

## Topic briefing: Financial support

This briefing aims to stimulate thinking and discussion about how financial support provided by providers can support underrepresented students more effectively. It gives an overview of the financial support provided to students through access agreements and access and participation plans and how providers are evaluating the impact of this work, discusses effective approaches, and includes questions for providers to consider when developing their financial support packages.

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## Evidence on the impact of financial support

Previous sector-level analysis has found little evidence that financial support affects student outcomes.

Research published in 2010 (OFFA publication 2010/06, Have bursaries influenced choices between universities?<sup>1</sup>) found no evidence that bursaries influenced students' choice of university. Subsequent research by the Office for Fair Access (OFFA) (OFFA publication 2014/02, An interim report: Do bursaries have an effect on retention rates?<sup>2</sup>) found no evidence that, under the pre-2012 fee system, institutional bursary schemes had an observable effect on the continuation rates of young, full-time, first degree students.

In 2015, a review of evidence and research into the impact of financial support found that financial support is not the most important factor in students' decisions to apply to higher education and that students in receipt of financial support have comparable non-continuation rates with those who receive no financial support (Nursaw Associates, What do we know about the impact of financial support on access and student success?<sup>3</sup>). However, it also found that a sizeable minority of students feel financial support does impact on their behaviour, showing that financial support may affect students' attitudes and relationships with their institutions.

Research outlined in the national strategy for access and student success<sup>4</sup> suggested that financial support may have an effect on the student experience while studying. Some providers have also found attitudinal evidence in favour of financial support through student surveys, both as a tool for access and retention, but this evidence has not – to date – been corroborated by changes in behaviour at a national level.

There is a pressing need to better understand the impact of financial support at provider level. To support the improvement of evidence and understanding about the role that financial support plays in widening participation at an institutional level, OFFA commissioned a project on the impact of financial support. This project has developed a free toolkit<sup>5</sup> taken forward by the OfS for higher education providers to evaluate their financial support which supports them to take an evidence-informed approach. This research does not aim to prove whether or not financial support is effective on a national level, but instead focuses on how individual providers can better evaluate the impact of financial support packages on their students or prospective students.

## The Office for Students' guidance on financial support

We expect higher education providers to take an evidence-led approach to developing financial support measures, providing a clear rationale for how financial support investment will help to reduce the gaps in access, success and progression. Where providers have committed significant resource to financial support, we require them to provide strong evidence in their access and

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<sup>1</sup> <https://webarchive.nationalarchives.gov.uk/20180511111540/https://www.offa.org.uk/publications/analysis-data-and-progress-reports/>

<sup>2</sup> <https://webarchive.nationalarchives.gov.uk/20180511111540/https://www.offa.org.uk/publications/analysis-data-and-progress-reports/>

<sup>3</sup> <https://webarchive.nationalarchives.gov.uk/20180511111540/https://www.offa.org.uk/publications/analysis-data-and-progress-reports/>

<sup>4</sup> [www.gov.uk/government/publications/national-strategy-for-access-and-student-success](http://www.gov.uk/government/publications/national-strategy-for-access-and-student-success)

<sup>5</sup> [www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit](http://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit)

participation plans of how this financial support will help to improve outcomes for underrepresented students and describe how it contributes to their strategy and goals.

Since investment in financial support is significant (£382 million is invested in financial support through 2018-19 access agreements), providers must continue to evaluate and review the effectiveness of their financial support schemes to ensure this investment is the best way to support underrepresented students to deliver positive outcomes throughout the student lifecycle.

