

Consultation stage impact assessment

Title: Reform of Social Work Bursary (SWB) and Education Support Grant (ESG)

Type of measure: Secondary legislation / funding reform

Stage: Consultation stage IA

Source of intervention: Domestic – UK Government policy decision

Department or agency: Department of Health and Social Care (DHSC)

Other departments or agencies: Department for Education (DfE)

IA number: DHSCIA9707

Regulatory Policy Committee reference number: Not applicable

Contact for enquiries: socialworkconsultation@dhsc.gov.uk

Date: 6 February 2026

Summary: Intervention and Options

Cost of preferred (or more likely) option (base year = 2025 to 2026)

Total net present social value (in £m): £439m

Business net present value (in £m): N/A

Net cost to business per year (in £m): N/A

What is the problem under consideration? Why is government action or intervention necessary?

- Social work vacancy rates stand at 8.8% for adults and 17.3% for children and family social workers.
- The SWB has supported up to 4000 students per academic year to qualify as social workers, with the ESG supporting practice placements for all eligible students.
- There has been a decline in applications for the bursary in recent years, only 1,700 undergraduates and 800 postgraduates applied for and received the bursary in 2024 to 2025.
- The SWB and ESG have not been uprated since 2013, leaving some students struggling with rising costs. Postgraduates cannot access the Master's loan from Student Finance England if they receive the bursary.
- Workforce shortages undermine statutory safeguarding duties, with nearly 470,000 people waiting for assessment or services, leading to deteriorating health outcomes and avoidable NHS pressures.

What are the policy objectives of the action or intervention and the intended effects?

The intervention seeks to help secure a sufficient pipeline of qualified social workers to address current vacancies of 1,650 (adults) and 7,200 (children's services). The reforms aim to provide financial support where needed to contribute to additional costs, helping to address barriers to training. The secondary aim of this intervention is to help stabilise the workforce supply. Success will be measured through increased completion rates, reduced vacancy rates and assessment backlogs (currently 470,000 people waiting), and sustained high-quality practice placements, enabling earlier access to care for vulnerable people.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Four SWB options have been considered in this impact assessment: Option 1 maintains current rates with reduced student numbers to reflect current demand; Option 2 enhances postgraduate support while limiting undergraduates to Placement Travel Allowance only; Option 3 also enhances postgraduate support, plus provides financial support to undergraduates, beyond Placement Travel Allowance but reduces the number of bursaries available; Option 4 increases postgraduate support, and provides support to undergraduates, to a lesser extent than option 3 but provides more bursaries and Option 5 withdraws all funding. The options are not exhaustive but illustrate different scenarios. Given the budget is likely to be maintained at current spend there is a trade-off between the amount paid per student, the balance of support between undergraduates and postgraduates, and the number of students supported (see Table 1). The implementation of each option can be refined by the use of income assessment/means-testing. ESG options range from maintaining current arrangements, considering the number of students supported by ESG and the cost and benefit of apportioning ESG by the number of social work students enrolled compared with those that are in receipt of the SWB, reconsidering, or ending all ESG funding.

No preferred option has been identified; the consultation seeks stakeholder views to inform the final evidence-based recommendation, which might be different to the options presented here, with implementation planned for 2027/28 through non-regulatory guidance changes.

Will the policy be reviewed? It will/will not be reviewed. If applicable, set review date: Month/Year

Is this measure likely to impact on international trade and investment?

No

Are any of these organisations in scope?

Micro
Yes/No

Small
Yes/No

Medium
Yes/No

Large
Yes/No

What is the CO₂ equivalent change in greenhouse gas emissions?
(Million tonnes CO₂ equivalent)

Traded:
N/A

Non-traded:
N/A

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible minister:



Date:

27/01/2026

STEPHEN KINNOCK
MINISTER OF STATE FOR CARE

Summary: Analysis & Evidence

Policy Options

Description:

Full economic assessment

Price Base Year 2024/25	PV Base Year 2025/26	Time Period Years: 10	Net Benefit (Present Value (PV)) (£m) Option 2: £439m Option 3: £-257m Option 4: £427m Option 5: £-872m		
		Low:	High:	Best Estimate:	

COSTS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)
Option 2	Optional	Optional	£103m
Option 3	Optional	Optional	-£60m
Option 4	Optional	Optional	£100m
Option 5	Optional	Optional	£-204m

Description and scale of key monetised costs by 'main affected groups'

Total costs are largely driven by ongoing labour costs for additional qualified social workers. Supervision, recruitment and the opportunity cost of students' labour represent moderate cost elements.

Other key non-monetised costs by 'main affected groups'

BENEFITS (£m)	Total Transition (Constant Price) Years	Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)
Option 2	Optional	Optional	£542m
Option 3	Optional	Optional	-£317m
Option 4	Optional	Optional	£527m
Option 5	Optional	Optional	-£1,076m

Description and scale of key monetised benefits by 'main affected groups'

Benefits come primarily from two sources. The first is a small contribution to benefits from the productive output of students while on placement. The second, and considerably larger contribution to total benefits is from people gaining additional days of care by receiving access to care earlier.

<p>Other key non-monetised benefits by 'main affected groups'</p> <p>Improved perception and value of the social work profession, strengthening recruitment and retention. Support placement quality under ESG, raising training standards and graduate readiness. Improved workforce supply to deliver better outcomes for children, families, people with learning disabilities or mental health issues, frail older people and many others across society.</p>		
<p>Distributional impacts</p> <p>Social work bursary recipients, who benefit from a transfer from government, are disproportionately female (85%) and more ethnically diverse (37% Black, 18% other ethnic minority) than the wider student population, and DHSC internal review of SWB and ESG indicated that postgraduate students are older, and more likely to be non-white so benefits fall heavily on these groups. Should levels of income assessment be increased, impacts would also support students from lower socio-economic backgrounds, for whom financial barriers are acute. There is a potential negative impact on undergraduate students, as increasing funding to postgraduates will likely mean decreased funding available to them.</p>		
Key assumptions/sensitivities/risks	Discount rate (%)	3.5%
<p>Analysis assumes stable demand for courses (all posts affordable within the funding envelope are filled) and consistent HEI participation, but future workforce trends and policy shifts introduce uncertainty. Placements remain a limiting factor for ESG; benefits depend on sustained availability. Evidence on long-run impacts (e.g. professional perception, retention) is qualitative and less certain, though triangulated with survey and regulator data. In all scenarios, there is a group of students who would have completed the degree without any financial support. The size of this group is based on student survey data. For different levels of the bursary or of financial support, there are always sufficient students willing to study at that level of financial support. The constraint is the number of bursaries affordable within any given envelope.</p>		

Business assessment

Direct impact on business (Equivalent Annual) £m: N/A		
Costs: N/A	Benefits: N/A	Net: N/A

Evidence Base

Problem under consideration and rationale for intervention

Social workers are professionally trained practitioners who safeguard vulnerable people, promote independence, and support individuals and families to improve their wellbeing. They carry statutory responsibilities in both adults' and children's services, working across health, social care, and other public services. Their role is critical to protecting the public, reducing inequalities, and ensuring the effective delivery of care and support. There is a recognised shortage of social workers and longstanding challenges with the funding arrangements that support social work education, particularly the SWB and the ESG.

These challenges, alongside wider factors, including awareness and understanding of social work as a career, negative perceptions of the profession, and concerns around pay threaten the government's ability to secure a sustainable, skilled workforce capable of meeting statutory duties and supporting vulnerable children, families, and adults. As of 2024 to 2025, vacancy rates stood at 8.8%¹ (1,650) for adult social workers in the local authority sector and 17.3%² (7,200) for children and family social workers. The Care Policy Evaluation Centre (CPEC) project that demand for ASC services will increase by 1.9%-2.3% a year until 2036/37³. If the number of care users is a reasonable proxy for social worker demand, the workforce may need to grow at the same rate. However, this doesn't account for reducing vacancies, reliance on bank/agency staff or other factors that may impact demand. More ambitious demand scenarios, or changes in workforce supply, could increase this requirement further. This aligns with the 10-Year Plan's emphasis on building workforce capacity to meet rising need and is consistent with the Independent Commission's remit to assess long-term system pressures and develop sustainable workforce solutions. Without intervention, the shortfall will grow and pressures on services will intensify.

Expanding the supply of qualified social workers to meet this projected demand requires targeted intervention in social work education. There is market failure due to the disconnect between the HEIs running courses to produce social workers and Local Authorities who employ them. It is likely to be cheaper to incentivise increased numbers of students to train than it is to increase SW pay to attract more social workers into the profession. Retention alone is unlikely to provide a solution: although social work is a high-pressure profession, annual attrition is relatively modest: Skills for Care estimate that only around 6–7%¹ of adult social workers leave the adult social care workforce each year, with about half of these exits linked to retirement. International recruitment also offers only limited scope: while social workers are eligible under the Health and Care visa, in practice fewer than 1% of new adult social workers each year join via overseas routes, reflecting the resource-intensive process of assessing and verifying overseas qualifications. Current government policy is also to reduce reliance on skilled migration and expand domestic training pathways. As a result, the education pipeline remains the main lever for growing workforce supply, but current interventions are unlikely to deliver the expansion needed to keep pace with future demand.

The SWB and ESG were introduced in 2003 and have not been updated since 2013, despite rising living and study costs. The challenges with the SWB and ESG are, as reported by The Social Workers Union (SWU) / British Association of Social Workers (BASW), that social work bursary rates are increasingly insufficient to cover student costs. The situation is particularly acute for postgraduates: those in receipt of any element of the SWB are excluded from

¹ <https://www.skillsforcare.org.uk/Adult-Social-Care-Workforce-Data/workforceintelligence/Reports-and-visualisations/National-information/The-State-of-report.aspx>

² <https://explore-education-statistics.service.gov.uk/find-statistics/children-s-social-work-workforce/2024>

³ [CPEC_DP_Projection_Final_22Feb25.pdf](#)

postgraduate loans, leaving them more exposed to financial pressure than undergraduates, whose loan entitlements have risen with inflation. As a result, postgraduate students are both more reliant on the bursary when deciding to enter social work, and more likely to struggle financially once on course.

