst evaluating the specific impact of the pupil premium on the disadvantage gap is inherently difficult, there is quasi-experimental evidence that the attainment gap for long-term disadvantaged pupils has narrowed at key stage 1 and key stage 2 since 2010;¹⁵
- Long-term disadvantaged pupils also now appear to be less segregated in primary schools since 2010;¹⁶ and
- Schools are increasingly reporting adopting evidence-based approaches when making decisions about how to spend their pupil premium funding: in 2024, 69 per cent of leaders reported using the EEF toolkit to make decisions about how to spend the pupil premium, compared to 11 per cent in 2012.^{17 18}

However, there are also concerns around pupil premium eligibility, its use and impact:

- Around one-in-ten pupils who are eligible for free school meals (FSM) do not register for them, resulting in schools losing out on millions in pupil premium funding;¹⁹
- Pupil premium eligibility is an imperfect measure of disadvantage which fails to capture the growing numbers of pupils in low-income families who earn above the threshold of £7,400 per household;
- Only a minority (5 per cent) of secondary schools appear to be prioritising pupil premium pupils in their admissions;²⁰

¹¹ National Audit Office, ‘Funding-for-Disadvantaged-Pupils’.

¹² House of Commons Education Committee, ‘A Ten-Year Plan for School and College Funding’.

¹³ National Audit Office, ‘Funding-for-Disadvantaged-Pupils’.

¹⁴ David Robinson et al., ‘EPI Annual Report 2024’.

¹⁵ Gorard, Siddiqui, and See, ‘Assessing the Impact of Pupil Premium Funding on Primary School Segregation and Attainment’.

¹⁶ Gorard, Siddiqui, and See.

¹⁷ The Sutton Trust and National Foundation for Educational Research, ‘School Funding and Pupil Premium 2024’.

¹⁸ The Sutton Trust and National Foundation for Educational Research, ‘NFER Teacher Voice Omnibus 2012 Survey: The Use of the Pupil Premium’.

¹⁹ Lord, Easby, and Evans, ‘Pupils Not Claiming Free School Meals’.

²⁰ Burgess et al., ‘School Admissions in England: The Rules Schools Choose on Which Pupils to Admit’.

- Some schools have used the money for approaches that may not have been cost-effective;²¹
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- The narrowing of the disadvantage attainment gap had stalled even prior to the pandemic, and has widened subsequently.²³ Given the range of factors influencing attainment, it is impossible to say what would have happened to the gap in the absence of the pupil premium, though in the context of rising poverty, sustained austerity and diminished services for children and families, it is feasible the gap could have widened even further;
- Schools leaders are increasingly using the funding to plug gaps elsewhere in their schools' budgets, rather than supporting disadvantaged pupils.²⁴

In summary, the rationale for a student premium is to prevent disadvantaged students from falling further behind during the critical 16-19 phase of education. It would help to address the cliff-edge in funding for disadvantage of almost £1,000 that occurs at the point students turn 16 (Figure 1, discussed in Section 3). With further education having seen the largest spending cuts of all phases in the decade since 2010, any student premium should not be at the expense of funding for other students in the 16-19 phase.²⁵ It should build on the lessons of the pupil premium which has strong support within the education sector and remains one of the most important tools that schools have to address educational inequalities pre-16.²⁶ Assessing the impact of the pupil premium on the disadvantage gap has proved difficult and highlights the need for early consideration of how to evaluate any 16-19 student premium. Nevertheless, two elements of the pupil premium which appear to have merit are: having a clear central aim; and having a per pupil funding commitment for every child who is eligible. We use these insights to propose a set of principles for a 16-19 student premium below.

²¹ National Audit Office, 'Funding-for-Disadvantaged-Pupils'.

²² House of Commons Education Committee, 'A Ten-Year Plan for School and College Funding'.

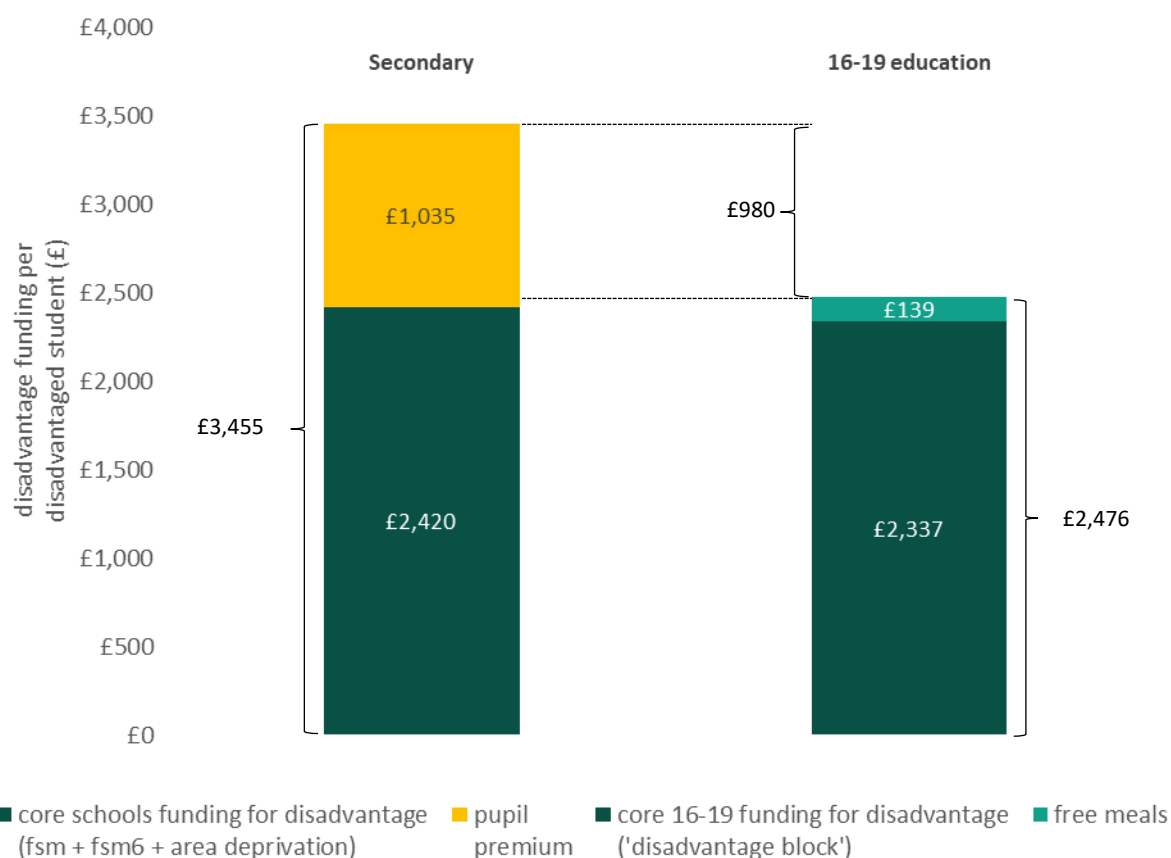
²³ David Robinson et al., 'EPI Annual Report 2024'.

²⁴ The Sutton Trust and National Foundation for Educational Research, 'School Funding and Pupil Premium 2024'.

²⁵ Drayton et al., 'IFS Annual Report on Education Spending in England 2023'.

²⁶ Education Endowment Foundation, 'The EEF Guide to the Pupil Premium'.

Figure 1: Disadvantaged funding per disadvantaged student in secondary school (left-hand bar chart) and 16-19 education (right-hand bar chart)



Principles for a student premium

A student premium should:

- Have the aim of improving the attainment of economically disadvantaged students and narrowing the 16-19 disadvantage gap;
- Be additional to existing 16-19 funding not displace it; and
- Be a fixed, per-student amount received by institutions.

Student premium as a funding mechanism

A key consideration for a 16-19 student premium is the funding mechanism itself: are there grounds for a separate, targeted mechanism, as opposed to increasing funding through existing 16-19 funding streams? There are currently two categories of disadvantage funding for 16-19 year olds: firstly, 16 to 19 financial support (such as the 16 to 19 Bursary Fund) which directly supports students with their day-to-day costs of participating in education; and secondly, funding for institutions to provide additional educational support. The latter is part of the 16-19 funding formula, known as 'disadvantage block funding'. Neither of these funding streams are directly

comparable to the pupil premium, which is provided in addition to the national funding formula in primary and secondary schools.

The 16-19 disadvantage block in turn is made-up of two components with different objectives. 'Block 1' provides funding to account for economic deprivation based on where students live, with students from the 27 per cent most deprived areas according to the Index of Multiple Deprivation (IMD) being eligible. 'Block 2' provides funding for the additional costs of supporting students with low prior attainment, with students who didn't achieve a grade 4 in English and/or maths at 16 being eligible. Neither block 1 or 2 is ring-fenced and this disadvantage funding is not separate from other funding from the institution's perspective.

There are inevitably advantages and drawbacks with utilising different funding mechanisms. Some potential advantages and drawbacks of introducing a student premium rather than using existing 16-19 funding streams are set out in Figure 2.