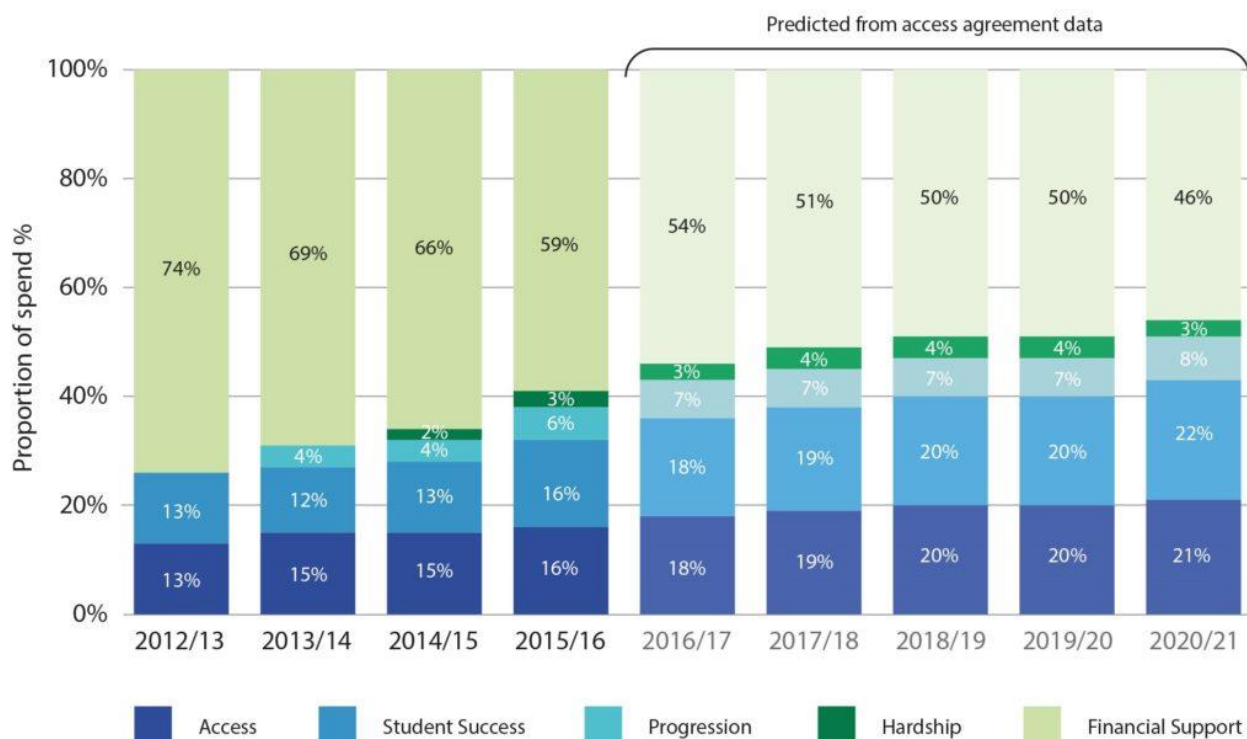
We ask that providers demonstrate that the methods they use to evaluate the impact of financial support are appropriately robust and we have the highest expectations of robust evaluation for those with the highest expenditure in this area. Our online resources<sup>6</sup> are designed to help providers better evaluate the financial support they provide and we strongly encourage them to use these. Other methods may also be used if providers can provide evidence that these are robust.

## Financial support in access agreements

### How much do universities and colleges give students in financial support through access agreements?

Financial support is the largest proportion of access agreement expenditure. In line with OFFA's guidance on financial support, providers have rebalanced expenditure since 2012-13 so spend on financial support as a proportion of expenditure has decreased (see Figure 1 below). But, as of 2018-19 access agreements, it still accounts for around half of providers' investment.

**Figure 1: Distribution of access agreement expenditure from 2012-13 to 2020-21**



*Note: Figure is calculated from the most recent access agreement data so may not match previous predictions*

<sup>6</sup> [www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit/](http://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit/)

In their 2018-19 access agreements<sup>7</sup>, providers estimate that they will spend over £382 million on financial support, which represents an average of 11 per cent of their higher fee income.

On average, higher education institutions with a high proportion of students from underrepresented groups will spend almost 8 per cent of higher fee income on financial support in 2018-19, while those with low proportions of under-represented students will spend almost 18 per cent.

## What types of financial support do providers give to students?

Providers offer a variety of different financial support schemes<sup>8</sup> designed to mitigate the potential risks of higher fees to widening participation and enhance access, student success, and progression.

The main types of financial support given to students by providers include:

- bursaries and scholarships
- hardship funds
- fee waivers
- 'in-kind' support and institutional services such as accommodation discounts, reduced membership of sports and other societies, subsidised meals, book-buying schemes and subsidised internship places
- subsidised sandwich years or years abroad.

## How providers use financial support across the student lifecycle

### Access

A number of providers use financial support to encourage potential applicants from disadvantaged and underrepresented groups to apply to higher education.

Providers are required to publish clear and accessible information<sup>9</sup> for applicants and continuing students on any financial support that they intend to offer. Research suggests that financial support is most effective when it is accompanied by clear, comprehensive, and early advice (OFFA publication 2009/06, Awareness, take-up and impact of institutional bursaries and scholarships in England<sup>10</sup>) so we encourage all providers to provide timely information to prospective students early on in the application cycle so that they can make informed choices. Around a quarter of institutions in their 2017-18 access agreements emphasised the importance of providing clear and accessible information regarding their financial support provision.