To be eligible to receive a bursary, students have to meet residency and course criteria ([Social Work Bursaries | NHSBSA](#)). Bursaries are allocated to HEIs, based on the number of eligible social work students they expect to enrol, smoothed for historic student numbers. HEIs then nominate eligible students using a shortlisting approach agreed locally. Government guidance indicates the shortlisting approach should reflect student performance, and consider other factors such as obligations for widening participation under the Equality Act 2010. If a HEI has 10 bursaries and 12 eligible students, then 2 students will not receive a bursary. However, unallocated bursaries can be transferred within HEI between UG bursaries to PG bursaries (at a ratio of 2 to 1) and in addition from this year any unused bursaries can, subject to agreement, be reallocated to other HEIs. For undergraduates the bursary is only available in the final 2 years of study (usually years 2 and 3 of full-time study, or part-time equivalent) when most students undertake practice placements and skills days. For postgraduates the SWB available in both years of full-time study. Further information on the 2025 to 2026 rates and allowances can be found here: [Social Work Bursary and Education Support Grant information pack](#). This IA accompanies a consultation document seeking views on key questions that should guide the future SWB and ESG policy. This includes balancing the funding between postgraduates and undergraduates, introducing income assessment, and creating a hardship fund for the SWB, and balancing the elements and alternative ways of allocation of the ESG. The IA translates these key questions into a set of options, some explored in detail, while also acknowledging a wider range of possible approaches (see annex on sensitivities). It therefore provides analysis of how different options could affect both the level of funding per student or HEI and the number of students who can be supported overall. While it will not be possible to pilot the changes in advance, the new approach can be compared to the previous model. The consultation seeks to establish enduring principles that will guide bursary policy for multiple years. As guidance is updated annually and agreed by ministers, there is scope to adjust the bursary approach in future academic years if necessary.

Presenting multiple options at this stage provides transparency around the potential trade-offs between affordability, accessibility, and workforce impact. It also ensures that consultees are able to comment on the full breadth of choices before a final, evidence-based recommendation is made.

Funding for the SWB and ESG is subject to business planning processes following the Spending Review settlement, this impact assessment assumes funding is finite for the duration of the SR period. This creates a trade-off between the value of individual bursaries and the total number of students who can be supported within a fixed budget. The policy objective is to maximise the impact of the budget to ensure that bursary levels provide social work students with financial support to support additional costs, helping to address barriers to completing social work training and to support a high-quality workforce across social care, NHS, and community sectors.

At the same time, sector partners in England (including students, the Social Workers Union, and HEIs) have raised concerns that the current bursary allocation is inequitable. Because bursary places are capped nationally and not allocated on the basis of financial need it is possible that students who face the greatest financial barriers do not receive the right level of support. HEIs often prioritise academic performance when awarding places which sector partners argue does not sufficiently promote equality of access to social work degrees. Sector partners have raised concerns that the current bursary may not sufficiently support students from disadvantaged backgrounds, which could affect the overall diversity of the social work profession. Universities could face increasing difficulty in sustaining their social work programmes, reducing training

capacity and further exacerbating shortages. Service users - children, families, and adults who rely on social work - would ultimately experience poorer outcomes as a result, including delayed or inconsistent support, weaker safeguarding or reduced quality of intervention.

For example, the BASW Student & NQSW group reports⁴ that some HEIs, in line with guidance, use academic ranking and other selection criteria when allocating bursaries, that may disadvantage students from socio-economically challenged backgrounds, creating a risk that the social care workforce is less representative of the communities it serves. There are also noted disparities between undergraduate and postgraduate support and calls from the BASW Student & NQSW group for a more income-assessed system to better support those at risk of exclusion.

In addition, high quality social work placements, which are central to students' training and supporting a sustainable pipeline of qualified social workers, are becoming more difficult to secure, particularly in statutory settings such as local authority children's and adults' services that deliver duties required by law. This was particularly highlighted in the feedback from sector partners in the DHSC internal review of social work. Practice educator capacity issues, fewer students who drive and cessation of central government funding for teaching partnerships can all contribute to making access to high quality placements difficult.

Social work is a statutory public service with high social value but limited private financial return; left to market forces, the supply of new professionals is not expected to meet demand using DHSC internal modelling of the supply and demand of adult social workers. While higher salaries could theoretically attract more entrants to social work, public sector budget constraints mean that raising pay sufficiently to drive the required increase in student recruitment is not considered a feasible option. Only government, working in conjunction with the social work profession, has the levers to reshape the SWB and ESG to ensure financial support is effective, targeted, and aligned with workforce needs, while avoiding duplication with other funding streams.

An IA has been completed instead of an Options Assessment as there is no direct cost to business. Furthermore, there are no legislative changes required.

Rationale and evidence to justify the level of analysis used in the IA (proportionality approach)

The level of analysis presented in this Impact Assessment is proportionate to the scale and complexity of the policy intervention under consideration. The SWB and ESG represent annual public expenditure of approximately £35 million and £15 million respectively, supporting several thousand students each year who will enter a workforce critical to safeguarding vulnerable people and delivering statutory duties. Given this significance, and the need to inform ministerial decision-making ahead of implementation in 2027/28, a robust quantitative analysis has been developed alongside qualitative stakeholder engagement through consultation.

The evidence base draws on multiple established administrative data sources, including NHS Business Services Authority bursary records, Skills for Care workforce statistics, Higher Education Statistics Agency (HESA) enrolment data, and Social Work England registration figures. These datasets provide reliable time-series information on student numbers, completion rates, workforce vacancies, and salary levels, enabling credible projections of costs and workforce supply under different policy scenarios. Economic parameters such as pay growth, recruitment costs, and discount rates follow standard HM Treasury Green Book guidance and Office for Budget Responsibility forecasts, ensuring consistency with wider government appraisal practice. The expected social benefit assumptions for adult social care draw on published academic research and sector evaluations, providing an evidence-informed basis for

⁴ [Statement on student bursaries - BASW England Student & NQSW Group | BASW](#)

valuing wider system benefits, though these remain subject to uncertainty as discussed in the sensitivity analysis. For modelling purposes, we assume that benefits arising from children and families's social work (CFSW) are unmonetised as it is not clear how new graduates would fill vacancies, displace agency or what the cost reduction in price of agency use would change.

Where evidence gaps exist, pragmatic assumptions have been applied and clearly documented. For example, the productivity contribution of students during placements is modelled using rates drawn from nursing associate apprenticeship research, as direct evidence for social work students is not available. Similarly, supervisor time commitments (assumed at 20% of qualified social worker capacity per student) reflect sector feedback rather than systematic time-and-motion studies. These assumptions have been stress-tested through sensitivity analysis to understand how variations would affect the overall conclusions. The assessment also acknowledges areas where monetisation is not feasible: benefits such as improved service user wellbeing, reduced carer burden, and enhanced professional reputation are described qualitatively, recognising their importance while avoiding spurious precision.

Limitations in the evidence base are particularly notable in relation to the causal impact of bursary levels on student recruitment, retention, and workforce entry. While survey data from the British Association of Social Workers indicates that a high proportion of students report the bursary as essential to course completion⁵, robust counterfactual evidence, such as what would happen under different funding levels, is lacking. This reflects the long-standing absence of formal evaluation of the bursary scheme since its introduction in 2003. To address this gap, the consultation seeks stakeholder views on likely behavioural responses to different funding models, and a research proposal has been submitted to establish a formal evaluation programme to monitor outcomes and inform future policy adjustments. The sensitivity analysis explores alternative scenarios around key drivers such as student numbers, pay growth, and return-on-investment rates, providing transparency about the range of potential outcomes and the robustness of findings to different assumptions. Funding targeted at undergraduates and postgraduates are also assumed to have different impacts as UG students have increased access to alternative sources of funding (e.g. student finance) relative to PG students. However, there is a lack of robust evidence on how students would respond to different levels of funding. This approach ensures decision-makers have a clear understanding of both the central estimates and the uncertainty surrounding them.

Policy objective

The consultation document sets out reforms to the Social Work Bursary (SWB) and Education Support Grant (ESG) to maximise their impact.

The policy objective is to support a sustainable pipeline of newly qualified social workers who are practice ready. Financial support for students is a key means of achieving this, helping to attract and retain individuals in training and ensure they can complete high-quality, practice-based learning, to ultimately develop a workforce that reflect the communities it serves.

As stated above, social workers are professionally trained practitioners who safeguard vulnerable people, promote independence, and support individuals and families to improve their wellbeing. They carry statutory responsibilities in both adults' and children's services, working across health, social care, and other public services. Their role is critical to protecting the public, reducing inequalities, and ensuring the effective delivery of care and support. Their contribution to the delivery of public services which are free at the point of use means that there is a missing market for social work. Both the number of social workers employed, and their salaries are instead determined by public bodies. Persistent vacancy rates in both adult and children and families social care services suggest a sub-optimal outcome, under which local authorities would be willing and able to employ more social workers at prevailing pay but do not increase

⁵ [BASW England group statement on student bursaries](#) | BASW

pay rates in order to attract additional applicants. In practice, social worker pay within local authorities is set by the National Joint Council for Local Government Services as part of a national framework covering 1.4m employees in total. Given the potential interactions with pay for other job roles, and the potential to target incentives within the SWB and ESG policies to increase additionality and achieve more equitable outcomes, expanding the supply of qualified social workers by subsidising social worker training is judged to be more cost effective than expanding demand (i.e. funding an increase in the total pay available for a given number of social workers).