Figure 2: Potential advantages and drawbacks of introducing a 16-19 student premium as a separate, targeted mechanism rather than using existing 16-19 funding streams

Potential advantages	Potential drawbacks
<ul style="list-style-type: none"> ▪ Sharpening the focus on disadvantage among education stakeholders, including teachers, leaders and governors 	<ul style="list-style-type: none"> ▪ Whilst a student premium is conceptually simple, the introduction of a new funding stream adds complexity to an already complex 16-19 funding system
<ul style="list-style-type: none"> ▪ Acting as a lever to encourage institutions to engage with evidence when considering which approaches and interventions to adopt 	<ul style="list-style-type: none"> ▪ Funding for a specific purpose gives institutions less autonomy over how to best allocate funding
<ul style="list-style-type: none"> ▪ Stimulating the market for interventions and approaches aimed at improving outcomes for disadvantaged students and the development of the 16-19 evidence base on what works 	<ul style="list-style-type: none"> ▪ Any associated accountability necessarily involves more bureaucracy
<ul style="list-style-type: none"> ▪ Retaining flexibility within the existing 16-19 funding formula for other measures (such as local area deprivation) to target disadvantage 	
<ul style="list-style-type: none"> ▪ Providing incentives for institutions to prioritise disadvantaged students in admissions 	
<ul style="list-style-type: none"> ▪ Driving innovation and impact through greater focus on, and accountability for, the educational outcomes of disadvantaged students 	
<ul style="list-style-type: none"> ▪ Providing greater protection against disadvantage funding being diverted for other purposes, due to its visibility 	

Weighing up the balance, it is our view that a student premium should be its own, targeted funding mechanism that is distinct from student support schemes and the 16-19 funding formula. Based on the principles set out above, it would comprise additional funding allocated on a fixed, per-student basis, with the specific purpose of improving the attainment of disadvantaged students. Whilst this mirrors the approach of the pupil premium, we recognise that the nature and breadth of challenges facing disadvantaged 16–19-year-olds are likely different to those at younger ages. Institutions are likely best placed to determine how additional resources should be spent to best support the outcomes of their disadvantaged students. In cases where there are specific financial barriers to young people participating in the first place such as in relation to transport, accommodation, childcare or specialist equipment, these should be addressed through 16 to 19 financial support schemes such as the 16-19 Bursary Fund, Care to Learn and residential support schemes. The wider

issues of evidence on what works and accountability for how the premium is spent is something we return to below.

2. Eligibility criteria

In implementing a student premium, we need to consider who might be eligible, the size of the premium and – by combining the two – the associated policy costs. We set out below different options for eligibility criteria (including the size of the 16-19 cohort captured under each), before moving on to our analysis of costs.

Free school meal eligibility in year 11

In earlier phases of education, being registered for free school meals (FSM) is used to define whether a pupil is disadvantaged. For the purposes of the pupil premium, this is based on having been registered at any point in the last six years (known as ‘FSM6’), to compensate for some of the year-on-year volatility in families’ finances. Although further education colleges and sixth form colleges have had an obligation to provide a free meal to disadvantaged students since 2015, take-up is low, and the data are inconsistent.

One option for defining who might be eligible for the student premium is therefore to use a student’s previous FSM6 record (from year 11) to determine a student’s eligibility for a 16-19 student premium. We estimate that this would equate to **22 per cent** of those in 16-19 education, or 260,000 students in the 2021/22 academic year.²⁷ Determining eligibility in this way would be simple, well understood, potentially have education sector buy-in and provide parity with how disadvantage is conceptualised and funded pre-16.

However, it would also have some drawbacks. Firstly, it would miss students in cases where they did not have a FSM record from year 11. This would include students entering 16-19 education from the independent schools system, and those recently arriving from abroad. It would also miss ‘newly disadvantaged’ students whose financial circumstances had deteriorated since year 11. In the context of rising child poverty, this is problematic. It will also be up to eight years out-of-date for some students who have not been FSM eligible since year 6. Some students will no longer be economically disadvantaged in cases where their families are now better off. Finally, it suffers from all the wider shortcomings of FSM as a measure of economic disadvantage, including its failure to capture the rising numbers of low-income families experiencing in-work poverty.²⁸

Students in long-term poverty

Previous EPI research has shown that educational outcomes are even worse for persistently disadvantaged students who claim a free school meal for at least 80 per cent of their time in school. In the 16-19 phase, the persistent disadvantage gap is nearly a grade wider than the headline disadvantage gap measure, with persistently disadvantaged students 3.9 grades behind non-disadvantaged students over their best three qualifications.²⁹ The magnitude of the attainment gap suggests, as with earlier phases of education, that those in long term poverty face significant and

²⁷ We use the term 16-19 education throughout this report to refer to education funded by the Education and Skills Funding Agency (ESFA) through the 16-19 funding system. See Annex for further details.

²⁸ Juliet Stone, ‘Local Indicators of Child Poverty after Housing Costs, 2021/22’.

²⁹ David Robinson et al., ‘EPI Annual Report 2024’.

additional educational challenges, even compared to those who experience economic disadvantage over a less sustained period.

Around one-third (34 per cent) of those identified as being FSM6 in year 11 – or 89,000 students in 2021/22 – are persistent disadvantaged. This equates to around 8 per cent of those in 16-19 education – a slightly lower proportion than in secondary school (10 per cent), because the most disadvantaged young people are less likely to continue into 16-19 education. Given their profoundly poor educational outcomes, persistently disadvantaged students are potentially a priority group for receipt of a student premium (for example, under a staggered roll-out), though a drawback of using this persistence measure to target additional support is that it is being distorted over time by Universal Credit (UC).

How is Universal Credit affecting free school meal eligibility?

To be eligible for free school meals, a young person or their parent/carer must be in receipt of a qualifying benefit. Universal Credit (UC) is a social security benefit that was introduced in April 2013 to replace many means-tested legacy benefits – such as housing benefit and income support – with a single payment aimed at ensuring people are better-off in work.

Prior to April 2018, UC claimants with school-aged children were eligible to claim FSM. From April 2018, an income threshold was introduced so that new UC claimants were only eligible if they earned less than £7,400 per year. To ease this transition, the government put in place protections during the period of UC roll out. This meant that any pupil eligible for FSM (and subsequently eligible) would retain free school meals until at least March 2025 – even if their family income increased above the threshold during that time.

This this means that since 2018, there has been an increasing number of pupils who are eligible for FSM due to transitional protections rather than their financial circumstances. This will not affect our estimates of the numbers of students eligible for a free school meal in any of the six years prior to finishing secondary school as this 'FSM6' measure operates with a six year lag. However, it does have implications for targeting students in long-term poverty.

Each year from 2019 onwards, our persistently disadvantaged group will be capturing a more transient, higher-attaining group over time (as some of these students would have otherwise become ineligible for free meals, had it not been for UC protections). However, there will also be other factors affecting the composition of the persistently disadvantaged group over time which could be pulling in the opposite direction – for example, due to rising levels of child poverty. We cannot disentangle these effects within the persistent disadvantage group, though it remains the case that educational outcomes for this group are profoundly worse than for their peers and increasingly so in the wake of the pandemic.

Disadvantage in the 16-19 funding formula

An alternative is to align eligibility for a student premium with how disadvantage is currently funded through the 16-19 funding formula. As discussed above, the 16-19 disadvantage block encompasses disadvantage relating to both economic deprivation and low prior attainment, with the latter including support for students with moderate learning difficulties and disabilities. Students with higher needs who have an Education, Health and Care plan receive additional funding through the high needs block which sits outside of the 16-19 funding formula and does not form part of our analysis for any phase. Specifically, students would be eligible for a student premium under this definition if they:

- Lived in one of the 27 per cent most deprived areas of the country using the 2019 Index of Multiple Deprivation (IMD); or
- Had low prior attainment based on not achieving grade 4 in GCSE English and/or maths by the end of year 11.

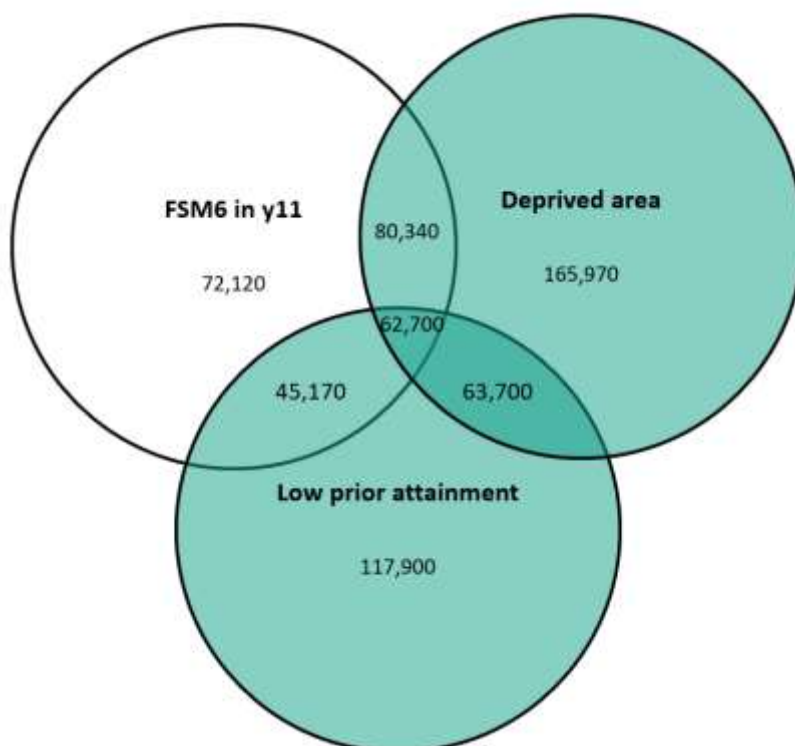
Given its breadth, the disadvantage block definition captures twice as many students as the FSM6 in year 11 definition and equates to **45 per cent** of those in 16-19 education, or 536,000 students in 2021/22. This figure removes students who fall under both definitions to avoid double-counting.

