



Northern Ireland  
Assembly

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**COMMITTEE  
FOR EMPLOYMENT  
AND LEARNING**

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**OFFICIAL REPORT  
(Hansard)**

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**Review of the Education Maintenance  
Allowance**

19 January 2011

**NORTHERN IRELAND ASSEMBLY**

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FOR EMPLOYMENT  
AND LEARNING**

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**Review of the Education Maintenance Allowance**

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**Members present for all or part of the proceedings:**

Mr Jonathan Bell (Deputy Chairperson)

Mr Sydney Anderson

Mr Paul Butler

Mr Chris Lyttle

Mr David McClarty

Mrs Claire McGill

Mr Pat Ramsey

Ms Sue Ramsey

Mr Peter Weir

**Witnesses:**

Mr Fergus Devitt ) Department for Employment and Learning

Mr John Neill ) Department for Employment and Learning

Ms Eve Stewart ) Department of Education

**The Deputy Chairperson (Mr Bell):**

I welcome Eve Stewart, Fergus Devitt and John Neill to this morning's meeting. Mr Devitt, I invite you to brief the Committee on your work.

**Mr Fergus Devitt (Department for Employment and Learning):**

I am grateful for the opportunity to discuss the outcome of the PricewaterhouseCoopers (PWC) review of the education maintenance allowance (EMA), which was commissioned jointly by the Department for Employment and Learning (DEL) and the Department of Education (DE). I am accompanied by John Neill, head of the higher education student finance branch, and Eve Stewart from DE's participation of parents team.

With the permission of the Committee and Chairperson, I will take no more than four or five minutes to set out some information on the findings of the review and, in broad terms, how we might go forward in light of those findings. Following that, I will be happy to try to answer questions and to hear views from the Committee on this important issue.

I would like to cover three broad elements. They are a brief background to EMA and the review; the key findings of the review; and potential future options for EMA. I will finish by touching briefly on the time frame within which we are working.

As you will be aware, EMA was jointly introduced in September 2004 by DEL and DE. The main purpose of the scheme is to enable young people from lower-income backgrounds to remain in post-compulsory education at school or college, with the key objectives of raising participation, retention and achievement rates in the eligible group. Under the scheme, young people aged between 16 and 19 who attend schools and further education colleges in Northern Ireland are eligible to receive a means-tested weekly allowance of £10, £20 or £30, depending on their family income. In addition, learners are eligible to receive two £100 bonus payments, which are paid in January and June, as well as a £100 returner bonus, which is paid to those students who return to their course in the September of the following academic year.

Overall, EMA costs approximately £26 million a year, with 60% of recipients in the school sector and 40% in further education colleges. As the scheme has now been in operation for almost six years, it was timely to undertake a formal detailed review. Following a competitive tendering process, PWC was awarded the contract to carry out the review of EMA to ascertain whether it has continued to meet its original objectives. The final report was received in December, and I understand that Committee members have received copies.

As part of the review, PWC conducted surveys and held focus groups of EMA students, year-

12 students, sponsors who are parents or guardians, and EMA school or college co-ordinators. It also consulted a range of internal stakeholders in DEL and DE and a number of external stakeholders, including the Student Loans Company, which administers the scheme on the Department's behalf. It also consulted the Equality Commission and the Youth Council for Northern Ireland. A comparative analysis of EMA schemes operating in the rest of the UK was also undertaken.

The first key findings of the review were about impact on participation levels. During the first year that EMA was operational in Northern Ireland, which was 2004-05, the participation level among those in full-time education or vocational training at 16 and 17 was 78%, compared to 67% in England. Northern Ireland's participation level has since risen by nine percentage points to 87%, and England's by 15 percentage points to 82%.

The survey investigated the influence of EMA on a learner's decision to stay in post-compulsory education. The findings revealed that there is a significant proportion of deadweight in the system, as 64% of students receiving EMA indicated that they would have remained in education even if they had not received it. That is an extremely important finding. When that issue was examined in the year-12 survey, the findings were similar, with 71% of year-12 students stating that they intended to remain in education regardless of whether they received EMA.

