



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 Education Maintenance  
Allowance: Departmental Briefing**

21 September 2011

**NORTHERN IRELAND ASSEMBLY**

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FOR EMPLOYMENT  
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**Review of Education Maintenance Allowance:  
Departmental Briefing**

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21 September 2011

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

Mr Basil McCrea (Chairperson)

Mr Jim Allister

Mr Sammy Douglas

Mr Chris Lyttle

Mr Barry McElduff

Mr David McIlveen

Mrs Sandra Overend

Mr Pat Ramsey

Mr Alastair Ross

**Witnesses:**

Mr Fergus Devitt ) Department for Employment and Learning

Mr John Neill )

Ms Eve Stewart ) Department of Education

**The Chairperson:**

Fergus Devitt, John Neill and Eve Stewart are here to talk to us. You are very welcome.

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

Thank you very much, Chairman. I am grateful to the Committee for the opportunity to provide

an overview of the position on education maintenance allowance (EMA) and for the Committee's interest in this important policy area.

I will outline the main findings of PricewaterhouseCoopers review of EMA, which was jointly commissioned by the Department for Employment and Learning (DEL) and the Department of Education (DE). I also want to say a few words about how we will go forward with EMA following the review, as well as mentioning briefly the timeframe in which we are working. With the Committee's permission, I will take four or five minutes to set out some information on the main findings of the review and how we may go forward in light of them. I will try to answer any questions that the Committee may have.

The EMA scheme was introduced jointly by DEL and DE in September 2004. Its main purpose is to enable young people from lower-income backgrounds to remain in post-compulsory education at school or college. Its key objectives are 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 are eligible to receive a means-tested allowance of £10, £20 or £30, depending on their family household incomes. In addition, learners are eligible to receive two £100 bonus payments that are paid in January and June, as well as a £100 returner bonus, which is paid to learners who return to their course in September the following academic year.

Overall, EMA costs approximately £26 million a year, with 60% of recipients in the schools sector and 40% in further education colleges. In 2010, when the scheme had been in operation for about six years, it was considered the appropriate time to undertake a formal detailed review. Following a competitive tendering process, PricewaterhouseCoopers was awarded the contract to carry out the review of the EMA scheme to ascertain whether it had continued to meet its original objectives. The final report was provided last December.

As part of the review, the consultants conducted surveys and held focus groups with EMA students, year-12 students, sponsors, who are parents and guardians, and with EMA school and 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; the Equality Commission; and the Youth Council for Northern Ireland.

A comparative analysis of EMA schemes that operate in the rest of the United Kingdom was also undertaken. There were several key findings. One key area was the impact on the participation levels of learners who are aged 16 and 17 years old and in full-time education or vocational training. During 2004-05, which was the first year the scheme was operational, the participation level 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%. Those are both significant increases.

**Mr Allister:**

Sorry. What was England's figure?

**Mr Devitt:**

England's figure has gone up to 82%. On the influence of EMA on a learner's decision to stay in post-compulsory education, the survey's findings revealed that a significant number of EMA students — 64% — indicated that they would have remained in education even if they had not received EMA. That is an extremely important finding that demonstrates inefficiencies in the current scheme.

**The Chairperson:**

Can you tell me where that 64% appears in the report, just so that I can pick it up here?

**Mr Devitt:**

I cannot, Chairman. We could find that for you by the time that I get to the end of my comments.

**The Chairperson:**

It is a key point. I had a figure of 71%.

**Mr Devitt:**

I have been reliably informed that it appears on page 24.

**The Chairperson:**

It is on page 24. You said that the figure was 64%. Page 25 says that nearly three quarters — 71% — of year-12 students indicated that they planned to remain in education. What is the

difference between the two figures?

**Mr Devitt:**

I was just about to explain, Chairman. When the issue was examined in the year-12 survey, the findings were similar, with 71% of year-12 students stating that they planned to remain in education. Therefore, one figure relates to students who are getting EMA and the other relates to students who are about to enter into EMA. Therefore, there is a slight difference. Significant numbers of students are saying that they would stay on in education regardless of whether EMA was there.

The survey findings indicated that learners felt that their engagement with learning had increased since receiving EMA. Just over half of the number of learners agreed or strongly agreed that it had a positive impact on their attendance and timekeeping.

The findings from the survey on the impact of bonus payments suggests that the co-ordinators felt that the bonus payments actually had greater impact on attendance, submission of homework and coursework, behaviour and timekeeping than the weekly payments, although there would appear to be an overlap between the purpose of the bonuses and the weekly payments.

The findings from the survey show that over half of the number 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 around 43% indicated that their parents or guardians provided an additional source of income. When learners were asked to advise how they used their allowance, the majority indicated that they saved it. With regard to how they spent the money, social activities ranked the highest.

The most significant development since the review was completed has been to the forecast savings for the options that are outlined in section 6 of the review. The outcome of the comprehensive spending review (CSR) for EMA is insufficient to maintain it as it is. Therefore, savings that are mentioned for any of the options in the review are consequently reduced.