To qualify as a social worker in England, you need to undertake a social work qualifying degree that is registered with Social Work England, Scottish Social Service Council (SSSC), Social Care Wales, or Northern Ireland Social Care Council (NISCC). Students also need to undertake 200 days of practice-based learning. The traditional degree route is the main pipeline to qualify as a social worker, but social work apprenticeships and Fast Track degree programmes can also result in a social work qualification.

Social work students can either study for an undergraduate or postgraduate qualifying degree. Students, including postgraduates are not eligible for a bursary if they have previously qualified and registered as a social worker. Postgraduate qualifications are usually undertaken by people that have an undergraduate qualification in another subject, and so whilst a postgraduate degree is a higher-level qualification, it is used as a qualification route for social work. It is assumed that both undergraduate and postgraduate graduates enter the workforce on the same pay rates.

A survey of 750 students in receipt of the bursary conducted in November 2024 found that:

- The availability of the SWB influenced 55% of postgraduates' decisions to study social work, compared with just 15% of undergraduates.
- Compared with undergraduate respondents, a larger proportion of postgraduates expressed a view that the SWB is essential in their open-text answers, and a larger proportion expressed that they were experiencing financial hardship
- 11% of undergraduates and 31% postgraduates believed bursary was only slightly or not at all effective in supporting them financially.

A HEI survey conducted at the same time as the student survey (66 respondents) found that 71% of respondents said that the SWB incentivised potential students to apply for the social work degree and 23% felt financial challenges was a main reason for undergraduates not completing the course rising to 30% for postgraduates. Furthermore, over the last 4 years, the number of postgraduates enrolling on social work courses who are eligible for the SWB (based on residency and appropriate course) has reduced by 50% compared with a 23% drop in undergraduates.

If potential students decided not to take up social worker posts it is unlikely that a significant number of other students would come forward. In recent years the number of bursaries claimed has not hit the UG and PG caps which shows that under the current system there is no excess demand for places. If student numbers reduced then it is likely that some HEIs would close courses, which is already happening in some places, to redirect resources to more profitable courses in other subjects. There is market failure due to the disconnect between HEIs running courses to produce social workers and Local Authorities who employ them. Local Authorities could and do train their own social workers through apprenticeship programmes. However, there is limited capacity within LAs to provide apprenticeship training and support. This means that without bursary funding it's unlikely that LAs will train social workers and without ESG funding it's unlikely that LAs would have capacity or funding to provide placements.

Furthermore, this would still be reliant on government funding and would likely be less cost effective than an approach with multiple routes to qualification.

The objective for the SWB is to provide meaningful financial support to students, reducing barriers to entering and completing training. This may involve reallocating funds to prioritise postgraduates, introducing hardship funding mechanisms, or means of targeting those from lower socio-economic backgrounds. The aim of these prioritisations would be to maintain or increase the pipeline of newly qualified social workers. Success will be evident in measurable improvements to student intake, reductions in reported financial hardship at postgraduate level, and a workforce that continues to be representative of the communities it serves. These aims are specifically in scope, measurable through retention and diversity data, and achievable within the fiscal constraint by rebalancing how existing funds are deployed.

The objective for the ESG is to safeguard high-quality practice-based learning, ensuring newly qualified social workers are confident and job-ready. Support for placements, skills days, and service user involvement is critical here, and the consultation considers whether additional resources should be shifted to support these activities. Indicators of success include continued availability of placements, strong employer feedback on graduate readiness, and the sustained engagement of service users and carers in course development, design and delivery. These outcomes are relevant to the professional quality of the workforce and by the need to implement reforms ahead of the 2027 to 2028 academic year.

We aim to support a future workforce of high-quality social workers for adult and children's social care, the NHS, community and voluntary sectors that are representative of the communities they work within. No preferred option has been identified in this impact assessment; the consultation seeks stakeholder views to inform the final evidence-based recommendation and might be different to the options presented here. The consultation asks about the balance between undergraduates and postgraduates, income assessment, support for people with children, adult dependents or a disability and whether there should be a hardship fund. Measurable success will be demonstrated by an increase in social work graduates through the HEI routes, reduced vacancy rates, and a workforce that reflects the communities it serves. The objectives align with wider government priorities, such as building an NHS fit for the future, *Mission Public Services (2023)* and will help lay the foundations for the national care service, as highlighted in *10 Year Health Plan for England: fit for the future (2025)*. These are time-bound by clear milestones, including the shift to a new funding model from 2027 to 2028. Taken together, these objectives set a clear, measurable, and achievable direction for reform, balancing budgetary constraints with the pressing need to strengthen financial support for those who need it most, maintain training quality, and secure the long-term supply of social workers.

Description of options considered

Social Work Bursary

In the 2024 to 2025 academic year, there were 818 new postgraduate bursaries and 1,672 new undergraduate bursaries; this is lower than the 2,500 undergraduate and 1,500 postgraduate bursary cap. The options for the future of the Social Work Bursary (SWB) cover a spectrum, from maintaining the current bursary rates for the number of students supported in the 2024 to 2025 academic year to approaches that would increase the number of students supported compared to 2024 to 2025, or the value of individual awards. The options are based the 2025 to 2026 SWB budget. These options are illustrative; the consultation seeks stakeholder views to inform the final evidence-based recommendation which might be different to the options presented here.

The longlist of eleven options for the SWB explored a wide spectrum of possible reforms ([see Annex for more detail](#)). This list is not exhaustive and multiple options offering different choices for the value of the bursary are possible. Currently an undergraduate receives an average amount of £4,800 and a postgraduate receives an average of £11,200 per year.

Table 1: Shortlisted options

Option number	Description	Policy	Estimated number of undergraduates that could be supported per cohort	Estimated number of postgraduates that could be supported per cohort	Average payment for undergraduate students	Average payment for postgraduate students
Option 1	Maintain current bursary rates	Maintain current bursary structure, with the cap on the number of new bursaries reducing in line with current student demand.	2,000	800	£4,800	£11,200
Option 2	Enhanced postgraduate offer, reduced undergraduate support to PTA only	Strengthen postgraduate support with bursary amount increasing while limiting undergraduate support to the Placement Travel Allowance (PTA)	2,000	1,200	£860	£14,500
Option 3	Enhanced postgraduate offer with undergraduate bursary reduced, aiming to offset additional costs of SW placement	Strengthen postgraduate support while providing undergraduates with PTA and offsetting their reduced ability to undertake paid work whilst on placement.	1,700	900	£3,600	£14,500
Option 4	Increased postgraduate offer with undergraduate bursary reduced, aiming to contribute to additional costs of SW placement	Postgraduate support increases, but to a lesser extent, while undergraduates receive PTA and a contribution to their reduced ability to undertake paid work whilst on placement.	2,000	1,160	£2,400	£12,100

Option 5	Withdraw bursary/allowance funding (“do nothing”)	End all bursary and allowance support from 2025 to 2026.	No bursary or allowance support available	No bursary or allowance support available	£0	£0
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Under option 1, bursary rates are maintained in line with current levels, with the number of new awards each year aligned to current student demand. This would enable support for up to 800 postgraduate and 2,000 undergraduate students per cohort during their practice placement years.

Under option 2, the primary cost of this option arises from significantly increasing the value of the bursary package available to postgraduate students. Under this option, average annual support rises from £11,200 to £14,500, representing an uplift of around 30%. This is offset by a reduction in the payment available to undergraduate students which reduces from an average of £3,600 to an average of £860. Undergraduate students will only receive the Placement Travel Allowance (PTA).

As part of the total cost under this option, tuition fee contributions would be increased to match the value of the postgraduate Master’s Loan (around £6,400, per year for two years). Parental, adult dependent, and disability allowances would be raised by 30% in line with Student Finance rates, while the non-income-assessed bursary elements would rise by 15%, creating additional cost pressures. The PTA would remain at the current level for both postgraduates and undergraduates. Combined, these components contribute to the increased postgraduate bursary payment of £14,500.

Under option 3, the offer mirrors Option 2 for postgraduates, with bursary components uplifted by 15%, tuition fee contributions aligned with the Master’s Loan, and supplementary allowances increased by 30%.

For undergraduates, the package is expanded beyond the Placement Travel Allowance (c. £862 per year) providing a contribution to cover the financial impact of reduced earnings potential for students who work part time during practice placements. Based on findings from the Student Placement Experience Survey conducted by the British Association of Social Workers,

According to the Higher Education Policy Institute’s Student Academic Experience Survey⁶ students are estimated to work 13.1 hours per week on average, applying the national minimum wage (£12.21) indicates a loss of approximately £2,720 per year, alongside additional travel expenses.

While option 3 results in fewer students, this reflects the need to balance the objective of the bursary addressing recruitment challenges, with that of targeting support to those who need it most. If the bursary is not sufficient then we won’t attract the numbers that we can afford to support.

Under option 4, the postgraduate offer increases the bursary components uplifted by 15% and supplementary allowances increased by 30% however tuition fees remain at current levels. Undergraduates receive the PTA and receive a flat payment of £1,500 to contribute to placement costs. This differs to Option 3 that offers tuition fees so the postgraduate offer is

⁶ SAES-2025.pdf

lower than Option 3. The undergraduate is also less as a flat payment is made to undergraduates providing a contribution to potential lost earnings.

Where a bursary/incentive payment is lower than Option 1, student numbers are capped to match Option 1 even if there is funding available. This is because it is assumed that a lower payment is unlikely to result in more students than under the current system.

The options under consultation reflect a wide range of possible reforms and can be supplemented with other changes such as introducing a hardship fund or increasing the use of income-assessment/means testing. For example, the amount of SWB allocated for postgraduates could increase, and what remains for undergraduates could then be income-assessed to ensure it is only granted to students from low-income households. Increased SWB for postgraduates could also be supplemented by changing the PTA to operating as reimbursement of costs as opposed to a flat fee. The options are scalable and illustrative and so other levels of undergraduate and postgraduate support are possible.