Its advantages for determining eligibility for a student premium are that, as it already forms part of the funding formula, it would be relatively simple and easy to understand, potentially have existing buy-in from the 16-19 sector and avoids adding further complexity to the 16-19 funding system. It also has advantages in terms of its reach: using an area-based measure of economic deprivation captures the wider challenges of living in poorer areas (for example linked to housing, pollution and crime) which might be missed under an individual-based measure like FSM6. Its inclusion of low prior attainment is also intended to reach students with SEND and other additional needs, though the department acknowledges this means ‘many calls on the 16-19 disadvantage funding’³⁰.

Previous EPI research suggests that an area-based measure of disadvantage (IMD) is a poorer predictor of the variation in 16-19 attainment than FSM6 (EPI, 2021). Another drawback with this measure is that despite its breadth, it still misses around 70,000 students who are disadvantaged (based on being FSM6 in year 11), despite not living in a deprived area or having low prior attainment – as shown in Figure 3. It is also the case that by including low prior attainment, this moves us away from the principle of focusing on economic disadvantage. By capturing over half a million students, this measure also implies a high associated policy cost of introducing a student premium (or a trade-off in the form of setting the premium rate at a low level).

³⁰ Department for Education, ‘Special Educational Needs and Disabilities (SEND) and Alternative Provision (AP) Improvement Plan’.

Figure 3: Overlap between disadvantage in the 16-19 funding formula and eligibility for free school meals in year 11 (based on FSM6) for 16-19 year old students



Note: Living in a deprived area is based on living in one of the 27 per cent most deprived areas of the country using the Index of Multiple Deprivation (IMD); low prior attainment is based on not achieving grade 4 in GCSE English and/or maths by the end of key stage 4. Counts have been rounded to the nearest ten. They relate to the combination of characteristics and are mutually exclusive so can be summed together.

Supplementing free school meal eligibility with area deprivation

Our final definition seeks to overcome the drawbacks of the previous two measures by combining a student's previous FSM6 record with information based on where a student currently lives.

Specifically, students would be eligible for a student premium under this definition if they were:

- FSM6 in year 11; or
- Missing a FSM6 record in year 11 and living in a deprived area – aiming to capture those students who are without a FSM record but are nevertheless disadvantaged; or
- Not FSM6 in year 11 but have recently moved to a deprived area since year 11 – aiming to capture the 'newly disadvantaged' group.

By adding these two extra dimensions of disadvantage based on area deprivation, this definition encompasses slightly more of the cohort than FSM6 alone, **28 per cent** of 16-19 year olds in education, or 329,000 students in 2021/22 (compared to 22 per cent under FSM6). Previous research has found that using FSM6 alongside an area-based measure of disadvantage (IMD) explains marginally more of the variation in 16-19 student attainment than FSM6 alone.³¹ From this point, we will refer to this as the 'EPI definition' as short-hand.

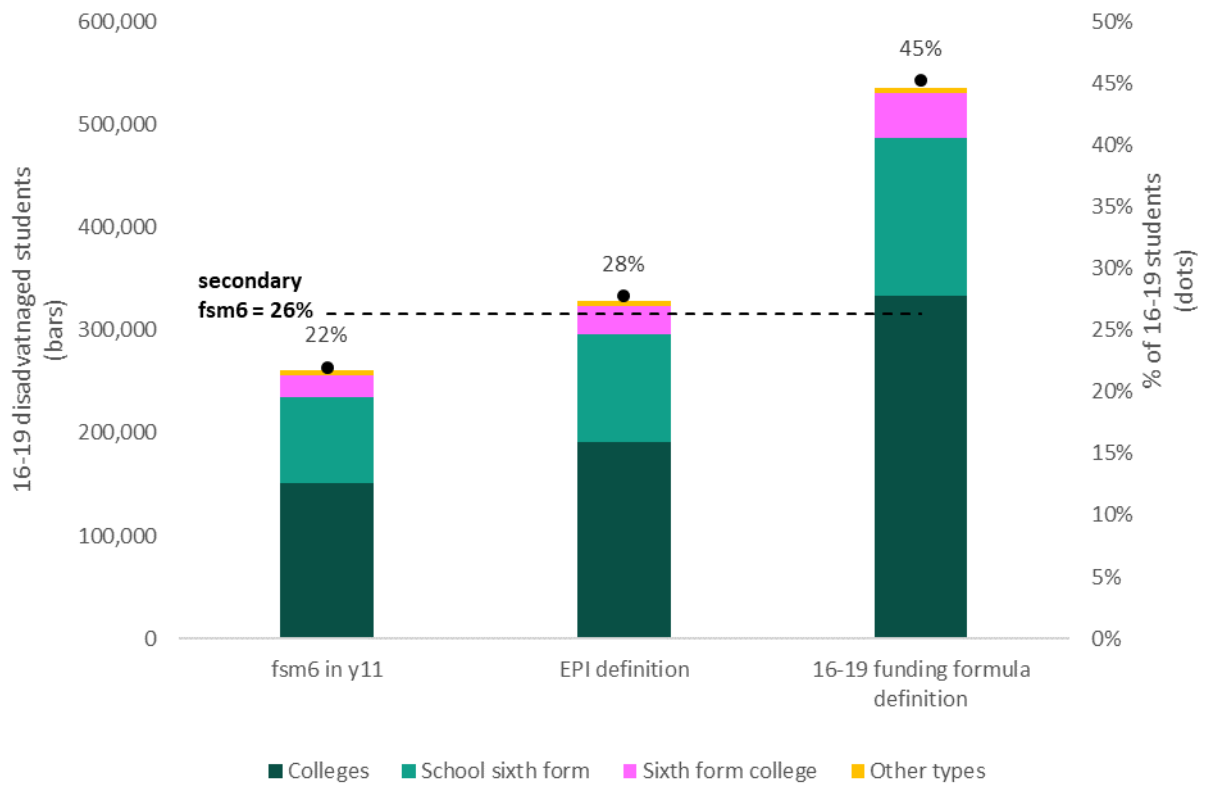
³¹ Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

Its key advantage is that it does a better job of targeting disadvantage than historic FSM alone by aiming to capture those missing FSM records who are likely disadvantaged based on where they live and the 'newly disadvantaged'. For this reason, it is our preferred measure of disadvantage for the purposes of determining eligibility for a student premium, whilst acknowledging it still has drawbacks. It will still miss disadvantaged students who are 'newly disadvantaged' but have not recently moved to a deprived area; it will also miss disadvantaged students without FSM6 records in year 11 and who do not live in a deprived area – for example, asylum seekers. This measure is also complex – both conceptually and in terms of its interaction with the existing funding system.

Summary

In summary, we have shown that decisions over how to define and measure disadvantage in the 16-19 phase determine the number of students who would receive a student premium. This ranges from 22 per cent of 16–19 year-old students under the FSM6 definition to twice that (45 per cent) under the existing 16-19 funding formula definition. Our EPI definition aims to combine elements of both student-level and area-level measures to better target disadvantage and for this reason, is our preferred definition for determining student premium eligibility. It captures 28 per cent of the 16-19 student cohort, similar to the proportion receiving the secondary school pupil premium cohort. Looking across definitions, there are inevitably advantages and drawbacks in relation to their complexity, interaction with the existing funding system, targeting of economic disadvantage and associated policy costs (discussed in the next section). Under all definitions, the disadvantaged cohort is disproportionately studying in further education colleges, which have over twice as many disadvantaged students as school sixth forms under each of our definitions.

Figure 4: Numbers (left-hand axis) and percentage (right-hand axis) of 16-19 students who are disadvantaged under different student premium eligibility criteria, by institution type



3. Costings

In this section we consider how much a student premium policy might cost to implement. We set out three scenarios for setting the rate of the premium and consider how these intersect with the three definitions of disadvantage discussed above to estimate (a range of) total costs of the policy. The aim is to illustrate broad orders of magnitude and trade-offs.

Funding for disadvantage pre and post-16

Our starting point for costing a student premium is to consider how much economic disadvantage is currently funded across phases. Funding for disadvantaged pupils in secondary schools is through two main funding streams: the national funding formula (NFF) for schools which determines how core funding is allocated to mainstream schools in England; and the pupil premium which is then paid to schools as a per-pupil amount on top of the NFF. The NFF has a basic amount per pupil which is supplemented by a range of 'factors' which includes deprivation. The deprivation component of the NFF comprises:

- current FSM eligibility which is broadly intended to cover the cost of providing free meals;
- FSM eligibility at any time in the last 6 years ('FSM6'); and
- the level of deprivation in the postcode where the pupil lives (which is measured using the Income Deprivation Affecting Children Index, IDACI), with the 37.5% most deprived areas attracting some additional funding on a sliding scale.