Overall, the review's 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. Findings also show that the original

rationale for EMA continues to be valid. However, it is widely recognised that Northern Ireland is facing a challenging economic situation; in particular, tightening of the public purse strings and increasing pressure on Departments to find savings across the CSR period. 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 it will, ultimately, have the most meaningful impact. On that basis, the existence of inefficiencies in the scheme must be addressed if EMA is to remain sustainable in the future.

On the basis of the review findings, particularly in relation to the identified inefficiencies and in light of the current budgetary restrictions, it would be difficult to justify retaining EMA as it is. Equally, as the results have shown that the original objectives of EMA remain valid, it would also be difficult to justify abolishing the EMA scheme altogether. We are conscious that EMA is a policy area that has been of importance to the Committee, and, in the context of young people not in education, employment or training (NEET) the Committee recommended that EMA should be better targeted. DEL and DE have set up a joint project team that will consider options for the future of EMA. Options that are to be included in the consultation document will be approved by the Minister for Employment and Learning, and the Minister of Education, prior to seeking Executive agreement to a public consultation and the associated equality impact assessment.

Finally, I want to discuss timescales. In order to allow the guidance documentation and IT infrastructure to be modified if necessary, the consultation process will need to be completed and decisions taken by Ministers and the Executive by the spring of 2012. That may allow some changes to be made for the academic year 2012-13, although we envisage significant changes starting from the academic year 2013-14. The Ministers are due to hold a bilateral meeting tomorrow to discuss a range of issues, and EMA is on the agenda for that meeting.

Thank you for the opportunity to give you that quick run-through. We are happy to take questions, and to try to answer any queries that you might have.

**The Chairperson:**

You mentioned the pressure from the CSR. Do we have a target of what level of savings need to be produced?

**Mr Devitt:**

In some ways, it would be wrong to enter a consultation process with a figure in mind of what savings need to be produced. The review has shown that there are inefficiencies in the scheme. It will be a balance between trying to ensure that the money is better targeted, while reducing those inefficiencies.

**The Chairperson:**

When speaking in the House, the Minister took a contrary view. He said that it is not unusual to detail the amount of money that is needed and to consult on that to see whether it is right or wrong.

**Mr Devitt:**

Neither is wrong or right. There is an option in the consultation paper to set out options and how much those might produce in savings.

**The Chairperson:**

Fergus, a driver that colleagues will need to weigh up is the need to know what we are aiming at, even if no figure is given. We may find that we can get more money once you establish the principle that savings can be made. It would be helpful for our discussions — we can find it out — if we knew the shortfall from the CSR is that is not directly linked to EMA. What do we need to find?

**Mr Devitt:**

At the moment, the budget for EMA is around £26 million or £27 million. Based on current demand and trends, we estimate that it would cost us around £31 million or £32 million by the end of the CSR period.

**The Chairperson:**

Having taken decisions on tuition fees and other matters, the Department will need to find certain moneys. Do we know what those are?

**Mr Devitt:**

Following the agreement by the Executive on tuition fees, an amount will be centrally held by the Executive. The Executive also agreed that any savings from EMA will be the first call, so to

speak, to address that centrally held budget. *[Inaudible.]*

**The Chairperson:**

Sorry, I did not hear that.

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

Going by the budget that I saw, that centrally held budget will be just over £3 million in 2012-13, £6 million in 2013-14 and £4.6 million in 2014-15. That is the centrally held deficit, and the aim is to fill that with EMA savings if they can be made.

**The Chairperson:**

We are almost there. Someone add those numbers up. What is the total amount of money that we need to be looking at?

**Mrs Overend:**

£13.6 million.

**The Chairperson:**

Is that correct?

**Mr Devitt:**

Yes; over three years.

**The Chairperson:**

What percentage of young people get EMA in some form or another? In other words, how many young people do not get EMA from the cohort?

**Mr Devitt:**

I do not know, Chair. I need to come back to you with that figure.

**The Chairperson:**

There was a suggestion in the stakeholder report that some people felt that everybody should have some form of support. Going the other way, you might, for example, give everybody £10 as opposed to giving some people £30 and other people nothing. So it would be of interest to know

what the quantum is.

**Mr Devitt:**

Are you suggesting, Chair, that it would not be means-tested in those circumstances?

**The Chairperson:**

Correct. I say that in response to the statements here about the feeling from some stakeholders that there is a level of inequality and that getting EMA is something of a lottery. One way to deal with that is to not use a means test. So we might find out that figure.

You told me about the key issue on pages 24 and 25. I am little bit worried about relying on self-reporting from people who already receive a benefit. It is like turkeys voting for Christmas, and, to a large extent, they do not think that the EMA matters to them. However, all the other indications are about attendance, timekeeping and participation, which, particularly in non-grammar schools, seem to be very positive.

**Mr Devitt:**

Yes, although 71% of students who are not in receipt of EMA say that it would not make a difference to whether or not they stay on in education. So, they are not, to use your phrase, turkeys voting for Christmas. They are people who are about to enter the years during which they are entitled to EMA.