The overall structure of payments will be considered, which will determine whether funding is directed more heavily towards postgraduate students, undergraduate students, or those not eligible for Student Finance. Second, various mechanisms for distributing that funding- such as means-testing, hardship funds, or different approaches to travel cost reimbursement- will be considered. Together, these choices will determine both the level of individual support and the number of students who can benefit within a fixed budget.

Rationale behind selection

We have undertaken evaluation against legal compliance, fairness, affordability, deliverability, and, most importantly, strategic fit - defined here as the extent to which each option contributes to securing a sufficient future supply of qualified social workers. These reflect a balance between maintaining the current bursary offer, enhancing support for postgraduates, providing some reduced targeted undergraduate support, and a “do nothing” baseline.

The options range from maintaining current levels of support for postgraduates to extending support considerably. For undergraduates, the SWB is paid in addition to their student loan. In contrast, postgraduate students face more limited options: the Master’s Loan covers a smaller proportion of costs, and those receiving the SWB are not eligible for a Master’s Loan, likely making the SWB a more critical source of funding. Increasing bursary levels would help close this gap and enable students to complete training without undue financial stress. Social work is a challenging role, and related experience is considered by the profession to provide better quality candidates and social workers.

There is limited data at present, which we are looking to improve, but a relatively high number of Social Workers (24%) leave in their first year (although we do not yet know whether they leave the profession or just change roles). Younger social workers (20–29) are disproportionately likely to leave early, often within their first year.

All options were also considered in relation to existing legislative and regulatory requirements. The public sector equality duty (PSED) requires that decision-makers have due regard to the need to advance equality of opportunity and reduce disadvantage for people with protected characteristics and those from lower socio-economic backgrounds.

Based on the Social Work Education in England report⁷, postgraduates are disproportionately older, and marginally more likely to be non-white: options that strengthen postgraduate bursaries may potentially have equality implications across these dimensions.

Conversely, removing support for undergraduates risks reducing participation among those who rely on bursary funding, which would need to be carefully mitigated. Regulatory constraints around student finance also shape the options: postgraduate students cannot access a student loan if they receive the SWB, which limits the flexibility of support models and underlines the importance of ensuring bursary levels are sufficient in themselves. Finally, the evolving legislative context- including proposed reforms in adult social care and potential new statutory responsibilities for social workers- reinforces the need for a sustainable funding model that supports both entry to the profession and the future workforce. The SWB is one lever for supporting a sufficient, high quality future workforce, but there are wider factors, beyond financial support to students that also need to be considered to effect change.

The consultation, which this Impact Assessment accompanies, explores high-level questions such as the balance between undergraduate and postgraduate funding and whether budget can be used differently. Where appropriate the Impact Assessment provides further detail on the how these choices might be translated into the specific options. The options are by no means exhaustive, but their inclusion, illustrates different scenarios and provides information on the effects, benefits and costs. Taking into account these factors, four options were taken forward for further appraisal. The change to bursary amounts were initially set by policy at levels considered viable to increase support for postgraduate students, in line with the policy's objectives. Analysts subsequently recalculated and applied the total funding envelope as a constraint to determine the number of students per cohort.

Education Support Grant

The ESG represents annual public expenditure of approximately £15 million. A range of options for the future of the Education Support Grant (ESG) were developed from the strategic case and assessed against key success factors including business need, strategic fit, affordability, deliverability, and equitable access. The longlist of options for the ESG explored a wide spectrum of possible reforms (see Annex 2 for more detail).

Table 2: ESG Options

Option	Description	Estimated Undergraduate Coverage per cohort	Estimated Postgraduate Coverage per cohort
1	Keep ESG as it is.	2,300	1,400
2	Allocate as a flat rate to HEIs, apportioned by number of eligible enrolled students.	2,300	1,400
3	Allocate as a flat rate to HEIs, apportioned by the number of students	2,000	1,000

⁷ Social Work Education in England 2023

	receiving the bursary.		
4	Stop all ESG funding.	0	0

Rationale behind selection

A range of potential approaches to the Education Support Grant (ESG) were initially considered, reflecting different ways the funding could be structured or redirected. These options were assessed against a set of key criteria, including affordability, deliverability, fairness, and impact on the quality and supply of social workers, to understand their feasibility. While the consultation document does not formally identify a “shortlist,” the options presented have been refined into a focused set for discussion with stakeholders. The aim is to gather evidence and views from across the sector on which approaches could best maximise the impact of the budget while maintaining equitable access and supporting the training of future social workers. The options are therefore illustrative and the consultation seeks stakeholder views to inform the final evidence-based recommendation which might be different to the options presented here. As the ESG operates on a demand-led basis, any increase in student enrolments (assuming current rates are maintained) would necessitate a corresponding uplift in the budget to ensure sufficient funding for the elements of the ESG.

The costing of all the options is therefore the same as they all have the same enrolment inputs however the spend per student could change in option 2 if there are higher or lower levels of enrolments due to the fixed funding amount available. For example, under Option 2, a 5% increase in enrolments may lead to a £100 reduction in ESG funding per student. Option 3 would also vary dependent on where HEI’s decided to focus spending.

Summary and preferred option with description of implementation plan

Social Work Bursary

This Impact Assessment sets out a range of shortlisted options for reform of the Social Work Bursary (See Table 1). At this stage, no single preferred option has been identified. The purpose of this approach is to ensure that all viable alternatives are considered openly, ahead of the conclusion of the consultation process. Stakeholder views will play a central role in shaping the final decision, and responses will continue to be collected until February 2026.

No legislative changes are required to implement the preferred options listed below. The proposed changes will be set out in a guidance document, published on gov.uk. We aim to implement the changes for the 2027 to 2028 cohort of students. This phased approach will be tested through stakeholder engagement and may be adjusted if there are delays or if guidance cannot be issued in time for the 2026 to 2027 academic year

The bursary will continue to be administered through the NHS Business Services Authority (NHSBSA), an arm’s-length body of the Department of Health and Social Care. The counterfactual maintains current bursary rates, reducing the number of new bursaries available each year in-line with current student numbers. This provides the baseline against which all intervention options are assessed. As the costs and benefits of alternative options are measured relative to this baseline, we do not present a separate cost–benefit analysis for the counterfactual itself.

Table 3: NPVs of options. All figures in real present value terms. Costs and benefits presented **relative** to Option 1 – maintain current funding (i.e. A negative cost for Option 5 means Option 1 is more costly than Option 5). Figures shown in £m.

Option	Description	Benefits	Costs	NPV
Option 1 (counterfactual)	Maintain current bursary rates			
Option 2	Improved postgraduate offer, reducing undergraduate support to PTA	£542	£103	£439
Option 3	Improved postgraduate offer, undergraduate support to offset lost working time	-£317	-£60	-£257
Option 4	Improved postgraduate offer, undergraduate support for placement costs	£527	£100	£427
Option 5	End funding	-£1,076	-£204	-£872

Education Support Grant

As with the SWB, this Impact Assessment sets out a range of shortlisted options for reform of the Education Support Grant ([See Table 2](#)). At this stage, no single preferred option has been identified. The purpose of this approach is to ensure that all viable alternatives are considered openly, ahead of the conclusion of the consultation process. Stakeholder views will play a central role in shaping the final decision, and responses will continue to be collected until December 2025.

Monetised and non-monetised costs and benefits of each option (including administrative burden)

All costs and benefits in this IA are presented in real net present value terms. Figures are presented in £ millions. The counterfactual option maintains current bursary rates and reduces student numbers in line with projections. Option 1 has been used as the baseline as it represents the continuation of the current bursary system and student intake projections in the absence of further intervention. This reflects the most realistic counterfactual, as maintaining existing bursary rates and funding levels is the default position if no policy change is agreed. By contrast, Option 5 assumes a step change in provision that would require new funding and policy decisions and therefore does not represent the status quo. Additional modelling assumptions can be found below in the assumptions section.

Additionality has been factored into each option. This removes students from relevant calculations who would be prepared to study a social work degree without a bursary and so would be unaffected by changes to the bursary policy. For more detail on how additionality was calculated please see the Risks and Assumptions section.

Please note that all costs are compared against Option 1 as the counterfactual. A positive value shows that the option costs more than the counterfactual and a negative value shows that the option costs less than the counterfactual.

Costs to government

Table 4: Total cost profile summary table, discounted real present value terms (£m) (See Annex 1 for the full breakdown of costs under each option)

£ m	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	Total
Option 2	10	11	11	11	11	10	10	10	10	10	103

Option 3	-6	-7	-6	-6	-6	-6	-6	-6	-6	-6	-6	-60
Option 4	9	11	11	10	10	10	10	10	9	9		100
Option 5	-19	-23	-22	-21	-21	-20	-20	-20	-19	-19		-204

Cost of bursary

Table 5: Bursary costs profile, in discounted real present value terms (£m)

£ m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Option 2	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Option 3	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Option 4	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.4
Option 5	-41.2	-39.1	-37.0	-35.1	-33.2	-31.4	-29.7	-28.0	-26.4	-24.9	-326.0

The SWB is funded by the DHSC on behalf of both DHSC and the DfE. While DHSC takes primary responsibility for adult social work in England and DfE for children and family social work, the bursary is financed centrally by DHSC for both areas. Administration of the scheme is carried out by the NHS Business Services Authority Student Services, which makes payments on DHSC's behalf. The budget allocated for the SWB in 2025 to 2026 is £37.5 million, as approved through the spending review process.

For modelling purposes, the SWB budget is assumed to remain fixed at £37.5 million per year across the appraisal period.

Due to the fixed budget Options 2, 3 and 4 have the same cost relative to the counterfactual at £0.4m. Option 5 delivers the greatest saving (-£326m). Please note this cost occurs because Option 1 spend doesn't quite round up to £37.5m.