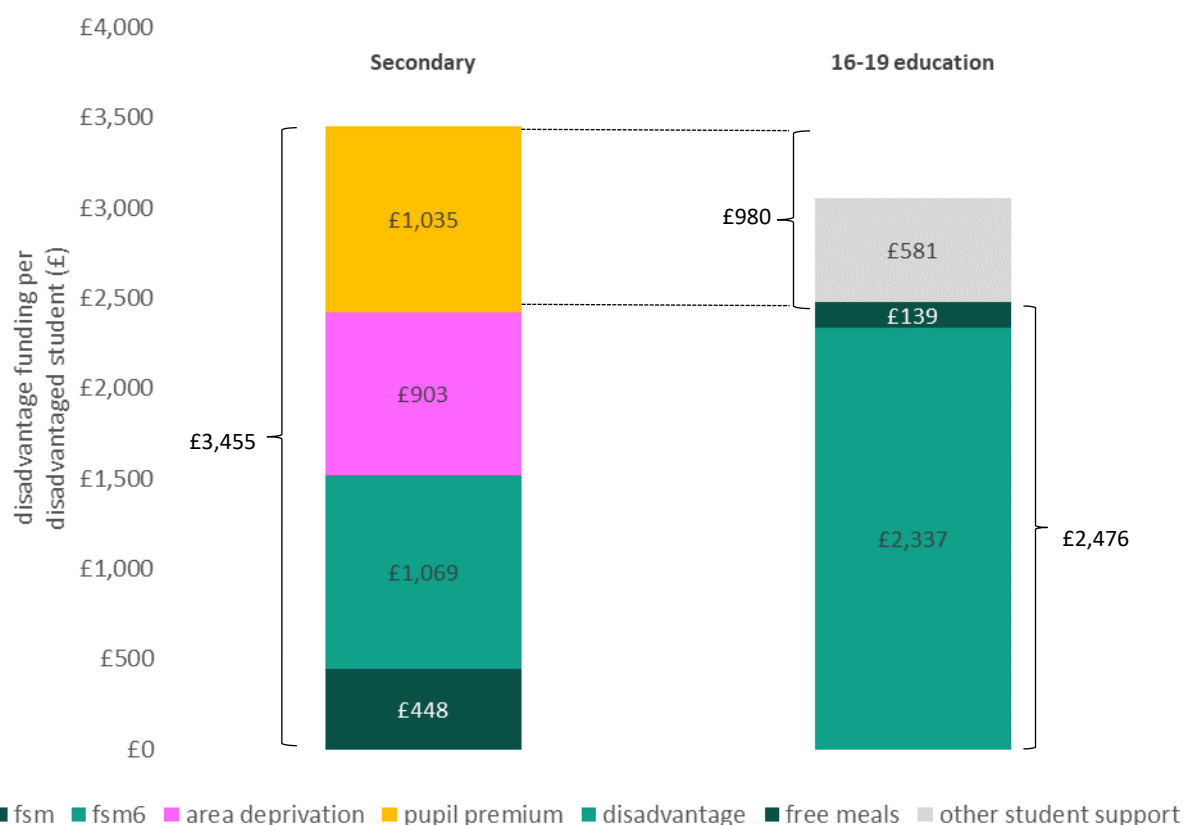
By summing across these three NFF components plus the pupil premium, we estimate in Figure 5 that the total amount of disadvantage funding per disadvantaged secondary school pupil was **£3,455** in 2023-24.

Deriving an equivalent figure for disadvantaged students in 16-19 education is not straightforward as this is determined by an entirely separate 16-19 funding formula. If we sum across disadvantage block funding plus 16-19 free meals, the figure is **£2,476**. On this basis there is a funding gap of **£980** at the point disadvantaged students turn 16.³² Or put another way, funding for disadvantage is around 40 per cent higher in secondary schools than in 16-19 education. This is (more than) accounted for by the pupil premium worth £1,035 in 2023-24, rising to £1,050 in 2024-25. In making this cross-phase comparison, we have not included other elements of 16-19 financial support (worth £581 in 2023-24). This aims '*to help students overcome specific barriers to participation so they can remain in education*' which means it is not analogous to secondary school funding.³³

³² We calculate this on a per disadvantaged student basis using our FSM6 in year 11 definition, to align with the pupil premium and have the most consistent definition of disadvantage across phases.

³³ Department for Education, '16 to 19 Education'.

Figure 5: Total disadvantaged funding per disadvantaged student in secondary school (left-hand bar chart) and 16-19 education (right-hand bar chart), under the FSM6 in year 11 definition of disadvantage



This allows us to formulate two illustrative scenarios for costing a student premium:

- Basing the student premium on the (2023-24) pupil premium rate of £1,035; and
- Setting the student premium at £980 to equalise the overall rate at which disadvantage is funded in secondary schools (at £3,455 per disadvantaged pupil).

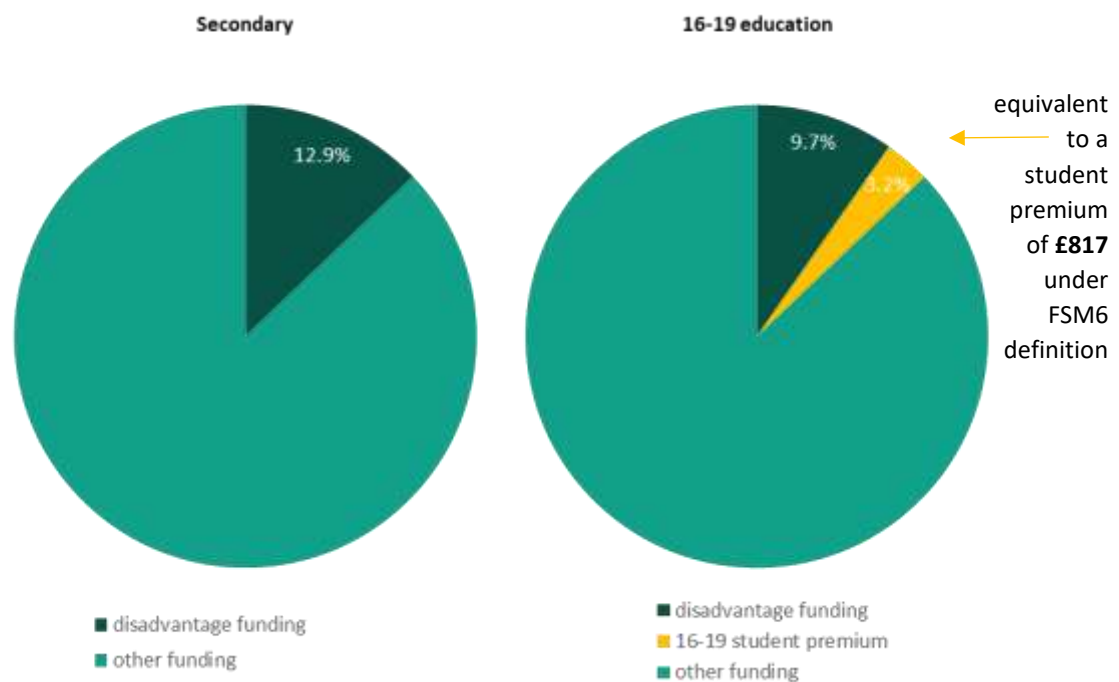
Whilst the two scenarios above happen to result in a premium that is fairly similar in value, this reflects our choice to use the FSM6 in year 11 definition of disadvantage for consistency with the pupil premium. If we used a different definition to determine eligibility for the student premium which captured more 16-19 year olds (such as under the EPI definition or the 16-19 funding formula definition), 16-19 disadvantage funding would effectively be allocated across more students and cause the per-student funding gap with secondary schools to increase. This is explored in more detail below.

It is also worth noting that the second scenario with a funding gap of £980 is conservative. This is because 16-19 disadvantage funding additionally supports students with low prior attainment which is not included for secondary schools in Figure 4. To derive a more like-for-like comparison, we would need to strip-out the 16-19 'block 2' element that targets low prior attainment, including moderate learning difficulties and disabilities. Whilst this is not possible using the published 16-19 allocations data, it would effectively cause the funding gap in Figure 4 to grow.³⁴

³⁴ Department for Education, '16 to 19 Funding'.

Our third scenario for costing a student premium takes a different approach and considers the proportion of funding that is allocated to disadvantage at each phase, rather than the per-student amount. Overall, 13 per cent of secondary school funding is allocated to disadvantage, across the deprivation component of the NFF plus the pupil premium.³⁵ This compares to a figure of 10 per cent in 16-19 education across disadvantage block funding plus 16-19 free meals.³⁶ Equalising the overall proportion of funding allocated to disadvantage across phases would therefore increase the share at 16-19 by around 3 percentage points. Whilst a small difference in absolute terms, it means that disadvantage funding is around one-third higher in secondary schools than in 16-19 education, worth an additional **£817** per disadvantaged student under the FSM6 definition.³⁷

Figure 6: Total proportion of funding allocated to disadvantage at secondary school and in 16-19 education



³⁵ In calculating total secondary school funding (i.e. the denominator), we sum across: the total schools block (post-MFG); PE & sport premium; teachers’ pay additional grant; and mainstream schools additional grant. We do not include high needs funding. We exclude coronavirus recovery premium funding and the National Tutoring Programme as these are time-limited and not due to continue beyond the 2023/24 academic year.

³⁶ In calculating total 16-19 education funding (i.e. the denominator), we sum across: total programme funding; 16-19 free meals; care standards funding; capacity and delivery fund; alternative completions funding; teachers’ pension scheme grant; and offset high value courses.

³⁷ In contrast to the second scenario above, using a wider definition of disadvantage for determining student premium eligibility which captures more 16-19 year olds than under FSM6 would in this third scenario equate to a lower student premium rate, as the funding quantum (worth 3 per cent of the overall 16-19 funding pot) would be divided between more students.

This provides further evidence of a sizeable disadvantage funding gap at age 16 and the basis for our third scenario for costing a student premium:

- Setting the student premium to equalise the overall proportion of funding allocated to disadvantage across phases to match the secondary school percentage of 13%.