**The Chairperson:**

The question might be more about participation. I refer to figure 4.13 on page 30, which is about the impact of weekly payments on engagement with education. It is along the lines of the phrase, “You can bring a horse to water but you cannot make it drink.” I am quite taken by the fact that the non-grammar school attendance for learners is 93%. That seems remarkably high and seems to contradict the “deadweight” argument in that getting them to turn up seems to be pretty positive. I am also impressed by timekeeping and some other issues, and you have a similar effect with the bonus payments. So, Fergus, I had initially accepted the argument about deadweight, but when I look at the participation and engagement arguments, I am not as convinced about it.

**Mr Devitt:**

The review shows a number of things, Chair. There is certainly evidence that EMA is of positive benefit to a large number of students who are in receipt of it. In some circumstances, the bonus payments come out as more of an incentive and more well-regarded in some terms, particularly in relation to attendance and completing coursework and homework. So there is no doubt that that evidence is there, but there is also clear evidence that, for a large number of individuals, the actual EMA payments are not the key driver in their decision to stay on in post-compulsory education.

**The Chairperson:**

I have a final question, and a list of members who want to ask questions. I want to cross-reference figure 6.3 on page 49, which sets out the summary of future options for EMA, with figure 3.6 on page 15, which is the profile of EMA recipients. The calculations show that there were approximately 1,678 recipients of the £10 allowance in 2009-2010. For the £20 allowance, there were 2,107; and 20,138 people received the £30 allowance. Are those the correct figures?

**Mr Devitt:**

Broadly speaking, around 80% of students get the £30 payment.

**The Chairperson:**

So if we use that as a cross-reference, we can see that option 2, which is to remove the £10 and £20 allowance, would actually take out around 4,000 people from the 25,000 people currently getting the allowance, thereby making a saving of £7.5 million.

**Mr Devitt:**

That is right, Chair.

**The Chairperson:**

That is the correct analysis, and everything else feeds from that. I just wanted to check that I had the right figures.

**Mr P Ramsey:**

Just to follow on from that, you have obviously done your homework on the figures, but I am not absolutely certain, from the figures that you have given, that there will be this anticipated

reduction of £13 million. The Department has been very clear about the process: it is depending on a reduction in EMA funding to meet the demands set out in the Minister's statement to the House. It is very clear that you are asking for a reduction in EMA in a year to meet the demands of your budget at the minute.

**Mr Devitt:**

That actually has more to do with the Department of Education's budget, because it is the centrally held amount that has been agreed by the Executive. Under the terms of that agreement, from what I can remember of it, any savings from EMA would be directed towards that centrally held amount in the first instance.

**Mr P Ramsey:**

You referred to the fact that 65% indicated that they would have remained at school. One could be very sceptical of that. I recall that the previous Committee carried out a major, intensive inquiry into NEETs. All those who contributed, either orally or in writing to the Committee, pointed out that the allowance was a good incentive for young people to remain at school, and every single of one the witnesses who came here told us that we needed to keep EMA intact.

I am looking at some of the findings of the survey. For example, the table at the top of page 7 indicates that — although one can readily damn statistics — less than 25% responded to the survey, which means that 75% of young people at school did make any comment or respond to the survey. So, you are saying that 65% of the 25% who responded said that that would have remained at school. That is a lesser degree of response than one would have imagined. In the same context, just over 30% of young people at college responded. So a survey was carried out — fair enough — but only 20% of those at school and 30% of those at college responded to it. I would not have thought that that was a reasonable context within which to produce that percentage and to say that 65% of those in receipt of EMA believe that they would have stayed on. I am cynical about that about point. I appreciate that we have to focus finance at the most vulnerable in society.

**The Chairperson:**

Do you want to come in on that? I think that we have got the issue, Pat. You can come back in later. Pat is saying that he is not happy about that percentage of 25%.

**Mr Neill:**

That is a fair point. PricewaterhouseCoopers actually contacted all the learning centres — all 218 of them — and gave the co-ordinators and learners an opportunity to comment. You cannot predetermine how many people will reply, and what happened there, as you rightly say, was that only 24% and 26% replied respectively. What the statisticians then had to do was to try to estimate how representative that was of the whole population and create a routine of calculations. With that survey, they are saying that they are 95% confident that the answers that those 24% gave were within, plus or minus 4.5% of the figure that they arrived at in the end. That one is done by college. However, if you were to look at the ones done by individual, for example, the 64% who said that they would have carried on whether they had EMA or not, that case would be plus or minus 2.2% of that 64%. That should give you an idea of how many people would have gone on without EMA.

**Mr P Ramsey:**

Without going into the intimate details of the report, you infer that 65% of people who are on EMA are “deadweight”. This is the terminology, which I absolutely hate, that has been used in this process. You are telling us that 65% of young people on EMA are deadweight, and you are saying that you want to get rid of the deadweight. I want to go on to another point —

**The Chairperson:**

To clarify; I think that they are saying the payments are deadweight; in other words, they are not making any impact on people’s decisions, not that the pupils themselves are deadweight.