The EMA learner survey findings indicate that students felt that their engagement with learning had increased since receiving the allowance. Just over half of those surveyed agreed or strongly agreed that EMA had a positive impact on their attendance and timekeeping. Findings from the EMA co-ordinators' survey on the impact of the bonus payments suggest that the co-ordinators felt that the bonus payments had a greater impact on attendance, submission of homework or coursework, behaviour and timekeeping than the weekly payments, although there appears to be an overlap between the purposes of the bonuses and the weekly payments.

The findings from the survey show that over half of learners in receipt of EMA felt that it was enough to meet their financial needs. However, nearly two thirds indicated that they had a part-time job, and just over 40% indicated that their parents or guardians provided an additional source of income. When learners were asked to advise how they used their EMA allowance, the majority indicated that they saved all or part of it. Social activities ranked the highest priority in

respect of spending the money.

In considering the future options for EMA, overall the review findings have shown that there is broad support for the principles of EMA and for the provision of support for learners, particularly those from low-income backgrounds who may experience barriers to learning. In addition, the findings of the review would suggest that the original rationale for EMA continues to be valid. However, it is widely recognised that Northern Ireland is facing a challenging economic climate, particularly the tightening of the public purse strings and the increasing pressure on Departments to find efficiency savings across the CSR period from 2011-12 to 2014-15. Therefore, in the context of EMA, there is a need to ensure that any such funding support is directed towards those who need it most and where, ultimately, it will have most meaningful impact. On that basis, the existence of deadweight within the scheme, as identified as part of the review, needs to be addressed if EMA is to remain sustainable in the future.

Against that background, the review and DEL separately examined a number of options for the future structure of EMA, with the assumption that those changes would be implemented from academic year 2012-13. The options ranged from retaining the EMA scheme as it is, to phasing it out altogether, and, in between, various combinations of the weekly allowances and bonuses.

On the basis of the review findings, particularly in relation to the deadweight identified and in light of the current budgetary restrictions, it would be difficult to justify simply retaining EMA as it is. Equally, as the review has shown that the original objectives of the EMA scheme remain valid, it would be difficult to justify stopping it altogether. I am very conscious that EMA is a policy area that has been of importance to the Committee, so, before the Department does further work on options, it is important that we hear members' views.

Finally, on time constraints, the objective is to introduce a revised scheme for the beginning of academic year 2012-13, in which case consultation and ministerial agreement would need to be completed by around September this year. That is necessary to allow the guidance document and IT infrastructure to be modified as required. I am very grateful for the opportunity to give you that quick run-through, and we are happy to try to address any points or questions.

**The Deputy Chairperson:**

You raised some very important issues, which I know are very close to the heart of some

members.

**Ms S Ramsey:**

Deputy Chair, earlier, I spoke to the Chairperson, who has had to leave to go to a funeral, so it is appropriate that I make a proposal that might deal with a lot of these issues. If the Committee is agreeable, the Chairperson suggested that we hold a single-issue meeting on this issue. There is a lot of detail for us to consider, and she will try to facilitate discussion next Monday or Tuesday. Does the Committee agree to that, because we will not do the subject justice by giving it only an hour or half an hour?

**The Deputy Chairperson:**

Are members content that that is how we should proceed?

*Members indicated assent.*

**Mr Weir:**

I appreciate that we are unable to go into the matter in any depth today. I just want to ask a factual question based on what you said, Fergus. You outlined what might be described as mid-range options. You mentioned the survey, and deadweight seemed to be a key issue. All the mid-way options seem to vary around either the bonus or the £10 and £20 payments. Perhaps discussion on that could be facilitated in the special meeting.

You mentioned various survey figures relating to student attitudes to the money not being available. Is there a breakdown that shows the attitudes of people who receive different levels of benefit, and can you provide us with that information? It strikes me that if, for example, we remove the £10 allowance or we remove both the £10 and the £20 allowance, the degree of differential impact is a key factor. Furthermore, is EMA a much greater incentive for the people who receive the full £30? We need statistics that will help to answer those questions.

Another point to consider is that everything is based on either retaining or axing certain elements. Was consideration given to varying the amounts, because there could be an argument for that? Given the slightly arbitrary nature of where money kicks in, if we were to go down the road of abolishing the £10 and £20 allowances but of retaining the £30 allowance, you could have a situation in which there are two classmates, one whose family earns a few quid more than the

other, but one receives £30 a week and the other receives nothing. Depending on which side of the line you fall, it seems that there could be a big contrast in the level of allowance. Will you explain how you discounted the idea of, for instance, varying the amount of allowance?