Some providers use financial support to encourage potential applicants from particular target groups, using targeted forms of financial support to tackle issues these groups may face. For example, about a third of providers with a 2017-18 access agreement offer financial support to

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<sup>7</sup> [www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/](http://www.officeforstudents.org.uk/advice-and-guidance/the-register/search-for-access-and-participation-plans/#/AccessPlans/)

<sup>8</sup> [www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit/](http://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit/)

<sup>9</sup> [www.officeforstudents.org.uk/publications/regulatory-notice-1-guidance-on-access-and-participation-plans-for-2019-20/](http://www.officeforstudents.org.uk/publications/regulatory-notice-1-guidance-on-access-and-participation-plans-for-2019-20/)

<sup>10</sup> <https://webarchive.nationalarchives.gov.uk/20180511111540/https://www.offa.org.uk/publications/analysis-data-and-progress-reports/>

part-time learners. However, this is much lower than for full-time learners, despite the falling rates of part-time study.

**Birkbeck, University of London, has found that many part-time students struggle financially during their studies. To address this, the institution offers extended eligibility criteria for part-time students, offering a bursary for students with household incomes up to £40,000.**

## **Student success**

Many providers describe in their access agreements how they use financial support to retain and support students through their studies.

Some institutions use financial support to support particular target groups. For example, 28 per cent of providers offer financial support targeted at disabled students. Bradford College offers £200 to students eligible for Disabled Students' Allowance (DSA) to cover the student contribution to DSA recommended laptops.

Around 57 per cent of institutions tell us that they provide financial support to students who are care leavers. For example, Craven College offers a bursary to students who have left local authority care in the two years prior to enrolment. Students receive £600 in each year of study providing attendance is above a certain level.

Some providers in their 2017-18 access agreements state that their financial aid packages support student belonging, a full student experience, or enhance wellbeing. The What works?<sup>11</sup> research published in 2017 by Higher Education Academy, Action on Access and the Paul Hamlyn Foundation presents evidence on how a sense of belonging may support success at university.

For example, **Newcastle University awards participation bursaries targeted at students from widening participation backgrounds, including care leavers, students from low participation neighbourhoods, carers and disabled students. Eligible students receive a bursary of £200 to enable them to join clubs and societies and fund additional costs such as travel and sports kit. This is evaluated annually through recipient surveys and focus groups.**

Around 70 per cent of providers offer hardship funds to students in financial difficulties. Any hardship funding provided by providers should form part of a strategic approach to supporting students from underrepresented and disadvantaged backgrounds. Providers should ensure that hardship funding is accessible to students, for example through provision of clear information, and that there are no barriers in the process which may deter students in need.

Examples of hardship funding include Coventry University and the City of Liverpool College:

**Coventry University has designed a hardship funding process which is designed to respond to students with immediate financial hardship and can be delivered very quickly after an assessment. The university's hardship funding is closely aligned to support for student success and progression.**

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<sup>11</sup> [www.heacademy.ac.uk/enhancement/themes/retention-and-success/what-works-student-retention-and-success-change-programme](http://www.heacademy.ac.uk/enhancement/themes/retention-and-success/what-works-student-retention-and-success-change-programme)

**The City of Liverpool College provides hardship funding for students who are experiencing severe financial difficulty or unforeseen circumstances with financial implications. Applications are considered on an individual basis and any funds given do not need to be repaid by the student.**

## **Progression to employment or further study**

A number of providers are using bursaries and scholarships to support progression from higher education for those from underrepresented groups. Research by the University of Liverpool found that financial support is most effective in supporting progression where there are other types of effective support working in combination with it, such as peer mentoring, use of e-learning platforms and opportunities for co-curricular activity (O'Brien, M, 'Student finance, progression and 'inclusivity': indicative data from the University of Liverpool' Widening Participation and Lifelong Learning, Volume 17, Number 3, October 2015<sup>12</sup>).

About a third of providers provide financial support for work experience, internships and placements (including sandwich years and work with student ambassadors). For example, **the University of East London offers a progression bursary that supports employability by targeting students from low-income households who are facing financial barriers such as travel costs, job interview expenses and course related costs for final year projects.**

In their 2017-18 access agreements, around 10 per cent of institutions offer financial support based on progression to postgraduate study. This financial support is intended to reduce the barriers to studying at a postgraduate level.

## **Evaluation**

The Office for Students requires all providers to take a robust approach to evaluating financial support. Providers must have evaluation programmes in place to determine how their financial support contributes to their goals and to demonstrate how evidence from previous evaluations has informed decisions on proposed financial support packages. Providers with significant investment in financial support should be led by a range of evidence that examines student outcome behaviour changes (such as improved access, continuation and attainment rates) and student experiences of how financial support impacts on outcomes.

In their 2015-16 access agreement monitoring returns, 88 per cent of providers who offer financial support said that they were evaluating this provision. In their 2018-19 access agreements, all providers made a commitment, where they are not already doing so, to carry out evaluation of their financial support using robust methods that consider outcomes for students.