**Mr P Ramsey:**

I take that point, but the terminology is not good.

**The Chairperson:**

I am on the same page as you. You have heard me say that I am not convinced by the level that comes in. I have another question. I want to rattle —

**Mr P Ramsey:**

I have just one further point.

**The Chairperson:**

Hold that point, Pat. Just so people do not get restless, I want to tell members where we are going. We will try and rattle through the questions. Chris, you will be next, then David McIlveen, Barry McElduff, Jim Allister, Sandra Overend, and Sammy Douglas. That is the order. Pat, back to you.

**Mr P Ramsey:**

I will try and be as quick as I can. As I said earlier, for the NEETS inquiry, we visited a number of groups and saw first-hand the experience of the training they are providing. One of the most impressive presentations we received was from Include Youth. I am sure that you are aware of that project. Include Youth run give-and-take schemes across Northern Ireland and carry out invaluable work with the most vulnerable in society. One hundred per cent of the young people involved in that are from a care background and, significantly, almost 50% of them have serious mental-health related problems. Those same young people who are in the NEET bracket cannot access EMA. As regards pre-vocational schemes, will your review include a view to enabling the level of accreditation to give-and-take schemes that will enable young people to access EMA? That seems to be the difficulty around an incentive.

**Mr Devitt:**

One of the issues that the NEETS inquiry brought up that you referred to, Pat, was that EMA needs to be better targeted. One issue that we want to look at through the consultation process is how the money could potentially be used to support those who may not be getting significant levels of support at the moment. For example, we are aware that there are issues around those with learning difficulties and how many hours of study they have to do to be eligible, and so forth, so that is one area we want to look at to see if there is any way of better targeting money to those who are most vulnerable.

**Mr P Ramsey:**

Will it include the existing pre-vocational training schemes, not just the accredited courses?

**Mr Devitt:**

We would need to look at that. I do not have the detail to answer that at the moment.

**Mr P Ramsey:**

Maybe, Chair, I could get a written response on that.

**Mr Lyttle:**

Chair, you have asked most of my questions, so I will let you rattle on.

**The Chairperson:**

You are very kind.

**Mr D McIlveen:**

Thanks, Fergus. I am a little troubled by these statistics because I do not think we have enough information, particularly on year-12 students who are 15 or 16 years old. We do not know enough about these children, which is really what they are. It does not seem to take into account environmental factors. You will get a very different response based on somebody's perception of their household income as an only child as opposed to someone who comes from a family of six. We do not know if there are single parents involved and we do not know whether their parents are employed or unemployed. I do not think there is enough information coming out. My point is that, bearing in mind that I could probably find out by asking your Department how much Tippex you have used in the past five years, why did we have to go down the route of employing a hugely expensive organisation like PricewaterhouseCoopers to do the consultation? There are very able economists in the Department. How much did that consultation cost?

**Mr Devitt:**

John will answer the question about cost in a minute.

In any process, it is important to try to get an independent view, as far as possible. We considered whether the Department had the resources and capacity to do this. However, we are always mindful that, if the Department does work and comes up with certain conclusions or results, those can be challenged. People could say that it was not independent but the Department was examining its own work. There is always a balance to be struck in making that decision.

Given that this survey was intended to be so large, we felt that it would be best done by consultants. It is work that gives a certain level of evidence. People can query the validity or otherwise of that evidence. It is our intention to go to a full public consultation with an equality

impact assessment alongside it, which will give a much wider range of people's views on the EMA scheme. That is the correct way to proceed.

**Mr Neill:**

All the schools were invited to reply to the survey of year-12 pupils, and the cost was £37,500.

**Mr D McIlveen:**

Was that just for the survey?

**Mr Neill:**

No; the whole exercise cost £37,500.

**The Chairperson:**

It is very important that we listen to the views and opinions of young people who are on schemes, but it is not beyond the bounds of possibility that they are subject to peer pressure, and so on. Given the effectiveness in other areas, I am surprised that people are saying that deadweight is so high. How confident are we that we have really heard people's true feelings? People of that age are very sensitive. For example, a lot of people will not take free school meals because they fear social stigmatisation. A similar effect might be apparent when they are asked whether they would turn up for school even if they were not being paid. I am a little concerned. That is the point that David is making.

**Mr D McIlveen:**

We have a summarised version of the survey, which is obviously very helpful. However, is there a more comprehensive version of the survey that includes the questions that were asked?

**Mr Devitt:**

No. The documents attached at the back of the paper were used for the consultation and interviews.

**Mr D McIlveen:**

It is very one-dimensional. I do not think that there is really anything —

**Mr Devitt:**

It is difficult to capture individual views in any questionnaire. The Committee clearly has feelings about the validity of the survey's findings and the confidence that people can have in those. As John has tried to outline without getting into statistics, the consultants have set out the level of confidence that they have in the result and the percentage variation that they expect. As I have said, it is a piece of evidence.