**Ms S Ramsey:**

In addition, can we get a breakdown of where the surveys were carried out?

**Mr Weir:**

And the number of people surveyed, and so forth.

**Mr Devitt:**

On the first and last points about requiring more details and statistics, we can certainly go back to the consultants to see what level of breakdown they can give us on who was surveyed, where they were surveyed and the impact of the payment bands on the differential groups. We can go back to the consultants and try to get as much information as possible.

**Mr Weir:**

There seems to be a degree of logic in your remark that someone who, for instance, gets £10 a week may not see that as a massive incentive one way or another. It may be of much greater significance to get £30 a week. It will be interesting to know if the statistics bear that out.

**Mr Devitt:**

In broad terms, my recollection is that around 80% to 85% of students receive the £30 payment. Therefore, if 64% of the total is classed as deadweight, some of those people must be in the £30 bracket. However, we will try to get a more detailed analysis and breakdown of that.

In some ways, there are three levers that we can use: the weekly payments, the bonuses and the income thresholds. Therefore, we are not constricted by the options that are set out. When we move forward, get into specific options and take into account the Committee's views, we will look at those levers, not just the bonuses and the weekly amounts, but the income thresholds as well. The Committee's report on young people not in education, employment or training (NEET) suggested that there needs to be better targeting of EMA. If that is the case, perhaps the income threshold should be taken into account. That is related to the point about people in the same class. How will they distinguish between themselves if one is in receipt of EMA and one is not?

**Mr Butler:**

Thanks for your presentation. I want to ask a couple of questions. The report states that there is no conclusive evidence on attainment rates. The scheme was introduced in 2004, and the report states that lower-income families had a higher participation rate in education courses. Do you have any analysis or research from before 2004 on the participation rate of lower-income families in the education system?

**Mr Devitt:**

That was not part of the review, but we probably have that information in the Department. As the member is aware, one of the key issues is widening participation and access.

**Mr Butler:**

It would be useful to find out the figures for lower-income families.

**Mr Devitt:**

I am not sure how far back the information goes, but we will check.

**Mr Butler:**

The term “deadweight” is misleading and implies that people are milking the system. I accept that that is not your term, but it seems to be getting into the official lexicon. My opinion is that the term is a bit derogatory and implies that people are receiving EMA just so they can get £30 a week.

**Mr Devitt:**

I appreciate that; I believe that it is an accounting term.

**Mr Butler:**

We are talking about students, particularly young people. As we know from yesterday’s debate, young people get enough negative press.

**The Deputy Chairperson:**

People were asking me last night why we still refer to children as “NEETs”.

**Mr Butler:**

Some journalist will pick up on the term “deadweight”.

**Mr P Ramsey:**

I will try to be brief. I support Sue Ramsey’s point. Given the hugely important subject matter, we could not do it any justice by going through it now. We need time to consider the options. I agree with Peter Weir and Paul Butler: it would be good to have a tracking system to determine the academic benefits that people have gained from EMA, and whether they have continued in education or training. I do not know whether you can get that information. All the information from the surveys, whether in respect of schools or colleges, is hugely relevant. Have people who attended colleges gone any further? Given the amount of money that has been invested in that area, I am surprised, Fergus, that we cannot find that out.

Everyone has concerns in their constituency regarding the withdrawal of EMA. There have been protests about it, and the takeover of the Guildhall in Derry shows that young people are concerned. However, we discussed earlier sending a letter to DFP about budgetary concerns, not just in respect of DEL, but of DE. If you are carrying on with this process right through until September, we are looking at recommendations or options of savings from £3 million up to £18 million. Those are huge volumes of money, and for us to try and assess DEL’s outputs and budgetary concerns when you do not know them is a concern. You are going to tweak your budget — *[Inaudible due to mobile phone interference.]* — to adjust for whatever you conclude; that concerns me. The bottom line is that we need more time to consider these issues. We also need more information, as other members have said.

**Mr Devitt:**

Perhaps I could suggest that, through the Committee Clerk, if the Committee gets a sense of the range of statistics and additional information that it might want, we will try to get as much of that information as possible back to the Committee. I am not saying that it is not available; I am just not sure how far back the information might go. I am not sure what detail there may be in respect tracking individuals who may have been in support of EMA through the system, but we can try, between ourselves and DE, to see if that information exists. That may be a possible way forward. If you gave us a suggestion of exactly what information you want, we will try to provide as much of it as we can.