## **Effective approaches**

We expect providers to continue to evaluate the effectiveness of their financial support and to think creatively about how they can maximise the impact of such support. Our impact of financial support report and tools<sup>13</sup> are designed to help providers to do this and we hope this will lead to longer term improvements in evaluation and understanding of the impact of financial support. The

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<sup>12</sup>[www.ingentaconnect.com/content/open/jwpl/2015/00000017/00000003/art00007;jsessionid=2mujgx4g5xsay.x-ic-live-02](http://www.ingentaconnect.com/content/open/jwpl/2015/00000017/00000003/art00007;jsessionid=2mujgx4g5xsay.x-ic-live-02)

<sup>13</sup> [www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit](http://www.officeforstudents.org.uk/advice-and-guidance/promoting-equal-opportunities/using-evidence-to-improve-access-and-participation-outcomes/financial-support-evaluation-toolkit)

evaluation tools include a statistical data model, a set of survey questions and a semi-structured interview framework.

We expect providers to take an appropriately robust approach to evaluating financial support whereby quantitative data on student outcome behaviour changes (such as improved access, retention and attainment rates) are considered ideally alongside findings from surveys and/or interviews which gather reactions or opinions from students.

Sheffield Hallam University led the research team which developed the impact of financial support toolkit. Their use of the tools found that financial support for students from disadvantaged backgrounds resulted in a significant, positive difference on both retention and completion of degree between bursary recipients and students from middle-income households who did not receive financial support. They found no difference in achievement and employment outcomes between bursary recipients and students from middle-income households, although this is assumed to be a positive result when compared to expected outcomes for the cohort in receipt of financial support if the support had not been in place.

The university also piloted a survey of bursary recipients which found that 66 per cent of respondents felt that receiving the bursary was very important to their ability to financially continue with their studies, and 86 per cent agreed or strongly agreed that receiving financial support helped them to concentrate on their studies without worrying about finances.

## **Questions for providers to consider**

1. Based on your provider's performance across the student lifecycle, which areas have you identified for improvement?
2. What are the factors that influence underrepresented students' decisions and outcomes in the areas that you have identified for improvement?
3. How can you target financial support to tackle any factors that influence how underrepresented students perform at your provider?
4. How can you ensure that financial support information is communicated in a clear and accessible way to prospective and current students?
5. Is your financial support an integrated part of a wider support package to facilitate fair access, success and progression for underrepresented students at your provider?
6. Are you using robust methods to evaluate the impact of your financial support on student behaviour outcomes (such as improved access, retention and attainment rates) rather than solely gathering opinions from students?
7. Have you made use of the OfS's financial support toolkit (statistical data model, interview and survey questions) to help you to evaluate the impact of financial support?
8. How can your evaluation and other research evidence help you understand whether your financial support is targeted where it will have the greatest impact?



## Case study: City, University of London

City, University of London runs a project called 'City Cares' targeted at care leavers and other young vulnerable groups. This includes financial support as well as accommodation support, priority access for services and the support of a dedicated member of staff. The provider has used the Office for Students' toolkit to model the impact of the financial support it provides to care leavers. Analysing the impact of bursaries awarded to two first-year cohorts, the university found that students who were prioritised as grant recipients were 11 times more likely to continue with their studies than the comparator group.

## Case study: Bath Spa University

Bath Spa University provides financial support targeted at students with a household income of £25,000 or below. Additional eligibility criteria such as students who are care leavers and students from neighbourhoods with low participation in higher education are used to target awards to particularly support students from target groups. Students can choose to take this support either as a cash award or fee waiver.

The university's internal data and evidence from qualitative research has indicated that investment in closely targeted financial support has had a positive impact on the retention of successive cohorts of the most disadvantaged students. The provider has carried out some initial scoping work using our financial support evaluation toolkit and intends to use it to inform future evaluation of the financial support they offer.

For further information contact Dr Sally Griffin, Widening Participation and Access Manager on [s.griffin@bathspa.ac.uk](mailto:s.griffin@bathspa.ac.uk).

## Case study: University of Bedfordshire

Following research, University of Bedfordshire has ensured that the financial support it offers aligns more closely with activity to support student success and progression.

For example, the university provides financial support to help disadvantaged students with the costs of undertaking career-related work experience. This funding can be used to cover travel or accommodation and any additional care costs incurred. The university works closely with the student union to ensure that the financial support offering is appropriate. The university surveys students who have been awarded financial support to understand the impact on the student and tracks students' progress through their studies.

For further information contact Professor Helen Bailey, Executive Dean of Academic Partnerships on [helen.bailey@beds.ac.uk](mailto:helen.bailey@beds.ac.uk).