**The Chairperson:**

Fergus, I will stop you there. I can understand from a statistical point of view that, if you get a 25% response, you can say that that is within 4% or 5% of understanding. However, that does not take out any bias. If you ask the wrong question, you will get the wrong answer. There is a statistical level of confidence, but, as with any scientific inquiry, there are other controls. The point being put across here is that the results do not gel terribly well, which means that you always look for reassurance. It is about the construction of the questionnaire and whether it should be done face-to-face or through focus areas. That is the point that David is making.

**Mr Devitt:**

Regardless of how this was constructed or done or how many people were involved, it is a piece of work and an evidence base of some stability and recognition. We will then move to build a consultation document, which will be agreed between the two Ministers and ultimately approved by the Executive before it goes out for public consultation.

That will give a wide range of people an opportunity to comment on the broad issues associated with EMA.

**The Chairperson:**

I want to move on, but the Executive's role in this matter is not to check whether the right questions have been asked in the survey — they have other things that they need to look at. There is a concern that the statistics on which we are relying do not give us the complete picture. However, that is a matter for you to address. David, have you finished?

**Mr D McIlveen:**

Almost; I am 100% behind putting the resource where it will have the most meaningful impact, but I am not entirely convinced by the information. I would like to know a little bit more about where it came from.

**Mr McElduff:**

I will ask the team about surveys that may have been carried out with parents as opposed to students. Was any weight placed on the opinion of parents? If available resources are targeted at those in greatest need, which I hope will happen, will that move you in the direction of any particular option or options?

**Mr Neill:**

Survey four was carried out with parents and guardians; it was referred to earlier. The response rate was 24% and 26%. Therefore, parents were consulted via a written survey.

**Mr McElduff:**

Will you tell us more about the outcome of that survey?

**Mr Neill:**

The broad indications were that parents regarded EMA as a good thing and that they encouraged their children to look at EMA. Inefficiency did not concern them so much; they felt that EMA was a good idea and had a positive impact. This is where the cross-referencing takes place with the co-ordinators: the parents felt that it improved attendance and their children's desire to undertake assignments at home, which is not always done. Those are positive things that came out in the findings and they go against the point made earlier. Other things, such as inefficiencies, were also identified. To me, it seems to indicate that this is quite an unbiased survey, because it identified the positive things and the weaknesses. That is a very positive thing that came through on the parents' side in favour of EMA.

**The Chairperson:**

Taking this in black and white, the point remains that if you ask any cohort of people — students or parents — whether they think that getting money is a good thing, it would be very unusual for them to say that they do not want the money or do not want it at such a level. It does not seem natural. I would expect other people to say that the money is not being targeted properly, but it concerns me that this seems to be pointing in a way that is illogical.

**Mr Neill:**

That is why there were counter-questions, such as asking students what they would have been

doing were it not for EMA. In that case, 66% said that they would still be in school above the age of 16. There were counter-questions to get around the point that you are making and to try to get a balance in the overview. The balance is that EMA has very good and positive aspects and that a level of inefficiency has been identified by asking learners about the scheme.

**The Chairperson:**

Every time you say that there is a level of inefficiency, I challenge you to come back on that. You are relying on the headline figure on pages 24 and 25, which was gained from self-reporting by students. Approximately 70% of them say that they would carry on regardless. The other issues are about increased participation, homework and attendance. The deadweight figure to which you refer is not as high as that being put forward: I think that EMA is more beneficial.

**Mr Devitt:**

Do you agree that there is a level of inefficiency?

**The Chairperson:**

It depends what you are trying to achieve. Earlier issues with regard to EMA, when people tied up bonuses with exam attendances, for example, and then moved them to homework, etc, showed that the decision to pay people money to go to school was not intuitive but worked out to be a good thing.

We talk at some length about the impact of students taking on debt when they move to further and higher education because that weighs on peoples' minds. This is a similar issue. People who are vulnerable to not going to education are asking themselves whether they should go to Sainsbury's and earn money stacking shelves or go to school.

I think that this is a good thing, and I think that the issue is whether you fit in with the strategic direction taken to increase participation. I am in danger of dominating the conversation, and I want to bring in other people.

**Mr Lyttle:**

The survey suggests that EMA has no effect on whether pupils take up part-time employment. The findings show that they will go into part-time employment anyway, so it does not seem to be enough to keep pupils from having to take on part-time employment.

**The Chairperson:**

That is an appropriate comment. I will try to see if I can keep out of the conversation for a while.

**Mr Allister:**

You told us that EMA costs £26 million. Does it cost the Department for Employment and Learning £26 million, or is that the total cost across the two Departments?

**Mr Devitt:**

The Department for Employment and Learning holds the whole budget, so the cost is in its budget.

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

I am from the Department of Education.

**The Chairperson:**

I was wondering if you were going to own up to that, Eve.

**Ms Stewart:**

We have a very small budget to help with the administration costs of EMA in schools. The schools get an allowance of around £20 for each EMA pupil, and I think that it costs around £300,000 a year.