These scenarios provide approaches for thinking about how to set the rate of a student premium but do not provide evidence-based, bottom-up costings of what resources might be needed to support the needs of disadvantaged students. Whilst this is beyond the scope of this report, our scenarios all demonstrate that disadvantage is funded at a much higher rate in secondary schools than in 16-19 education. This relative underfunding is also consistent with analysis showing that resources are much higher in the most deprived decile (relative to this least deprived decile) in secondary schools than in 16-19 education, regardless of whether deciles are based on individual or area-based measures of deprivation.³⁸ Given the disadvantage attainment gap continues to widen beyond age 16, there is no obvious rationale for why 16-19 funding for disadvantage is so much lower than at secondary school.³⁹

In the next section we take each of the three scenarios for setting the student premium and combine them with the definitions of disadvantage in the previous section to derive a range of overall policy costs for implementing a student premium.

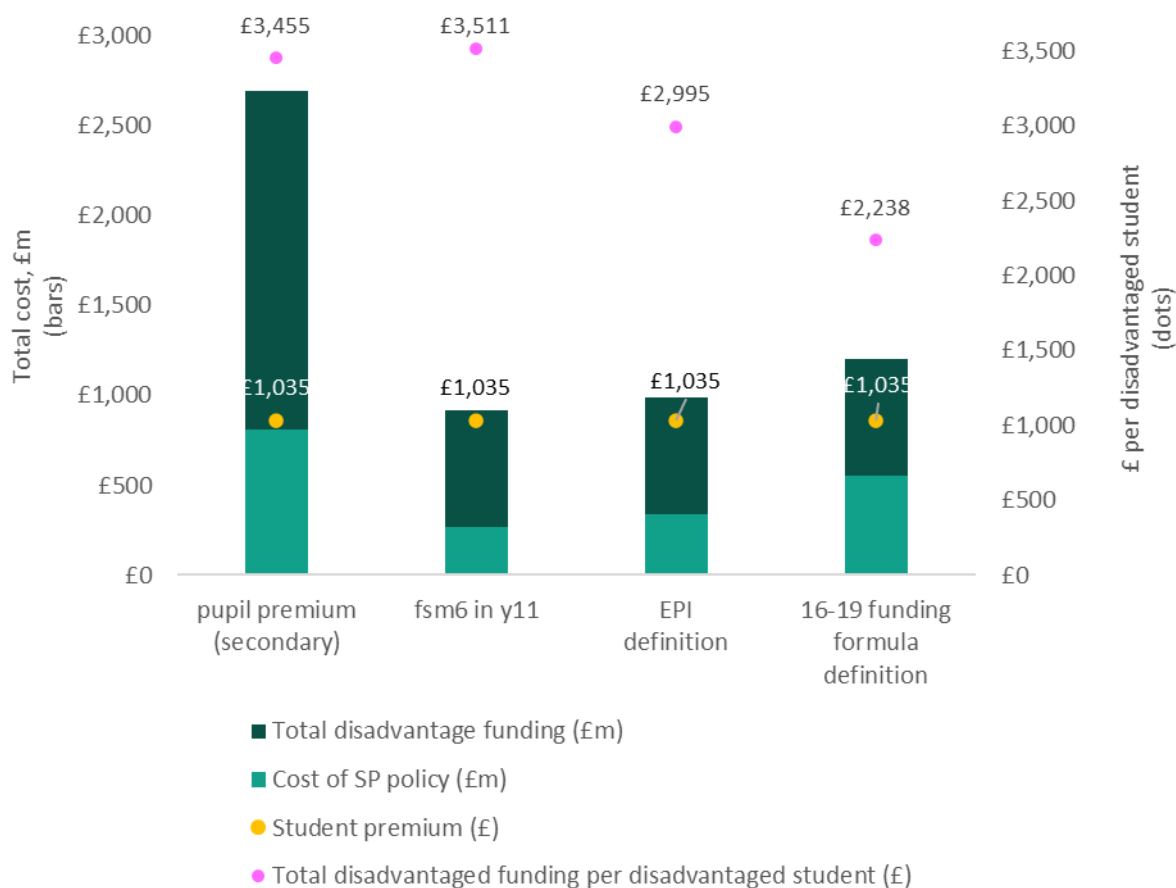
Scenario 1: matching the secondary school pupil premium rate

Here we set the student premium rate to match the pupil premium in secondary schools of £1,035 in 2023-24. This is shown as yellow dots in Figure 7 and is the same under all our definitions of 16-19 disadvantage. By combining this rate of £1,035 with our estimate of existing 16-19 disadvantage funding (blocks 1 & 2 funding, plus free meals), we can derive the total amount of disadvantage funding per disadvantaged student (shown as pink dots). The total cost of the student premium policy is simply the per student rate multiplied the number of eligible students under the different definitions of disadvantage. This is shown in the light green bars, as a subset of total disadvantage funding in 16-19 education (the dark green bars).

³⁸ Drayton et al., 'IFS Annual Report on Education Spending in England 2023'.

³⁹ Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

Figure 7: Scenario 1 models the student premium rate (right-hand axis) and total cost of the student premium policy (left-hand axis) under different eligibility criteria, based on matching the secondary school pupil premium



By design in Figure 7, the student premium rate matches the secondary school pupil premium rate of £1,035. The total cost of the student premium is proportional to the number of eligible students under each definition of disadvantage. The cost of the policy is £340m under our preferred EPI definition. This compares to £269m under the FSM6 in year 11 definition and £555m under the wider 16-19 funding formula definition. These are all lower than the £807m cost of the pupil premium simply because there are more year groups in the secondary phase than in 16-19 education. The student premium funding would be in addition to existing 16-19 disadvantage funding of around £644m (which is a fixed amount under each definition). We can then combine these into a figure for total disadvantage funding per disadvantaged student. This equates to £2,995 under our EPI definition – still lower than disadvantage funding per disadvantaged secondary-aged pupil of £3,455; it is highest under the FSM6 in year 11 definition (at £3,511) and lowest under the 16-19 funding formula definition (at £2,238).

The key advantages of this approach to costing a student premium are its simplicity and its parity with the secondary school phase. However, this is parity in a notional sense, as there is no reason to think that the rate of the secondary school pupil premium is the ‘right’ one for 16-19 students. Knowing the optimal level to set the rate of a student premium requires the development of the 16-

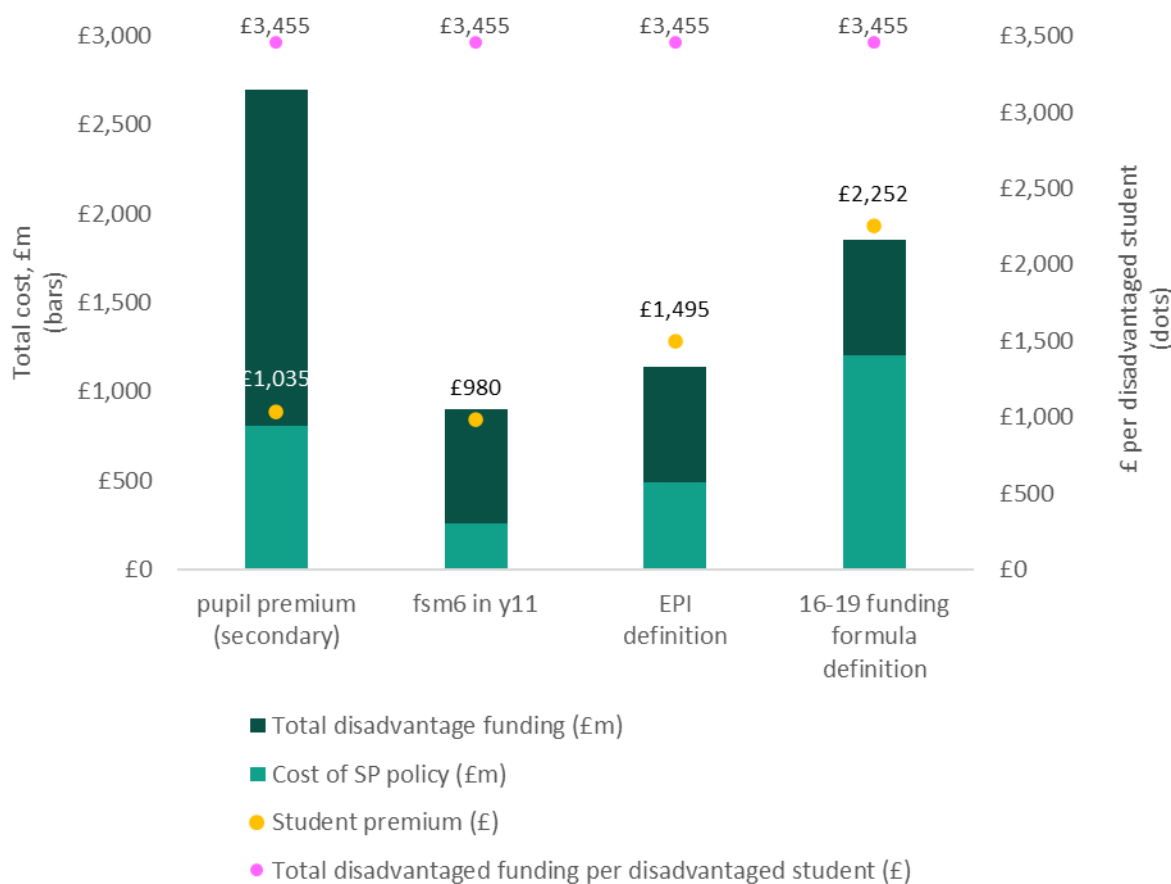
19 evidence base on effective interventions and approaches for improving outcomes for disadvantaged students and their relative cost, discussed in more detail below.