These costs are considered to be a transfer and as such present as a benefit to the students. The profile is shown above for information however the costs are not included in the calculation of an NPV as the cost to government and the benefit to students net to zero. By treating the bursary payment as a transfer, we have disregarded the opportunity cost of government spending.

Costs to employers

Cost of recruitment

Table 6: Recruitment cost profile, in discounted real present value terms (£m)

£ m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Option 2	0.0	2.1	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.7	17.1
Option 3	0.0	-1.2	-1.2	-1.2	-1.1	-1.1	-1.1	-1.1	-1.0	-1.0	-10.0

Option 4	0.0	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.7	1.7	16.6
Option 5	0.0	-4.1	-4.0	-3.9	-3.8	-3.8	-3.7	-3.6	-3.5	-3.5	33.9

Recruiting new social workers for full-time posts generates both direct and indirect costs, which rise as more bursaries and employment opportunities are created.

Direct costs include advertising vacancies, engaging recruitment agencies, shortlisting and interviewing candidates, and providing any financial incentives or relocation support.

Indirect costs arise from onboarding and induction processes, including HR administration, IT setup, mandatory training, and supervision, as well as the reduced productivity of new starters as they become familiar with local procedures and service contexts. While these costs represent a necessary investment, they help ensure the workforce is capable, stable, and able to meet service demand, ultimately reducing longer-term reliance on agency staff and mitigating delays in service delivery.

In this IA, recruitment costs are estimated by uprating the base cost of hiring a social worker using OBR average earnings forecasts, then multiplying by the number of graduates entering the workforce each year. This means per-worker recruitment costs rise steadily over time, with total costs varying by option according to the size of the graduate cohort.

Option 2 marginally delivers the highest net cost of £17.1m followed by Option 4 which delivers a net cost of £16.6m. Option 3 generates a modest avoided cost (-£10m), while Option 5 produces the greatest saving (-£33.9m), reflecting that no activities are costed under this option.

Supervision costs

Table 7: Supervision costs under shortlisted options, in discounted real present value terms (£m)

£ m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Option 2	3.1	3.0	2.9	2.8	2.8	2.7	2.7	2.6	2.6	2.5	27.6
Option 3	-1.8	-1.8	-1.7	-1.7	-1.6	-1.6	-1.6	-1.5	-1.5	-1.5	16.1
Option 4	3.0	2.9	2.8	2.7	2.7	2.6	2.6	2.5	2.5	2.4	26.8
Option 5	-6.1	-5.9	-5.8	-5.6	-5.5	-5.4	-5.3	-5.2	-5.1	-5.0	54.7

An additional cost arises from the supervision requirements for students undertaking practice placements. Each placement student must be supported and assessed by a qualified social worker acting as a practice educator or supervisor. This responsibility reduces the time available for supervisors to carry out their usual caseload, effectively creating an opportunity cost for the employer. Based on sector feedback, supervising a placement student can account for several hours per week of a social worker's time, particularly during induction and assessment points. In practice, this means that local authorities and providers may need to either redistribute caseloads, provide agency cover, or accept reduced productivity during placement periods. While supervision is a critical investment to ensure high-quality training and professional standards, it nonetheless represents a tangible cost to employers when expanding the volume of student placements.

Supervisor costs are estimated using the average salary of a qualified social worker (including on-costs), converted to an hourly rate, with 20% of time assumed to be dedicated to student supervision during placements. Costs rise over time in line with earnings growth and student numbers.

Across the appraisal period, Option 2 generates cumulative costs of £27.6m and Option 4 generates cumulative costs of £26.8m. Options 3 and 5 both deliver avoided costs with total savings of -£16.1m and -£54.7m respectively. The savings are largest under Option 5.

Costs to Students

Opportunity cost of lost earnings while on placement

Table 8: Opportunity cost profile, in discounted real present value terms (£m)

£ m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Option 2	6.5	6.3	6.1	5.9	5.8	5.7	5.6	5.5	5.4	5.3	58.0
Option 3	-3.8	-3.7	-3.6	-3.5	-3.4	-3.3	-3.3	-3.2	-3.1	-3.1	-34.0
Option 4	6.3	6.1	5.9	5.8	5.7	5.5	5.4	5.3	5.2	5.1	56.4
Option 5	-12.8	-12.5	-12.1	-11.8	-11.5	-11.3	-11.1	-10.9	-10.7	-10.4	-115.1

While students are studying on their placements, they are unable to undertake part time work and would therefore lose potential earnings.

In this IA, the opportunity cost is estimated by multiplying the number of hours and days spent on placement by a wage rate. For the assumed wage we have used the National Living Wage and projected that forwards using OBR average earnings, assuming that the rate increases in line with average earnings only.

Option 2 generates the highest net cost at £58m and Option 4 delivers a net cost of £56.4m. Option 3 generates a saving (-£34m), while Option 5 produces the greatest saving (-£115.1m), reflecting that no activities are costed under this option.

Education Support Grant

The ESG has the same cost profile as the SWB. The monetised costs are presented below for each option.

Additionality has not been factored into the ESG calculations. It is assumed that without ESG funding there is no incentive to LAs to put on placements at their own cost when they are already funding apprenticeships.

Table 9: Summary of monetised ESG costs, in discounted real present value terms (£m)

£ m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
Option 2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Option 3	0.0	-1.9	-20.0	-38.0	-22.2	-21.6	-21.0	-20.5	-20.0	-19.5	-184.6

Option 4	0.0	0.0	0.0	-20.0	-20.5	-21.1	-21.8	-22.7	-23.5	-24.4	-	154.1
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The cost profile under Option 3 shows average annual savings of over £20m with a total discounted cost of just over £170m across the appraisal period. Under Option 2, no costs and benefits are realised over the appraisal period.

Benefits

The consultation presents a range of potential options for reforming the Social Work Bursary (SWB) and Education Support Grant (ESG). While each option has specific features and trade-offs, a number of benefits recur across the policy choices. These benefits reflect the underlying rationale for continuing to provide financial support to students and Higher Education Institutions (HEIs), and for seeking to secure a sustainable social work workforce.

All benefits are presented relative to the counterfactual option, Option 1 – maintain current funding, which maintains current bursary rates and reduces student numbers in line with projections. A positive value shows that the option produces benefits that are higher than the counterfactual and a negative value shows that the option produces benefits lower than the counterfactual. As with costs, benefits are reported in present value terms below. **See appendix 4 for full breakdown of benefits.**

Table 10: Summary of monetised benefits, in discounted real present value terms (£m)

£ m	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/ 35	2035/ 36	2036/ 37	Total
Option 2	5.3	23.5	37.7	48.9	57.7	64.7	70.3	74.8	78.3	81.0	542.1
Option 3	-3.1	-13.7	-22.1	-28.6	-33.8	-37.8	-41.1	-43.7	-45.8	-47.4	-317.2
Option 4	5.2	22.8	36.6	47.5	56.1	62.8	68.3	72.6	76.1	78.7	526.7
Option 5	-10.5	-46.5	-74.8	-97.0	-114.5	-128.3	-139.4	-148.3	-155.4	-160.7	-1,075.6

Over the appraisal period, Option 2 generates £542.1m in benefits followed by Option 4 which generates benefits of £526.7m. By contrast, Options 3 and 5 result in lower benefits relative to Option 1 – maintain current funding, with totals of -£317.2m and -£1,075.6m respectively. The scale of avoided benefits is substantially greater under Option 5, reflecting the larger number of students affected.

Expanded social work activity (including earlier access to care) for Adult Social Work

Table 11: Benefits of expanded social work activity, in discounted real present value terms (£m)

£ m	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	Total
Option 2	0.0	18.3	32.7	44.0	52.9	60.0	65.7	70.3	73.9	76.7	494.5
Option 3	0.0	-10.7	-19.1	-25.8	-31.0	-35.1	-38.4	-41.1	-43.2	-44.9	289.3
Option 4	0.0	17.8	31.8	42.8	51.4	58.3	63.8	68.3	71.8	74.5	480.5
Option 5	0.0	-36.3	-64.9	-87.3	105.0	119.0	130.3	139.4	146.6	152.2	981.1

This benefit shows one illustrative route of many we could have chosen to illustrate the broad scale of potential benefits. These calculations only focus on the benefits of earlier access to care for adult social workers. DfE analysts advised that they may have some benefits from less agency use however it is difficult to disentangle whether a new entrant would fill a vacant post or take the place of an agency worker. It's then not clear what would happen to the agency worker. Benefits for CFSW are therefore included in the unmonetised benefits section.

To estimate the increased benefits of increased activity in the adult social worker workforce, we model the increase in the number of qualified social workers eligible to enter the workforce, based on the number of bursaries funded each year. We assume that 35% of these eligible social workers will take up employment in the Adult Social Care sector, based on uptake in Children's Social Care and triangulated with Skills for Care data. Based on social worker Demand and Supply Model projections, we assume that the number of funded vacant posts exceeds the increase in social worker supply over the modelled period. It is assumed that a proportion of this additional capacity is directed towards completing assessments. At this new equilibrium, the expanded pool of social workers delivers additional benefits - including increased service capacity, earlier access to care, and improved continuity and quality of provision.

Social workers play key roles in the assessment of care needs to determine eligibility for publicly-funded care and in the commissioning of that care. As more people request assessments, waiting lists will increase and there will be longer and more frequent delays in people being able to access the care they would benefit from (representing a loss of potential quality of life during the delay) if the number of hours worked by social workers does not expand at a comparable rate. The bursary incentivises additional workers to qualify in social work, who are then available to complete additional assessments in a shorter time period and help people access care sooner.