**Mr Allister:**

How much of the £26 million is for administration costs?

**Mr Neill:**

It is approximately £1.5 million.

**Mr Allister:**

By how much would that be reduced by if the allowance were not means-tested?

**Mr Devitt:**

We would need to work that out. I do not have a figure for you at the moment.

**Mr Allister:**

The aim of the scheme is to encourage people to stay at school, but the purpose of staying at school is to get qualifications. Has the scheme manifested a positive outcome in that regard?

**Mr Devitt:**

We asked the consultants to look at that, but they were unable to get any tracking information.

**Mr Allister:**

Is that not the key question?

**Mr Devitt:**

It is something on which we would like more information, but there has been no tracking of the individuals receiving EMA.

**Mr Allister:**

So, as you sit here today, you cannot tell us whether EMA has actually produced people with qualifications, who, otherwise, would not have had qualifications?

**Mr Devitt:**

We cannot tell you that.

**Mr Allister:**

In respect of the contribution that this has to make to the tuition gap, the Minister told us last week that the settlement is expected to realise in the region of £4 million to £5 million. Therefore, the Department has a specific figure in mind that it needs to raise from the review of EMA. Is EMA's review driven by the compulsion to find £4 million or £5 million or is it driven by a more generic look at whether it is a beneficial scheme?

**Mr Devitt:**

This piece of work started about a year and a half ago, which was well in advance of any decision or settlement on tuition fees. Therefore, the work was being undertaken to look at how money was being spent on EMA and at targeting it in the most efficient way.

**Mr Allister:**

In respect of efficiency savings outside the tuition gap, does that mean that there is also an expectation to raise money by savings on EMA?

**Mr Devitt:**

The approach taken was that the scheme had been in operation for a number of years, and it needed to be examined. I take members' concerns about the validity of the evidence, but once the evidence came in, it triggered questions in our minds around the efficiency of the scheme. That is when we wanted to move to a public consultation on the issue.

**Mr Allister:**

What do you mean when you talk about "efficiency"?

**Mr Devitt:**

I mean the overall cost of the scheme and whether it is being best used for the benefit that it is giving, particularly —

**Mr Allister:**

You have not answered that question. You cannot tell us whether it is producing qualifications. How do you judge efficiency if you do not know what the end product is?

**Mr Devitt:**

That is an issue. If information from tracking individuals had been available, I would have liked to see whether EMA was encouraging individuals to stay on and whether it was helping them to get qualifications and move into further education.

**Mr Allister:**

To put it bluntly: are there people who are collecting £30 a week and turning up at school but not bothering to do any work or get qualifications? Is that what we are paying for, or are we paying people £30 a week to turn up, get their heads down and get qualifications?

**Mr Devitt:**

We do not have the answer.

**Mr Allister:**

I do not see how a scheme can be reviewed if we do not know the answer to that question.

**Mr Neill:**

With all due respect, the aim of the scheme was to keep children who are over the compulsory age of education in full-time education. It was not to achieve x number of qualifications; that was the by-product, but the aim was to get them to stay in the education system.

**Mr Allister:**

The purpose of being in the education system is to emerge equipped for life with qualifications.

**Mr Neill:**

That is the aim for all children.

**Mr Allister:**

I am staggered that we are discussing the future of a scheme, yet you cannot tell us whether that scheme has been worth having with respect to improving the qualification level of its recipients.

**Mr Devitt:**

The tracking information is not available on an individual basis. It is a bit like the information on people who receive free school meals; individuals are not tracked over time to determine what level of qualification they achieve.

**Mr Allister:**

There is no comparison between free school meals and encouraging people to stay in education.

**The Chairperson:**

Hold on. We have established the point, and that is what is required.

**Mrs Overend:**

If the bonuses are providing an incentive, why do we not have a cost option for the bonuses only, without all the payments?

**Mr Devitt:**

The cost options were put in by the consultants as examples of potential areas that might be looked at. We are not ruling any potential options in or out, including combinations, withdrawals or anything else. We will want to test that through the public consultation.

**Mrs Overend:**

It will be worthwhile to toss that out and, possibly, introduce an option whereby you could pay the bonuses to everyone and not just those who are means-tested. Those are two further options.

**Mr Devitt:**

There are a number of variables in the scheme. There are bonuses, weekly payments and income thresholds, and all of those can, to some extent, be varied to provide a package that targets the money in the best way.

**Mrs Overend:**

I have one more point, from a constituency perspective. What is the relevance of a child being estranged from its parents? I have been asked what that has to do with the payment of EMA.

**Mr Devitt:**

I do not know. I will need to look into that to see whether there is a specific criterion on that. It does not strike me as being something that we are aware of.

**Mrs Overend:**

Seemingly, a child was asked to prove that they were estranged from their parents. I do not know why.

**The Chairperson:**

I suspect that it is to do with income. It may be that the parents earn a lot of money but the child is not part of the family household.