**Ms S Ramsey:**

I am not sure of the protocol, but is it in order that we could get someone from PricewaterhouseCoopers on the delegation for the single-issue meeting?

**The Committee Clerk:**

The Committee would have to decide whether it wanted an open or closed session on the single-issue meeting.

**Ms S Ramsey:**

I mean as part of the delegation to come in front of us.

**The Committee Clerk:**

Their presence would have to be requested.

**Mr Devitt:**

I would not have any issue with that. It would be up to PricewaterhouseCoopers as to whether they would facilitate that.

**Ms S Ramsey:**

It may just stop us running around and chasing our tail.

**The Deputy Chairperson:**

It was PWC that undertook the review. You have heard the request; the more information you can give to us, the better informed our judgement will be.

**Mr Devitt:**

John would like to say something about the issue of leavers.

**Mr John Neill (Department for Employment and Learning):**

It is a valid point, and it has been considered. That would involve a leavers' survey whereby we would have to track down people who had subsequently left, because you are asking how they developed after leaving school. That exercise to track the people would be very considerable. Let us say there was an assumed difficulty in asking someone whether they went on to further or higher education or employment with their school qualifications; is it possible to attribute that to

the fact that they received EMA? We know that a number of them stayed on because of EMA, but as to the fact that they subsequently got into a better situation with employment or education, they could not say whether that was down to EMA or not. That would be very difficult, quite subjective, and would be hard to do. That was the feeling, but it would be a substantial exercise and we are time bound in respect of the review.

**Mr P Ramsey:**

During the NEETs inquiry, a number of stakeholders made the point that EMA was a great encouraging factor and an incentive to help them stay on. That is why we are where we are now with the outputs of the NEETs inquiry. Members have made the point, publically and otherwise, that we will try to retain EMA because we are receiving substantive evidence that it makes a difference. We cannot get the qualitative evidence to support it.

**Mr Devitt:**

That is what the overall piece of work by PricewaterhouseCoopers is trying to do: to address some of those issues whereby people have anecdotally said that it is making a huge difference. As we are going through the process — and to avoid the word that Paul mentioned — there are students who would have stayed on regardless of the payment. There are a lot of issues that we need collectively to think our way through.

**Ms S Ramsey:**

They also say that they are amazed at the amount of people who responded to the survey. You will not normally get that level of response, so that is an issue.

**Mr Devitt:**

That shows how important an issue it is. Given the household income levels in Northern Ireland, clearly it is a big issue for a lot of families as well.

**Ms S Ramsey:**

There were, probably, fewer people responding on free travel for the elderly — I know that it is not politically correct to say “elderly”. The reality is that most people in schools cannot vote. I am sorry; that was a cynical point.

**The Deputy Chairperson:**

There will be communication backwards and forwards between the Department and the Committee staff about what information will be required in advance of the meeting on this matter. The proposal to hold that meeting has been agreed.

**Ms Eve Stewart (Department of Education):**

I would just like to add that the Education Minister asked me to communicate to the Committee that she is fully supportive of EMA. She has not seen any proposals on the way forward, so that will have to be considered. I was asked to make that point to the Committee.

**The Deputy Chairperson:**

You have duly made it.

**Ms S Ramsey:**

Has the Education Minister not seen proposals or options on the way forward?

**Ms Stewart:**

No. She is aware of the report, and she knows that DEL holds the budget for EMA, so DEL is having the first look at it and coming up with proposals. Subsequently, DEL will let the Education Minister know its thinking on the matter, and she can take a view on whether she agrees with that or wants to do something different.

**Mr Devitt:**

All of this will be subject to public consultation and an equality impact assessment.

**The Committee Clerk:**

We received a letter from the Education Minister late yesterday indicating what Eve has said. The Minister said that she was supportive of EMA and had seen the review, but that, from her point of view, no proposals had yet been discussed or agreed, and, effectively, that means that there is all to play for.

**The Deputy Chairperson:**

That makes our next meeting important. We will examine this issue in detail at that meeting. Thank you all for attending this morning's meeting and for your information.