Using ADASS survey data⁸ showing the number of people waiting less than or more than 6 months for an assessment, we estimated the average wait time for an assessment as 152 days. We have assumed delays can be reduced by around 14 days per person who receives an assessment as a result of the additional social worker capacity, with the remainder of waiting time linked to factors outside workforce capacity (e.g. legal issues or disputes). This reflects a reduction in waiting time of approximately 9% for these individuals, but there is significant uncertainty in this assumption. The benefit is monetised using an estimated value of care per user per day. Please note that the reduction in days scales so if a 7-day reduction was achieved then the benefit would be halved. For more information please view the risks and assumptions section towards the end of the IA.

The benefit is monetised by applying a multiplier to the unit cost of care per day, reflecting the earlier provision of formal support. The total expected social benefit captures the wider system and societal benefits generated by each additional pound spent on ASC. This approach recognises that increased social work workforce capacity enables valuable additional expenditure on care, for example, through earlier assessments and reviews and more timely support. In this context, the value of additional expenditure encompasses the additional care packages and services that becomes possible when social workers complete assessments earlier. These care packages and services are assumed to capture a wide range of activities that stem from early assessments, such as improved continuity and quality of provision.

Evidence indicates that earlier access to adult social care generates benefits through three main channels.

⁸ <https://www.adass.org.uk/wp-content/uploads/2025/07/ADASS-Spring-Survey-Final-15-July-2025.pdf>

First, it improves outcomes for service users: timely assessments and interventions help maintain independence, prevent deterioration, and enhance quality of life. Forder et al. (2018)⁹ analysed the effects of community-based and care home services on the social care related QoL of service users. Working analysis reported in Forder (2018)¹⁰ used these estimates to produce results about the impact of social care. This analysis implies that an additional £1 spend on ASC will generate a Quality of Life increase worth £2.90 to care recipients.

Second, it supports unpaid carers by reducing the physical and mental strain associated with delays in formal care - Carers UK (2023) found that 72% of carers experience mental ill health linked to caring pressures. Forder (2018)¹¹ reports unpublished results of the QORU study of the impact of social care as regards the potential quality-adjusted life year (QALY) gain to carers. The analysis should be considered as tentative but suggests that the marginal benefit to carers' well-being of an additional £1,000 spend on ASC ranges between 0.016 to 0.022 QALYs. This equates to between £0.96 and £1.32 in quality-of-life benefits for unpaid carers for each additional £1 of LA expenditure on ASC.¹²

Third, it delivers wider system benefits for the NHS by preventing avoidable hospital admissions, facilitating timely discharge, and easing pressures on acute services. Strengthening the social work workforce enables these benefits to be realised by ensuring assessments and support are delivered sooner. Forder (2009)¹³ examined the relationship between care home utilisation (care home residents per capita) and hospital utilisation (hospital episodes) at the ward level. He estimated that an additional £1 spent on care home services results in a £0.35 reduction in hospital expenditure, and vice versa. Updated work from Forder (2018) in turn recommended a saving to health spending of £0.20 for every £1 spent on social care.¹⁴ We infer that an additional £1 spent on ASC will generate £0.20 to £0.35 of savings in NHS expenditure.

We haven't assessed the geographical location of students. We are assuming that market forces would prevail and newly qualified social workers would go and work for local authorities that have vacant posts. In all scenarios considered, the number of additional social workers modelled is less than the number of available vacancies and so it is likely that there will be jobs available.

Considering all of these benefits, we estimate that each additional £1 of expenditure on care packages that is enabled by additional social worker assessments could result in £4.10 to £4.80 of social benefits, with a midpoint of £4.45. We consider the net benefit by subtracting the additional expenditure on care packages that is enabled by additional social worker capacity, i.e. by subtracting 1 from the benefit midpoint. We assumed that this subtraction also accounts for the opportunity cost of social workers' labour i.e. the wages and other benefits additional social work students would have earned if they had instead pursued an alternative degree.

Option 2 generates the most benefit at £494.5m followed by Option 4 which generates cumulative benefits of £480.5m over the period, relative to the counterfactual. Options 3 and 5 result in avoided benefits of -£289.3m and -£981.1m respectively, with the scale of foregone benefits higher under Option 5.

⁹ Forder, J., F. Vadean, S. Rand, and J. Malley. (2018) 'The impact of long-term care on quality of life'. Health Economics, 27: e43-e58 doi: 10.1002/hec.3612

¹⁰ Forder (2018) 'The impact and cost of adult social care: marginal effects of changes in funding' QORU Discussion Paper, <https://www.pssru.ac.uk/pub/5425.pdf>.

¹¹ Forder (2018) 'The impact and cost of adult social care: marginal effects of changes in funding' QORU Discussion Paper, <https://www.pssru.ac.uk/pub/5425.pdf>

¹² Using DHSC's £60k social value of a QALY.

¹³ Forder, J (2009) 'Long-term care and hospital utilisation by older people: an analysis of substitution rates.' Health Economics, 18(11), 1322-1338

¹⁴ Forder, J (2018) 'The impact and cost of adult social care: marginal effects of changes in funding'

Output of students during placements

Table 12: Output from student placements under shortlisted options, in discounted real present value terms (£m)

£ m	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	Total
Option 2	5.3	5.2	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	47.6
Option 3	-3.1	-3.0	-2.9	-2.9	-2.8	-2.7	-2.7	-2.6	-2.6	-2.5	-27.9
Option 4	5.2	5.0	4.9	4.7	4.6	4.5	4.5	4.4	4.3	4.2	46.3
Option 5	-10.5	-10.2	-9.9	-9.7	-9.5	-9.3	-9.1	-8.9	-8.7	-8.6	-94.5

The policy generates benefits primarily by ensuring that social work students gain the supervised practice experience required to qualify. Placements are a mandatory part of training and are central to developing the skills, confidence, and professional judgement needed for frontline roles. They help ensure that newly qualified social workers are work-ready at the point of registration, supporting higher quality and safer practice. While students may also contribute to service delivery during placements, the core value lies in preparing a competent, resilient workforce for the long term.

The methodology for estimating these benefits draws on Office for Budget Responsibility (OBR) average earnings projections to approximate the economic value of students' work. Each student is assumed to complete 170 placement days (seven hours per day)¹⁵, with productivity valued at 70% of an equivalent worker during their first placement and 100% during their second. The productivity assumptions are matched to internal DHSC modelling for nurse apprentices who are assumed to a reasonable proxy as a level 6 apprenticeship. The total number of placement hours is multiplied by the assumed wage (uprated annually using OBR forecasts) and adjusted for productivity, producing an estimate of the overall economic contribution. This provides a measure of the value of additional output arising from the expansion of placements (we assume the opportunity cost of this output is largely captured by the income foregone by students from other paid work, estimated above).

Student output is valued by applying an uprated wage rate to placement hours, with productivity set at 70% in the first placement and 100% in the second. Benefits increase with student numbers and rising wage assumptions. The productivity rates are set to match that of nurse apprentices in the absence of data on SW placement productivity. This was considered a reasonable proxy due to the similar nature of on-the-job style training whilst undertaking a degree for a regulated profession.

Across the appraisal period, Option 2 delivers cumulative benefits of £47.6m and Option 4 delivers cumulative benefits of £46.3m. Options 3 and 4 result in avoided benefits of -£27.9m and -£108.8m respectively, with Option 5 showing the largest scale of foregone benefits.

Education Support Grant

Table 13: Summary of ESG benefits, in discounted real present value terms (£m)

£ m	2027 /28	2028 /29	2029 /30	2030 /31	2031 /32	2032 /33	2033 /34	2034 /35	2035 /36	2036 /37	Total
Option 2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Option 3	0.0	0.0	-9.5	-41.7	-67.0	-86.8	102.3	114.5	124.3	132.1	678.1

¹⁵ <https://www.socialworkengland.org.uk/standards/practice-placements-guidance/>

												-
				-	-	-	-	-	-	-	-	3,473
Option 4	0.0	0.0	-47.9	216.5	345.1	445.3	523.7	585.3	634.9	674.4		.0

For both Option 1 (uncapped budget) and Option 2 (budget capped at current spend), the estimated net benefit is the same under central assumptions. This is because, at current volumes of students, the capped spend in Option 2 is equal to the baseline cost of Option 1, so total benefits and costs balance in the same way. The key difference between the options arises only in the sensitivities: under Option 1, costs rise or fall with changes in student numbers, while under Option 2, spend is fixed at the capped level and the funding rate per student adjusts instead.

The costs and benefits for the ESG are broadly consistent with those identified for the SWB, with one key distinction: under the ESG, a reduction in complaints is captured as a material benefit, whereas this is not reflected in the SWB. This is because the bursary is primarily designed as a financial incentive to attract individuals into training with the aim of increasing the number of qualified social workers. Its impact is therefore focused on participation rather than training quality, even where course provision may vary, successful completion still results in additional social workers entering the workforce. The purpose of the ESG is to provide sufficient placements and to improve the quality of the placements offered to students. The logic suggests that better quality placements will lead to better quality graduates who are likely to make fewer errors that may lead to a complaint. We do not have any evidence that there is a direct link between the two. However, anecdotal feedback from stakeholders indicates that the high-quality of practice placement is key to their readiness to practice.

The approach estimates the potential reduction in complaints by linking growth in the social work workforce to improved service quality. Baseline data on the number of upheld complaints in adult social care assessments (0.03% of assessments in 2023/24) is combined with workforce projections showing additional social workers entering the sector as a result of the policy. As workforce capacity increases, a gradual reduction rate in complaints is applied, rising from 10% in 2027/28 to 50% by 2036/37. The associated costs are then estimated by applying unit costs per assessment and the salary costs of additional social workers, providing a monetised measure of the benefit of fewer complaints.