**Mr Douglas:**

I have two questions, Mr Chairman. My first is similar to yours with respect to turkeys voting for Christmas. Fergus, the study was carried out 18 months ago, and the situation regarding unemployment, particularly among young people in Northern Ireland, has moved on. Companies

have downsized, and there are fewer part-time jobs. I think it was John who said that one reason for that answer was that many young people had part-time jobs. If the study had been carried out two years later than it was, with higher unemployment, you probably would have got a different figure than 64%. Has that been taken into consideration?

**Mr Devitt:**

That particular point has not, but, earlier, the Chair asked about the budget for EMA, and I said that it is currently around £26 million or £27 million and that, over the next three or four years, we expect it to rise to around £31 million or £32 million. There are two main reasons for that: one is that more children are becoming eligible because of income thresholds within the household, which supports the rationale that household incomes in general are dropping; the other is that more children are becoming eligible for higher levels, because, if they were in receipt of EMA in the first place, their household income is dropping even further. There certainly is pressure on the budget due to the current economic situation.

**Mr Douglas:**

My second point backs up Pat Ramsey's earlier point. You said that by making savings here you would maybe refocus some money on other programmes. Pat mentioned Include Youth's Give and Take scheme. Will you come back to us and give us some examples of how you would refocus the money and the sort of programmes that would involve? I think that the Give and Take scheme is excellent. The young people who are most at risk in our community feel that it is unfair that they are being discriminated against and do not have access to EMA.

**Mr Devitt:**

With the Chair's permission, we could do that in the context of the consultation document, in which we may well ask questions around how the money could be used in a better or different way. We might give examples of the sorts of areas to which it could be directed.

**The Chairperson:**

We will send you a copy of the paper submitted to us from Include Youth and invite you to comment on it.

**Mr Ross:**

We know that in working-class Protestant areas, in particular, education is undervalued and that

young people do not see it as being something worthwhile. That comes to the crux of the issue: is EMA about us selling education for the wrong reasons? In my constituency, I try to get people to value education by telling them that they will have better life prospects if they stay in school and get qualifications rather than selling it as a way of making a little bit of money that they can spend on whatever they want.

I appreciate that, for many people, the money helps them get books or get to school and so on; but, like Jim Allister, I have a question about qualifications and grades. Those are very significant when it comes to carrying out a survey. If we value education for giving people better life prospects, we have got to see whether people on EMA are actually getting better life prospects by staying in education rather than, as Jim says, merely picking up the cheque each week.

I appreciate that there may be shortcomings in the survey. However, the position is that 64% of young people are saying that they would stay in education anyway. On looking at how the money is being spent, 55% are saying that they are saving it. Although that is very noble, it is not the point of the scheme; 52% are using the money for leisure or for going out and 45% are using it for clothes. I think that it is very clear that a significant amount of the money is not being used for its primary purpose. There is a lot of wastage in the scheme. Clearly, a lot of savings can be made in EMA if we target it appropriately to young people who desperately need the money to stay in education.

Without knowing the difference that EMA is making to the qualifications that young people get, there is a big gap. We need to know that. Education and its value have to be about life prospects. It is not about getting a tenner a week. That is very important.

**Mr Devitt:**

I will comment on that. As far as I am aware, we do not have evidence from tracking people to see their qualifications. There may be proxies that we can use, and I will check with our statisticians and economists to see whether there is any measure, or some type of indicator, that looks at cohorts or groups of individuals to see their qualifications.

**Mr P Ramsey:**

I want to follow up on Alastair's point. In the plenary debates this week, the level of attainment

among young Protestants compared to their Catholic counterparts was referenced. I go back again to the NEETs inquiry. The Committee spent 12 months going through the process of looking at the 40,000 young people in Northern Ireland who are in the NEETs bracket. I listened to departmental officials — sitting where you are now, Fergus — telling the Committee that they would be introducing a tracking mechanism to find out where the young people are going.

I find it astounding that you cannot say, and that there are others that you do not know, when statisticians sat here and told us that they would be introducing a tracking system. Twenty-six million pounds has been invested, and the Programme for Government has targets on literacy and numeracy upskilling.

**Mr Devitt:**

That goes to one of the key issues about EMA; it is not necessarily just a payment to encourage people to stay on at school. Is it encouraging people to enhance their overall life chances? You will be aware that, at a higher level, we are developing a widening participation strategy for higher education to encourage people from the groups least likely to get into higher education to do so. There is a follow through, but I take your point, Pat. If the information is not there, it is a gap that we have.

**Ms Stewart:**

The Department of Education has statistics on pupils who are entitled to free school meals and on the numbers of those pupils achieving GCSEs and A levels. There are criteria for free school meals, but the thresholds for EMA are higher than those for free school meals. We could assume that all of the people on free school meals are receiving EMA, so there would be some information in relation to schools. It would not give you the total number of people receiving EMA in schools who have achieved qualifications.

**Mr Lyttle:**

That sounds like a useful suggestion. Paragraph 1.4 of the EMA review paper states that one of EMA's key objectives is to:

“Ensure that those most disadvantaged receive additional help and encouragement to achieve qualifications.”