Scenario 2: matching the per student rate at which disadvantage is funded in secondary schools

Here we set the student premium rate so that total 16-19 disadvantage funding (including block funding) per student matches that in secondary schools. This is shown in Figure 8 by the pink dots – which represent overall per student disadvantaged funding – all being set equal to the secondary school rate of £3,455 under each of our disadvantage definitions. This means that the student premium rate itself varies between definitions. It is £1,495 under our EPI definition, which sits between a low of £980 under the FSM6 in year 11 definition (as we saw in Figure 5) and a high of £2,252 under the 16-19 funding formula definition.⁴⁰

⁴⁰ The reason the premium increases in value in this way is because for disadvantage definitions capturing fewer 16-19 students, existing 16-19 disadvantage funding is being allocated between fewer students – and by starting with higher funding per disadvantaged student, there is less ‘headroom’ when aiming to equalise overall disadvantage funding at the secondary school rate (of £3,455).

Figure 8: Scenario 2 models the student premium rate (right-hand axis) and total cost of the student premium policy (left-hand axis) under different eligibility criteria, based on matching the rate of per pupil disadvantage funding in secondary schools



The total cost of the student premium is £491m under the EPI definition. This compares to £255m under the FSM6 definition and £1.2 billion under the 16-19 funding formula definition. The very high cost under the funding formula definition for this second funding scenario reflects that this is combining the highest student premium rate (£2,252) with the highest number of eligible students.

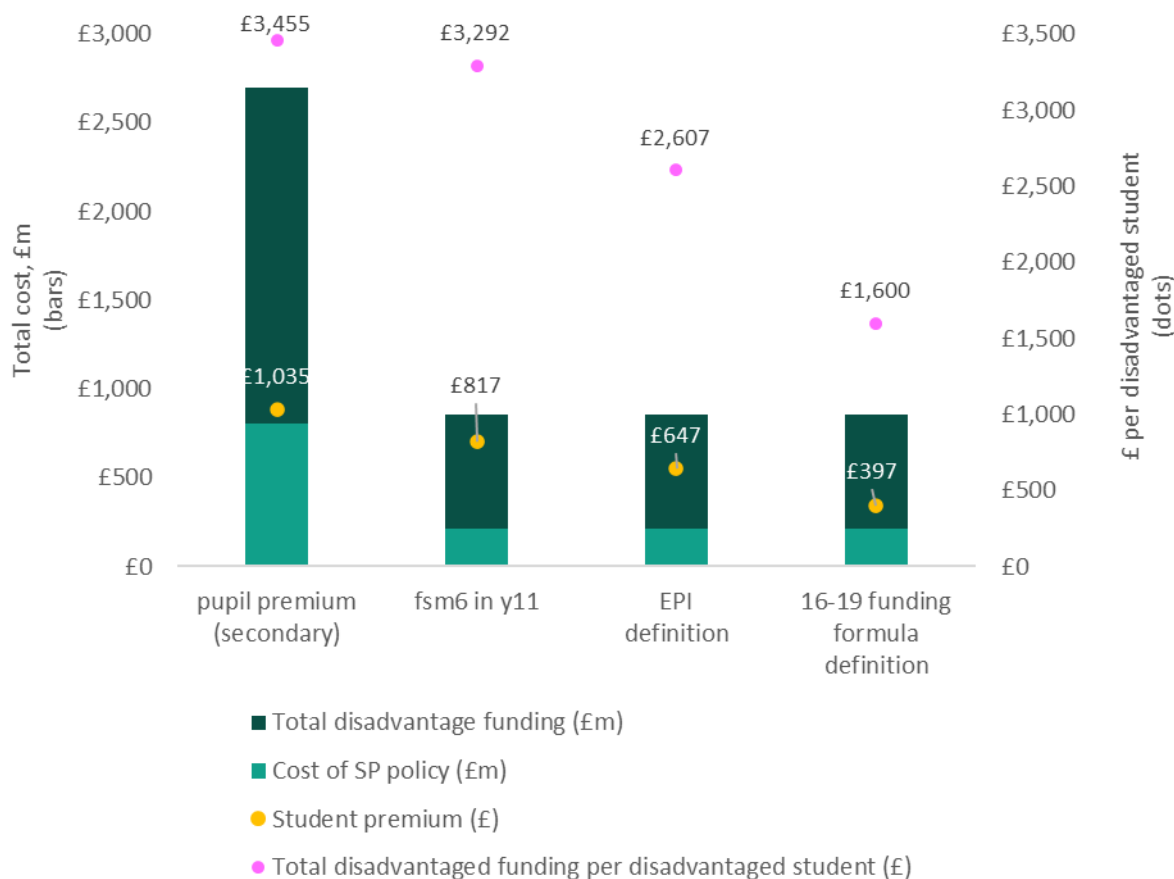
The key advantage of this approach to costing the student premium is its parity with the level of disadvantage funding (per disadvantaged student) in secondary schools. However, as with matching the pupil premium in the first scenario, there is no reason to think that this is the ‘right’ level of funding for disadvantaged students in 16-19 education which requires the development of the 16-19 evidence base on what works and at what cost. It also becomes an expensive policy for wider definitions of disadvantage that capture more students.

Scenario 3: matching the overall proportion of funding allocated to disadvantage in secondary schools

The final scenario that we model involves setting the rate of the student premium to equalise the **proportion** of total 16-19 funding allocated to disadvantage (currently 10%) to match that of secondary schools (13%). This is effectively the least generous of our three scenarios, reflected in both lower student premium rates and lower total amounts of disadvantage funding per disadvantaged student. This is because as discussed above, it equates to a smaller funding uplift of

around one-third compared to at least 40 per cent in the other scenarios (under the FSM6 definition).

Figure 9: Scenario 3 models the student premium rate (right-hand axis) and total cost of the student premium policy (left-hand axis) under different eligibility criteria, based on matching the overall proportion of funding allocated to disadvantage in secondary schools



In Figure 9, the student premium rate is £647 under our EPI definition, which sits between a low of £397 under the 16-19 funding formula definition and a high of £817 under the FSM6 in year 11 definition (as we saw in Figure 5). It is a smaller premium under wider definitions of disadvantage because the fixed quantum of disadvantage funding is being allocated between more students. The student premium is well below the secondary pupil premium rate (of £1,035) under all definitions, and so too is total disadvantage funding per disadvantaged student. The cost of the student premium policy is fixed at £213m under all definitions, taking total 16-19 disadvantage funding to £857m under all definitions.

This scenario has been provided as a further lens through which to demonstrate the relative funding gap at age 16 but it has some key drawbacks. Compared to the other two scenarios, it is more complex. It also bakes-in existing inequalities in funding by phase. This results in low disadvantage funding rates – both in absolute terms and relative to the secondary phase – particularly for wider definitions of disadvantage. For these reasons, it is our least preferred option of the three.

Other considerations

The cost of delivering education is higher in London and the South East than the rest of England. The 16-19 funding formula reflects this through an 'area cost uplift' which scales-up programme funding (including disadvantage block funding) received by institutions in more expensive areas. We do not propose that the student premium should vary geographically, given that other elements of the funding system already address area-cost differences.

Our analysis is based on student headcounts as opposed to full-time equivalents. The vast majority of 16-19 year olds are in full-time provision and we do not propose that the student premium should be adjusted for those in part-time provision. This helps mitigate risks of baking-in disadvantage in cases where disadvantaged students are having to study part-time to combine their studies with working.

To align with students funded by the Education and Skills Funding Agency (ESFA) in the published 16-19 allocations data, our costings do not include students aged 16 to 19 undertaking an apprenticeship. Official data indicates that 4.6 per cent of the 16-19 year old population were on an apprenticeship in 2022 (only a subset of these would meet the eligibility criteria for a student premium).⁴¹ Although not included in our figures, the relatively small numbers involved mean that they would not have a substantial impact on costs and our view is that young apprentices who meet the EPI definition should be eligible for the student premium.

The ESFA 16-19 funding does include students up to the age of 25 when they have an education, health and care plan (EHCP). Given our focus on 16-19 year olds, we have not included these older students in our analysis. Supplementary analysis using the Individualised Learner Record (ILR) indicates that there were around 32,000 students aged 19 to 25 with EHCPs in 2021/22 (of whom around 14,000 were FSM6 eligible in year 11). This could be an additional 4 per cent in the number of students eligible for the student premium and we propose that this group should also be in-scope.

Summary

The student premium rate and its associated total policy cost is determined by the intersection of the eligibility criteria and choice of funding scenario. Our starting point for the scenarios is to consider how much disadvantage is currently funded at secondary school, whilst recognising that the needs of students will change as they progress in their education – and may well become more costly beyond the age of 16. Despite this, we find that disadvantage is funded at least one-third higher in secondary schools than in 16-19 education. Setting the student premium at least as high as the secondary school pupil premium (£1,035) would help address this cliff-edge in the funding system at age 16. Combining this with our preferred definition of disadvantage which captures 28 per cent of the student cohort would mean a total policy cost of £340m (in 2023-24 prices). A full summary table can be found in Figure 10.

⁴¹ Department for Education, 'Participation in Education, Training and Employment Age 16 to 18'.