The Education Support Grant (ESG) can deliver wider system benefits by helping to reduce complaints linked to assessment and care planning. Evidence from the Annual Review of Adult Social Care Complaints indicates that, although upheld complaints currently account for only a small proportion of assessments, they carry significant costs for both local authorities and service users. By supporting employers to provide high-quality placements and supervision, the ESG helps to ensure that new social workers are well-prepared and confident in practice. Over time, as additional social workers enter the workforce, this is expected to reduce the rate of upheld complaints, lowering the cost per assessment and improving the overall quality of services. This reduction in complaints represents a material benefit of the ESG, distinct from the Social Work Bursary.

Unmonetised benefits

Wellbeing benefits to society

The expected social benefit applied in this analysis captures improvements in quality of life for care recipients, savings to the NHS through reduced acute hospital use, and benefits to unpaid carers through reduced burden and improved capacity to work. This evidence base is underpinned by research from Forder et al. (2018), which analysed the effects of community-

based and care home services on the social care–related quality of life (QoL) of service users using the Adult Social Care Outcomes Tool (ASCOT).

The ASCOT measure focuses on individual outcomes such as control, dignity and personal comfort, but does not capture broader wellbeing effects such as reduced loneliness, enhanced participation in community life, and the stabilising effects of timely care on family relationships. Early and preventive interventions may also have cumulative, long-term impacts on wellbeing by maintaining independence and delaying deterioration, which are not observed within the timeframe of the original studies.

Furthermore, social care plays a key safeguarding role, reducing exposure to neglect, abuse, or unsafe living conditions, which delivers substantial but unmeasured wellbeing value.

In addition, the underlying care home data only involves residents with relatively low needs, who would have less to gain than those with higher levels of dependency in terms of QoL improvement from care. As a result, the authors acknowledge that their estimates likely understate the true quality of life gains for care home residents. In addition, the analysis does not include the potential benefits from care that delay mortality or reduce the risk of premature death, meaning that the expected social benefit is likely a conservative estimate of total wellbeing effects.

Collectively, these factors suggest that the quality-of-life impacts estimated by *Forder et al.* likely represent a lower-bound estimate of the true wellbeing benefits associated with effective adult social care provision.

Increased economic participation from care recipients

Beyond these core effects, there are additional economic benefits for care recipients of working age and the wider economy not already captured as part of the assumed expected social benefit. Access to the right care can enable some individuals to remain in, take up, or increase their level of employment. When individuals receive timely and appropriate support, such as personal care, equipment, or assistance with daily activities, they are better able to manage their conditions, maintain routines, and engage with work¹⁶. Social workers also play a vital enabling role by incorporating employment goals into care and support planning, coordinating with job services, and facilitating the practical adjustments required for people to enter or remain in work.

Although direct evidence quantifying these labour market impacts remains limited, the potential scale is significant. According to the latest Labour Force Survey, around 4.1 million working-age adults with a disability are currently economically inactive¹⁷. The Fabian Society cites an unpublished study commissioned by Leonard Cheshire suggesting that supporting disabled people into employment could lead to an increase in GDP of £6 billion and in income tax receipts of £1 billion¹⁸.

Social workers support a wide range of demographic groups — children, older adults, those with physical or learning disabilities, mental health needs, homelessness, or substance misuse. Prospects.uk indicates that social workers often work with people in such diverse and complex circumstances. When care is provided early, people with fewer or more manageable barriers

¹⁶ A recent study (“Assistive Technology’s Potential to Improve Employment of People with Disabilities”) found that equipment-based accommodations for people with disabilities are associated with improvements in employment and earnings.

¹⁷ <https://www.gov.uk/government/statistics/the-employment-of-disabled-people-2024/the-employment-of-disabled-people-2024#economic-inactivity>

¹⁸ <https://fabians.org.uk/wp-content/uploads/2023/06/Fabians-Support-Guaranteed-Report-WEB.pdf>

(for example, single-diagnosis, less severe disability, strong social supports) may be better able to return to part-time or full employment.

Social work perception

Beyond the direct workforce and service benefits, the policy has the potential to strengthen the perception and value of the social work profession. Evidence highlights a persistent lack of awareness and understanding of the role, coupled with a perception that social work is not fully valued by the public. On the bursary specifically, 72% of postgraduates and 55% of undergraduates surveyed in DHSC's internal review said that they had limited or no knowledge of the bursary prior to deciding to pursue a social work degree. This lack of awareness reflects the broader challenges in promoting the profession's visibility and appeal.

Targeting financial support for students signals government recognition of the profession's importance and addresses the limitations of the current bursary system. By focusing support where it is most needed, the policy aims to shift perceptions of social work, making it a more viable and respected career for a wider group of potential entrants. This targeted approach is designed to achieve impacts that existing support has not fully delivered. This aligns with Social Work England's "Change the Script" campaign, which aims to improve public understanding, promote confidence, and reposition social work as a valued and rewarding profession.

At the same time, the ESG supports higher education providers by improving the quality and consistency of placements, which contributes to the sustainability of social work courses and reinforces the perceived value of the profession within the education sector.

Together, these measures could have lasting benefits in improving recruitment, retention, morale, and the sustainability of social work education provision. Professional visibility and recognition are crucial because they directly support social worker wellbeing, retention, and service quality. When practitioners feel valued and have a strong professional identity, they are less likely to experience burnout and leave the profession, preserving continuity of care and institutional knowledge. Higher morale and a sense of purpose also enable more confident decision-making and consistent, high-quality support for service users.

Attracting and retaining postgraduate skillset

Postgraduate students often bring higher levels of prior education and professional experience, an expectation reflected in Social Work England's education and training standards¹⁹, which require course providers to consider applicants' relevant experience in health, care, or related settings during admissions. This means that attracting and retaining them in the pipeline helps to ensure a more skilled and resilient future workforce. Their prior exposure provides a strong foundation for understanding service users' needs and navigating complex organisational systems. Research indicates that postgraduate qualified social workers are more productive than their counterparts, enabling them to handle more complex cases, make fewer errors, and apply interventions more effectively. For instance, a study evaluating the impact of post-qualifying social work education found positive evidence of its impact on practice, demonstrating how the programme had a direct effect on individuals, teams, organisations, and people who use services²⁰.

This maturity and resilience is valuable in frontline roles, where practitioners must manage emotionally demanding caseloads, deliver safeguarding responsibilities, and make complex judgements under pressure. As a result, they generate additional outcomes above and beyond those captured in the monetised expected social benefit, including improved quality of care for

¹⁹ [Education and training standards - Social Work England](#)

²⁰ [\(PDF\) Evaluating the Impact of Post-Qualifying Social Work Education](#)

service users, reduced risk of adverse events, and enhanced efficiency within local authority teams. This demonstrates that targeted recruitment and retention of postgraduate social workers not only strengthens the workforce but also delivers measurable additional benefits for service users and the wider system.

Direct costs and benefits to business calculations

The Social Work Bursary (SWB) is the principal funding mechanism for students undertaking social work courses at Higher Education Institutions. The bursary confers an economic advantage on HEIs that are able to offer bursary-eligible courses, supporting course sustainability and student recruitment compared to those without access. This funding therefore represents a direct benefit to HEIs.

By supporting the sustainability of the pipeline of qualified social workers, employers are expected to benefit from a more stable and competitive labour market. All of the pathways into social work (including fast-track graduate programmes and apprenticeship degrees) need to be considered collectively to support the pipeline into social work. A larger supply of candidates should reduce upward wage pressure and ease recruitment challenges, lowering the effective cost of employing social workers.

Risks and assumptions

Risks

If applications exceed the number of places available given fixed funding, awards will need to be rationed or the amount per student decreased. Whilst the modelling assumes that all places are filled, if there is an excess and some students cannot receive a bursary then this could lead to a risk in future years where fewer students apply under the expectation that they may not get funding. This could slow progress in addressing current vacancy rates, particularly if undergraduate support is significantly reduced.

A further risk concerns placement capacity and quality. Insufficient statutory placements or reduced ESG support could limit throughout and compromise the readiness of newly qualified social workers. HEIs already report challenges in securing high-quality placements, and insufficient funding could exacerbate this.

Financial pressures on students also pose a risk. Many students already report hardship, and cost-of-living pressures report reduced opportunity to work part-time during practice placements. If bursary reforms do not adequately offset these challenges, targeting student in greatest need, attrition may increase, particularly for those from lower socio-economic backgrounds or with caring responsibilities. There is a risk that if the bursary is targeted then reducing in amount per student and/or number of students that receive the bursary could make social work a less attractive course, reducing enrolments.

There are also uncertainties around the realisation of workforce benefits. Assumptions on pay growth, agency premia, and recruitment costs may not hold if market conditions change or local authority pay settlements diverge. This could lead to over- or under-estimation of the benefits of reform.

Finally, there are equalities implications. While enhancing postgraduate bursaries is likely to benefit groups over-represented in postgraduate cohorts, such as older students, carers, and some ethnic minority groups, reducing undergraduate support may create new barriers for first-degree entrants, who are more likely to be younger and from lower-income households. In addition, regulatory constraints, such as the incompatibility between postgraduate loans and bursaries, limit flexibility in scheme design and could restrict the effectiveness of reforms.

These implications will be actively monitored through annual data collection on bursary uptake, student retention, equality characteristics, placement quality, and workforce outcomes. Where

appropriate, mitigations such as hardship funds, protected travel allowances, or revised award criteria will be considered.

Assumptions

The analysis is underpinned by a series of assumptions which influence both the scale and timing of estimated costs and benefits.

In any policy where there are financial incentives to support a behavioural response, there is a risk of deadweight costs. In the case of the SWB policy, students could be financially supported even when they would have chosen to study the degree without financial support. To estimate the size of the group whose choice is not altered by financial support, we used data from the DHSC Student Survey conducted in 2024 which provided us with a proportion of students who claimed they would have studied social work without a bursary. We then estimated how many additional students there are under each option, subtracting the number of students who are not motivated by the bursary as a counterfactual from the total number of students who could be supported under each option.