Therefore, it is an explicit aim. Jim Allister exposed the deficiency there, and Pat Ramsey has spoken about the NEETs inquiry. One of the key findings of that inquiry was the need to track outcomes. I think that it is incumbent on us to urgently use whatever data we have, and the

Department of Education's information on free school meals may be a way to look at the matter. I agree that we really need to get some information in order to properly assess whether EMA is actually achieving its objective.

**Mr Allister:**

You told us, to my surprise, that all of the budget for EMA was held in DEL. The Minister, who sat in that seat one week ago, told us that:

“About 60% of the budget is held in the Department of Education (DE), with about 40% held in DEL.”

I am reading from the Hansard report. Who is right?

**Mr Devitt:**

I think that there is a slight misunderstanding. All of the budget is held in DEL, but 60% is spent in the schools sector and 40% is spent in the further education sector.

**Mr Allister:**

So, the Minister was wrong when he told us that 60% of the budget is held in the Department of Education?

**Mr Devitt:**

I think he meant that it is spent in the schools sector.

**The Chairperson:**

It is a really serious point. When we were looking at budgetary constraints, we were led to believe that 40% of the budget would have an impact on the Department for Employment and Learning's CSR and 60% would be an issue for the Department of Education. I had a reminder in my notes to ask that question. That is the germane point. What is the definitive position? Which budget is the £26 million, or up to £31 million, coming out of?

**Mr Devitt:**

It is the Department for Employment and Learning's budget. Some 60% of the spend is in the schools sector and 40% is in the further education sector, but the budget is held in DEL.

**The Chairperson:**

OK. We will write to the Minister to ask him to clarify his remarks. I do not doubt for one

minute what you are saying, Fergus, but it was significant in the discussions that we were having.

**Mr Allister:**

My second point concerns whether EMA is producing any tangible results as regards qualifications. Part of the issue is that bonuses and returner bonuses are paid. If that is right, would it not be better to spend that money on rewarding people for getting a GCSE, rather than something nebulous being the basis for a bonus?

**Mr Devitt:**

That might be one of the ways in which the money could be better targeted. It could be done in way that is more directly related to the outcomes and objectives of not just encouraging people to go to school but to get qualifications and enhance their life chances.

**Mr Allister:**

Might that not create resentment among those not on EMA at not being rewarded for getting a GCSE? Might removing the means testing be a way forward?

**Mr Devitt:**

There is a variety of options. At the moment, neither Department has fixed ideas about how the scheme will look in future. That is why we need to go to public consultation to test individuals' view on the best option for the use of money. It is not just about encouraging people to stay on at school; it is also about encouraging them to get qualifications.

**The Chairperson:**

You should have some idea of how it will look in future. Consultation is about setting your views before people and asking them whether they agree.

**Mr Devitt:**

A range of options will be included in the consultation document. However, they may be included only as examples of what might be done with the money. If it emerges from the public consultation that there is a view that money should be spent in a way not included in the consultation, we would need to reflect on that.

**Mr Lyttle:**

Given how much of the programme is in the education sector, the question that comes to mind is why the Department for Employment and Learning is funding it. MLAs should consider that the fragmented approach of the Department for Employment and Learning and the Department of Education in trying to deal with this issue is not making life easy for those who have to roll it out.

**The Chairperson:**

Absolutely. You talked about a budget of £27 million that could rise to £31 million over the CSR period. Has that increase been factored into your CSR budget?

**Mr Neill:**

No. We have not got it.

**Mr Devitt:**

We do not have it. The budget is £27 million across the CSR period. At the moment, it is an unfunded pressure.

**The Chairperson:**

The Minister said that there might be a re-evaluation and that a £5 million to £6 million saving from EMA might contribute to other issues. Would that £5 million to £6 million come off the £27 million EMA budget and so reduce it to £21 million —

**Mr Devitt:**

Potentially.

**The Chairperson:**

— against a potential demand of £31 million?

**Mr Devitt:**

That is so, if the scheme continues as it is.

**The Chairperson:**

I just wanted to check that.

Some members talked about numeracy, literacy and underachievement. It seems to me that when those issues are identified in particular sectors, we need to put resources in earlier. Given that numeracy and literacy are a priority for the Executive, could you consider that? There needs to be targets that are more specific as regards what we want EMA to achieve.

**Mr Devitt:**

That goes back to the point made by Chris Lyttle. Literacy and numeracy issues begin at a very early age. I am sure that the Department of Education has a full range of programmes and interventions, as those issues can be embedded by the time that people get to 15 and 16.

**The Chairperson:**

If the EMA methodology is proven, we should be considering how one could transfer that knowledge to a different cohort.

**Mr Devitt:**

Potentially, yes.

**The Chairperson:**

Thank you very much. I realise that you have had to deal with a lot of questions; that shows how much people care about the subject. I am sure that you picked up that there is significant cross-party concern on a number of issues and that there are deficiencies in what is known about the programme that we need to find ways of addressing.