Figure 10: Summary of approaches to defining disadvantage for the purposes of a student premium and their associated total policy costs under different funding scenarios (2023-24 prices)

Scenario 1	Scenario 2	Scenario 3
Approach: <ul style="list-style-type: none"> ▪ matching the secondary school pupil premium rate of £1,035 	Approach: <ul style="list-style-type: none"> ▪ matching the per student rate at which disadvantage is funded in secondary schools 	Approach: <ul style="list-style-type: none"> ▪ matching the overall proportion of funding (%) allocated to disadvantage in secondary schools
Student premium (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £1,035 ▪ EPI definition = £1,035 ▪ 16-19 funding formula definition = £1,035 	Student premium (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £980 ▪ EPI definition = £1,495 ▪ 16-19 funding formula definition = £2,252 	Student premium (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £817 ▪ EPI definition = £647 ▪ 16-19 funding formula definition = £397
Total policy cost (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £269m ▪ EPI definition = £340m ▪ 16-19 funding formula definition = £555m 	Total policy cost (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £255m ▪ EPI definition = £491m ▪ 16-19 funding formula definition = £1,207m 	Total policy cost (£): <ul style="list-style-type: none"> ▪ FSM6 definition = £213m ▪ EPI definition = £213m ▪ 16-19 funding formula definition = £213m
Advantages and drawbacks: <ul style="list-style-type: none"> ✓ Simplicity ✓ Equity with secondary school pupil premium (though there is still a funding gap based on overall disadvantaged funding per disadvantaged student) ▪ Implicit assumption that pupil premium is set at 'right' rate 	Advantages and drawbacks: <ul style="list-style-type: none"> ✓ Equity with pre-16 (when looking at overall disadvantage funding per disadvantaged student) × Implicit assumption that funding per disadvantaged pupil is set at 'right' rate × Costly for some definitions of disadvantage 	Advantages and drawbacks: <ul style="list-style-type: none"> × More complex (not directly linked to per student funding) × Implicit assumption that the proportion of funding on disadvantage pre-16 is 'right' × Bakes in funding inequalities across phases

4. Wider implementation issues

Data sharing

When a disadvantaged pupil attends a primary or secondary school, the school generally knows who the pupil is and how much additional funding it will receive to support that child in the form of the pupil premium. Being able to identify disadvantaged pupils and diagnose their individual needs is the starting point for schools being able to plan, implement, monitor and sustain an effective pupil premium strategy.⁴²

However, at the point the student turns 16, there is no national, or even local, oversight of the transition to key stage 5 and institutions do not automatically know which of their 16-19 year olds are, or were previously, disadvantaged. This may be a particular challenge in further education colleges, given their size and disproportionately disadvantaged intakes. They also cater for greater numbers of lower-attaining students and students with additional educational needs, making colleges a vital place for enabling social mobility.⁴³

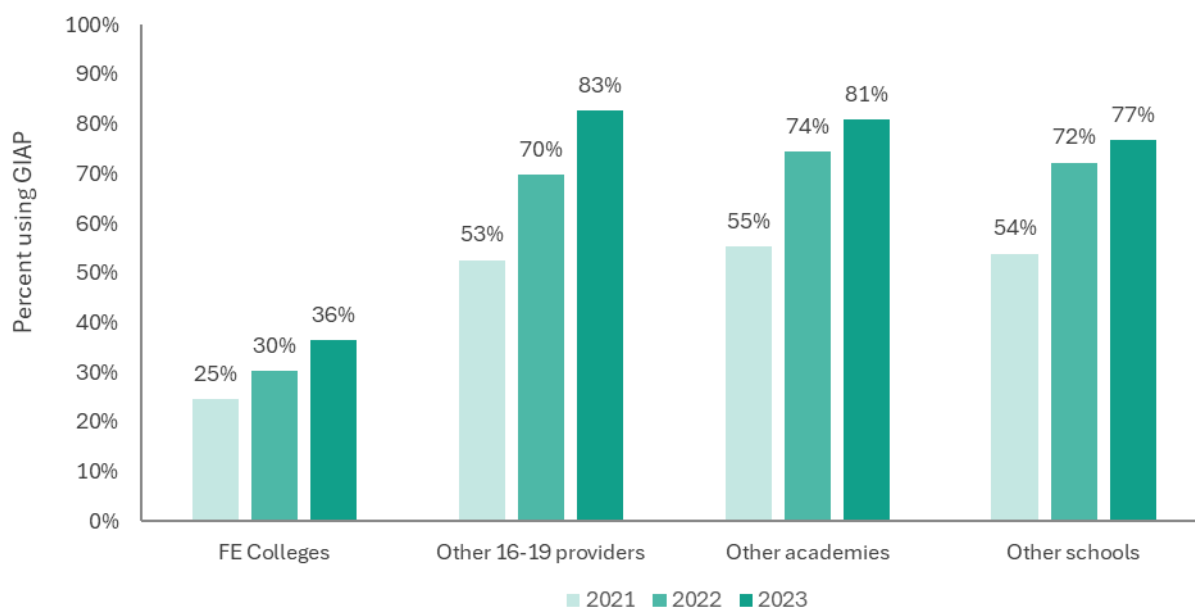
The existing system for schools and colleges to check the status of their students is known as 'Get Information about Pupils' (GIAP) which includes their pupil premium status. The GIAP tool is designed to allow institutions to access data about students' end of key stage results (key stage 4, key stage 2 and key stage 1) and their contextual characteristics, including their disadvantaged status. However, this system does not appear to be widely used based on data we obtained on the number of logins to the GIAP tool through a DfE Freedom of Information (FOI) request.

We looked at the proportion of institutions that logged in to the GIAP tool in a calendar year since its inception in 2021. In the most recent year (2023), 78 per cent of institutions had accessed the GIAP tool at least once (rising from 54 per cent in 2021). When we split this out by institution type in Figure 11, what is stark is the extremely low proportion of further education colleges that have accessed the GIAP tool over the past few years. Less than a third of further education colleges used the GIAP tool on average between 2021 and 2023. In 2023, the proportion had risen to 36 per cent, compared to 83 per cent of other 16-19 providers that had accessed the GIAP tool. Around three-quarters of free schools (16-19) and over two-thirds of 16-19 academy converters had used the GIAP tool in 2023. While this is much higher than for further education colleges, that still leaves a sizeable group of institutions that do not access the GIAP tool.

⁴² Education Endowment Foundation, 'The EEF Guide to the Pupil Premium'.

⁴³ Bibby et al., 'Post-16 Pathways to Employment for Lower Attaining Pupils: Are They Working?'; Lupton, Thomson, and Unwin, 'Moving on from Initial GCSE "Failure": Post-16 Transitions for "Lower Attainers" and Why the English Education System Must Do Better'.

Figure 11: Proportion of institutions accessing GIAP by high-level institution type



Given the emphasis on identifying and supporting disadvantaged students in Ofsted performance criteria, the access rates for GIAP are concerning, particularly for further education colleges. It is perhaps unsurprising that rates are low if institutions do not think they need the additional data – either because they undertake their own early assessments of students in any case or because of a lack of incentive to do so, given weak links with existing funding and accountability systems (discussed below).

In summary, to ensure that any student premium is used effectively, institutions must be able to identify eligible students. This requires a data-sharing system that allows institutions to automatically identify who is disadvantaged (based on the student premium eligibility criteria) and is widely used across all institution types. It might better support early identification of learning needs, ideally from the admissions point, so that institutions can plan ahead. Following the introduction of a student premium, the Department should evaluate the system’s use to ensure disadvantaged students are not falling between institutional gaps.

Building the evidence base

The government has made significant long-term investment in the Education Endowment Foundation (EEF) to embed evidence in the English education system. This includes supporting schools with resources when making decisions with their pupil premium funding. Schools have autonomy over how to spend the pupil premium and are expected to combine external research evidence with their professional expertise and knowledge of their school context to drive maximum impact.

The remit of the EEF includes disadvantaged students up to age 19 but its post-16 evidence base is still at a nascent stage. The current funding round has a focus on supporting ‘what works’ in relation to GCSE maths and English re-sits. A recent EEF review found that there’s a growing appetite among post-16 settings to use evidence to support teaching and learning, but a lack of support and resources for doing so (EEF, 2023). It recommended more research, the development of

interventions and trials to generate a more robust evidence base, and support and resources to improve the generation and use of evidence among practitioners and institutions. The government has since announced that the EEF would receive £40m of funding to grow the evidence base and support effective practice in post-16 education.⁴⁴

Whilst some evidence from EEF studies with younger pupils may provide insights on how to support the attainment of disadvantaged 16-19 year olds, careful thought is needed around how relevant, robust and applicable it is in the context of 16-19 education. This evidence gap when making decisions around how to spend (new or existing) 16-19 disadvantage funding will hamper efforts to close the attainment gap. However, the paucity of evidence at least partly reflects the current lack of a 16-19 student premium and developing the evidence base may in fact require funding to stimulate the market for interventions that can be evaluated, as seen with the development of the pre-16 evidence base in the years following the introduction of the pupil premium in 2011.

To maximise the impact of additional disadvantage funding through a student premium, the 16-19 evidence base would therefore need to be developed alongside it. The Department should prioritise the development of the 16-19 evidence base and consider a staggered roll-out of the student premium to support its evaluation, including understanding how institutions spend the funding and policy implementation issues during its first year of rollout. This could take the form of a limited set of interventions and approaches that existing evidence suggests have most promise. Disadvantaged students in long-term poverty and/or with low prior attainment might also be considered priority groups for initial trials.

Accountability for disadvantaged students

Institutions are currently held to account for the performance of their disadvantaged students through Ofsted inspections and school and college performance tables, whose headline measures are produced separately for disadvantaged students.

The quality of education 16-19 institutions provide for disadvantaged students and the attainment of these students are key components of Ofsted ratings. These factors are explicitly stated throughout the Ofsted inspection criteria.⁴⁵ Under the topic of education programmes for young people in further education colleges, where disadvantaged students are significantly over-represented in the student population:

'Inspectors will consider how well leaders and teachers promote high expectations for achievement and progress through the systems they use to monitor and develop the quality of provision for learners, including the most disadvantaged, those with SEND and those with high needs.'

Under the 'Good' grade descriptor, college leaders must:

'... adopt or construct a curriculum that is ambitious, appropriately relevant to local, regional and national employment and training priorities and designed to give learners, particularly the most disadvantaged, the knowledge and skills they need to succeed in life.'

⁴⁴ Education Endowment Foundation, 'Government Confirms Funding for EEF to Support Evidence-Informed...'

⁴⁵ Ofsted, 'Further Education and Skills Inspection Handbook'.

Under these criteria, 91 per cent of general further education colleges and 100 per cent of sixth-form colleges received a ranking of Good or Outstanding in 2023.⁴⁶

However, the definition of disadvantage for the purposes of both Ofsted and performance tables is based on (previous) pupil premium eligibility. This means there is a mismatch between which students are currently funded as disadvantaged (based on low prior attainment and area-based deprivation) and those students who are considered disadvantaged for accountability purposes (based on pupil premium).

There is also no requirement for 16-19 institutions to report how they spend their disadvantage funding, in contrast to schools' pupil premium reporting requirements which include publishing a statement each year on how they are using their funding which is scrutinised by governors and trustees. This means that there is more limited information on whether and how disadvantaged students are benefitting from funds aimed at supporting their needs. Alongside the under-developed evidence base, this may be limiting the effectiveness of existing disadvantage funding.

The issues around data-sharing, a paucity of evidence and weak accountability raise potential concerns around how effectively institutions are currently targeting and supporting disadvantaged students and maximising the impact of disadvantage funding to improve their outcomes. Alongside the introduction of a student premium, 16-19 institutions should be held to account for its use. They should publish on their websites information on how much student premium funding they receive and how they are using it to support their disadvantaged students.

⁴⁶ Ofsted, 'Main Findings'.

5. Conclusion

Education inequality in England is entrenched and the stubborn link between family income and educational outcomes does not stop at age 16. Economically disadvantaged students in 16-19 education are over 3 grades behind their peers.⁴⁷ Whilst this partly reflects the educational inequalities that disadvantaged students experience in earlier phases, they also fall further behind during the 16-19 phase.⁴⁸

The sizeable attainment gap indicates that existing resources in 16-19 education are insufficient to overcome the additional challenges of supporting disadvantaged students, particularly against a backdrop of the further education sector having endured the biggest spending cuts of any education phase in recent years.⁴⁹

To prevent disadvantaged students from falling further behind, there is a **strong case for additional government funding for economic disadvantage in 16-19 education**. We propose that this should be in the form of a 16-19 student premium, building on the principles and lessons from the pupil premium which has become one of schools' most important tools in tackling educational inequalities pre-16. It would have **one central aim: to improve the educational attainment of economically disadvantaged students**, backed by a **per student funding commitment** for every eligible learner.

Limitations with the 16-19 data and evidence base mean determining who should be eligible for a student premium and the 'right' amount of funding is not straightforward. **Our preferred definition is one that seeks to combine student-level (FSM6) and area-level (IMD) measures** to better target resources towards economic disadvantage than either FSM6 in isolation or the existing 16-19 funding formula. And although more complex than other definitions, it does not require any additional data to what is already collected centrally.

In setting the rate of a student premium, our starting point is to consider how disadvantage is currently funded at secondary school. We find that **disadvantage is funded at least one-third higher in secondary schools than in 16-19 education**. There is no obvious rationale for this and appears to be at odds with a national funding formula which weights most other deprivation factors more heavily for older pupils (at secondary school) than younger ones (at primary). Setting the student premium at least as high as the secondary school pupil premium (£1,035 in 2023-24) would help address this cliff-edge in the funding system at age 16. Combining this with our preferred definition of disadvantage which captures 28 per cent of the student cohort would mean a total policy cost of £340m (in 2023-24 prices).

In conclusion, we propose:

- The introduction of a **student premium for disadvantaged students in 16-19 education, based on eligibility criteria that combine student-level (FSM6) and area-level (IMD) measures of disadvantage;**

⁴⁷ David Robinson et al., 'EPI Annual Report 2024'.

⁴⁸ Tuckett, Robinson, and Bunting, 'Measuring the Disadvantage Gap in 16-19 Education'.

⁴⁹ Drayton et al., 'IFS Annual Report on Education Spending in England 2023'.

- That **the student premium is initially pegged to the rate of the secondary school premium** to help address the cliff-edge in funding for disadvantaged students at age 16 but that this rate is kept under review;
- That the **Department for Education develops the 16-19 evidence base on what works** and at what cost – supported by the Education Endowment Foundation’s expanded focus on post-16 education – and that is used to inform the value of the student premium longer-term;
- The Department should ensure that **institutions are automatically able to identify which students are eligible for the student premium** and evaluate institutions’ use of the shared data system to ensure it is fit-for-purpose;
- **16-19 institutions should be held to account by publishing information** on how much student premium funding they receive and how they are using it to support their disadvantaged students; and
- **The Department should consider a staggered roll-out of the student premium** in order to evaluate its effectiveness.

Appendix: Data and methodology

Student counts

We base our analysis on the Key Stage 5 file of the National Pupil Database (NPD).

We select students who were aged 16, 17 or 18 at the start of the academic year 2021/22, excluding students in independent institutions or institutions of unknown type.

To derive students' home postcode, we match to their entry in the Spring School Census (in January 2022) or the Individualised Learner Record (at the end of the 2021/22 academic year). Students who have dropped out part way through their course will not be captured in our analysis. This allows us to identify students living in the 27 per cent most deprived areas of the country based on the Index of Multiple Deprivation (IMD), to align with the definition of economic disadvantage used in the 16-19 funding formula.

Given our interest in targeting students who have recently moved into a disadvantaged area, we also identify the subgroup who currently live in one of the most 27 per cent deprived areas of the country but did not do so (or were missing data) at the end of key stage 4, based on their Spring School Census record from year 11.

We match students to their School Census record in year 11 to identify those who were eligible for free school meals at any point in the previous six years ('FSM6') prior to the end of key stage 4. We do this for four cohorts who completed key stage 4 in the academic years 2017/18 to 2020/21.

We also track students back through earlier years' School Census records to identify persistently disadvantaged students who are the subset of disadvantaged student that are eligible for free school meals for at least 80 per cent of their time in school.

To identify students with low prior attainment, we use their GCSE results in English and maths. We define having low prior attainment in the same way as the 16-19 'block 2' disadvantage funding, based on not achieving grade 4 in GCSE English and/or maths by the end of year 11.

To identify students' institution type during key stage 5 we match to data from 'Get Information about Schools'. In our aggregation of institution types, we include Special schools as 'other types'.

Given our interest in 19-24 year old students with Education, Health and Care plans (EHCPs), we use the ILR to identify those aged 19, 20, 21, 22, 23 or 24 at the start of the academic year 2021/22. We then match these students to their historic pupil records in the Spring School Census to identify those who are disadvantaged and have an EHCP. We do this for six cohorts who completed key stage 4 in the years 2012/13 to 2017/18.

Student Premium policy costings

The starting point for our funding analysis is to compare the rate at which disadvantage is funded in state funded secondary schools relative to 16-19 education.

In calculating total disadvantage funding at the secondary school phase, we use the Department for Education's secondary school allocations for 2023-24. We sum across funding allocated to mainstream secondary schools in relation to the pupil premium, plus the three deprivation factors in

the schools national funding formula. These relate to funding for secondary pupils currently eligible for free school meals (FSM); secondary pupils who have been recorded as eligible for FSM at any time in the last six years ('FSM6'); and area-level deprivation based on the Income Deprivation Affecting Children Index (IDACI) which measures the proportion of all children aged 0 to 15 living in income deprived families.

For the 16-19 phase, we use the Department for Education's 16-19 allocations for 2021/22 to align with our student counts for the academic year 2021/22. We then convert 16-19 funding figures to 2023-24 (financial year) prices to align with the school funding figures, using HMT's March 2024 GDP deflators. In calculating disadvantage funding in 16-19 education, we sum across funding allocated through the 16-19 funding formula for disadvantage (blocks 1 and 2), plus the free meals element of 16-19 financial support. For consistency with pre-16 disadvantage funding, we do not include other elements of 16-19 financial support.

To derive the amount of disadvantage funding per disadvantaged student in each phase, we divide these funding totals by our estimates of the numbers of disadvantaged students at each phase. We refer to these estimates as 'total disadvantage funding per disadvantaged student' though this is notional in the sense that this funding may not be spent solely on disadvantaged students. This is notably the case for area-level funding which is allocated to students living in deprived areas who may or may not be deprived themselves.

We also calculate the percentage share of total (revenue) funding at each phase that is allocated to disadvantage. For schools, the (denominator of) this calculation sums across: the total schools block (post- minimum funding guarantee); the PE and sport premium; teachers' pay additional grant; and mainstream schools additional grant. It does not include high needs funding. We also exclude coronavirus recovery premium funding and National Tutoring Programme funding as these are time-limited and are not due to continue beyond the 2023/24 academic year.

In calculating total 16-19 funding, we sum across: total programme funding; 16-19 free meals; care standards funding; capacity and delivery fund; alternative completions funding; teachers' pension scheme grant; and offset high value courses. It does not include high needs funding, or the 16 to 19 tuition fund.

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