This also relies on the assumption that there would be enough people willing to study to fill all funded places however it is assumed that student numbers cannot exceed the counterfactual UG or PG values unless the incentive payment is higher than the counterfactual. This assumption is weak but is necessary given a lack of robust evidence on behavioural responses to different levels of financial support. Costs and benefits were then estimated for the additional students only. The bursary costs for students who would have studied the course anyway act only as a transfer from government to these students, with no wider social benefits or additional costs. If fewer students take up the bursary then the NPV for each option will fall. The fewer the students the less likely the policy will provide value for money.

Where a bursary/incentive payment is lower than Option 1, student numbers are capped to match Option 1 even if there is funding available. This is because it is assumed that a lower payment is unlikely to result in more students than under the current system. This is the case in Option 4 however excess budget is redirected to PG students.

Student numbers are projected using historic enrolments, with bursary eligibility aligned to the share of British students. This approach provides a practical proxy but may understate or overstate actual eligibility in future cohorts if the student mix changes. Similarly, assuming that undergraduates do not receive bursary support in their first year and that placement activity is split evenly across later years means that costs are smoothed; if placements were to be restructured, the timing of expenditure would shift.

Progression through training is modelled using a three-year average of pass rates, which evens out the Covid-related drop in 2020. While this avoids skewing results from one anomalous year, it assumes future pass rates remain stable, which may not hold if student outcomes improve or worsen. Graduates are assumed to enter the workforce the year after finishing their courses, which fixes the timing of supply. Any delays in transition to employment, or attrition from the workforce at this stage, would reduce the estimated impact on social worker numbers.

The valuation of workforce supply rests on salary assumptions. Newly qualified social workers are modelled to start on £32,000, based on data from Skills for Care, reaching the average salary after four years. If starting pay rises more quickly, costs will be higher; if recruitment remains constrained, local authorities may be forced to offer higher wages than modelled. Likewise, using local authority salaries only may understate average pay levels if more graduates move into the independent sector. NICs and pension contributions are based on 2023/24 thresholds, meaning costs are marginally underestimated.

Workforce productivity and deployment are also critical. Placement students are assumed to deliver the same output as nursing associate apprentices, with productivity rates set at 70% on the first placement and 100% on the second. Supervisor time is assumed to account for 20% of a qualified social worker's workload per student, which constrains the net gain from student

placements but ensures that quality standards are maintained. All backlog assessments are assumed to be delivered by social workers, which inflates workforce need and therefore the benefits of additional supply. The size of the workforce is assumed to grow in line with CPEC demand projections, which sets the counterfactual path of need; if demand proves higher, the model will understate future pressure.

A major driver of benefits is the reduction in waiting times. This has been assumed to be 14 days however there is no data to drive this assumption. If waiting times were reduced by 7 days then the benefit would be halved. Based on these assumptions one social worker generates approximately £3,300 per day waiting times are reduced and scales up accordingly.

Finally, expected social benefit rates are fixed at £4.10 (lower bound) and £4.80 (upper bound). These values capture wider system benefits from earlier access to care, including avoided NHS admissions, improved quality of life, and reduced burden on unpaid carers. These values are operationalised using an assumption that earlier access delivers, on average, 14 additional days of care per person, which determines the scale of the early access benefit.

The estimated scale of benefits from additional investment in ASC can be broken down as follows. For care recipients, improvements in quality of life are valued at around £2.90 per £1 invested. Savings to the NHS, considering acute care only, are approximately £0.20 to £0.35. Benefits to unpaid carers, including reduced burden and improved capacity to work, range from £0.96 to £1.50. Taken together, these effects produce an overall ASC return on investment of between £4.10 and £4.80 for every £1 of additional funding.

Applying a 10% optimism bias to both costs and benefits provides some allowance for uncertainty, but the results remain sensitive to these assumptions. If the true expected social benefit is lower, the benefits could be overstated; conversely, if wider impacts are larger than estimated, the analysis will understate the potential return.

Distributional and wider impacts

Beyond supporting individuals through training, more generous postgraduate bursary funding has wider benefits for the profession. By lowering the financial barriers to study, it can attract a larger and more diverse pool of applicants, including those who might otherwise be excluded due to cost. Postgraduate students in particular are more likely to be older, and from a global ethnic majority background²¹. Targeted support to this group is therefore likely to strengthen equity of access and ensure the workforce remains representative of the diverse population it serves. This aligns with the policy aim that individuals from all backgrounds, including those with protected characteristics and from lower socio-economic groups, should be supported in becoming social workers.

The current bursary scheme already contributes to workforce diversity, with social work students more ethnically diverse than the general UK population, predominantly women, and including individuals with disabilities. Strengthening financial support builds on this foundation, helping students from under-represented or disadvantaged groups to complete their training successfully. The bursary is already reported as essential to completion by 89% of postgraduates and 69% of undergraduates surveyed in a review conducted by DHSC. Targeting higher levels of support to those most in need, such as postgraduate students or by extending means testing for undergraduates or postgraduates, is expected to reduce financial stress, help students sustain their commitment to long placements, and promote a reasonable standard of wellbeing during their studies for those targeted. By focusing resources in this way, the policy would strengthen retention rates and reduce the risk of attrition linked to financial pressures, while remaining affordable.

The SWB guidance says that the shortlisting approach will be agreed at a local level, with students prioritised for an SWB based on a ranking during the HEIs' admissions process. HEIs are also asked to consider other factors such as their obligations for widening participation

²¹ See reference 2, 3

and under the Equality Act 2010. Monitoring data for social work bursary students in 2024/25 indicate that the programme attracts a diverse range of participants across age, gender, ethnicity, and other protected characteristics. Students span all adult age groups, with a notable proportion aged 16–24, and the majority are female compared to 51% of working age adults²². Around 37% of students identify as Black and 18% as from other ethnic minority backgrounds compared to 4.6% and 15.4%²³ respectively of working age adults. Approximately 17% report a long-term health condition or disability affecting day-to-day activities compared to 24% of working age adults who are disabled²⁴. Participants also come from a mix of religious backgrounds and sexual orientations. These figures suggest that the bursary programme is reaching a broad cross-section of society, supporting the aim of advancing equality of opportunity and reducing disadvantage.

Adult social care disproportionately serves people from lower-income and more deprived communities. For example, in the most deprived decile of English local authorities, about 5.0% of adults aged 65+ receive long-term care, compared to 2.9% in the least deprived decile (Institute for Government / Hoddinott 2025). This pattern is also seen among working-age adults, though the gradient is less steep (Institute for Government²⁵). Moreover, according to the Joseph Rowntree Foundation²⁶, among working-age adults in the UK, people with disabilities are far more likely to live in poverty - around 30% of disabled people were in poverty in 2022/23, approximately 10 percentage points higher than for non-disabled people. Given that many ASC users fall into categories with higher disability prevalence, this indicates substantial overlap between need for social care and lower income status.

These facts strengthen the case that improvements in social care access and quality are especially likely to benefit the more economically disadvantaged, helping to reduce inequality and improve social outcomes for groups already facing financial vulnerability.

Impact on small and micro businesses

The government's commercial policies typically require consideration of impacts on small and medium-sized enterprises (SMEs). However, in this case the business case explicitly states that SME requirements do not apply, as the Social Work Bursary (SWB) is not a public procurement exercise. Accordingly, no direct assessment has been made of the costs or benefits to small or micro businesses.

The primary impacts of the SWB and ESG relate to larger organisations: Higher Education Institutions (HEIs), which deliver social work courses.

There may also be an indirect impact on recruitment and agency businesses. On one hand, the policy involves an estimated £14 million in recruitment-related expenditure, which is likely to flow to external service providers, including agencies and SMEs, though the scale of benefit to different types of business is uncertain. On the other hand, by increasing the supply of permanent social workers, local authorities are expected to reduce their reliance on temporary agency staff. This could reduce revenue for social work staffing agencies, particularly in areas where agency premia are currently high, but it would also generate savings for local authorities and the wider health and care system by lowering agency costs and reducing the knock-on pressures that arise when services are understaffed or fragmented.

The net effect on business is therefore ambiguous: while some providers may benefit from handling permanent recruitment activity, others specialising in agency placements may experience a fall in demand.

²² [Labour Market Profile - Nomis - Official Census and Labour Market Statistics](#)

²³ [Employment - GOV.UK Ethnicity facts and figures](#)

²⁴ [Family Resources Survey: financial year 2023 to 2024 - GOV.UK](#)

²⁵ instituteforgovernment.org.uk/sites/default/files/2025-06/adult-social-care-across-england_1.pdf

²⁶ <https://www.jrf.org.uk/uk-poverty-2025-the-essential-guide-to-understanding-poverty-in-the-uk>

In summary, while the wider commercial policy context highlights the importance of supporting SMEs, the proposals for the SWB are not expected to create significant or direct impacts on small or micro businesses.

Other impacts

Changes to student funding could influence how individuals enter social work, particularly between traditional university programmes and alternative pathways such as Apprenticeships and fast-track routes (e.g. Approach Social Work, Step Up, Think Ahead). If postgraduate bursaries are expanded, this could encourage more applicants to pursue the conventional university route rather than fast-track or employment-based options.

Conversely, if support for undergraduates is reduced or remains limited, some prospective students - particularly those from lower-income backgrounds - may be more likely to pursue degree apprenticeships, which allow them to earn while training. Skills for Care data show that apprenticeship enrolments in social work have grown steadily, with over 1,200 social work degree apprentices in training across local authorities in 2023.²⁷

A summary of the potential trade implications of measure

N/A

Monitoring and Evaluation

Plans to monitor the impact of the new arrangements for the Social Work Bursary (SWB) and Education Support Grant (ESG) through a formal evaluation programme have not yet been formalised, though a research proposal has been submitted for approval. The existing plans for evaluation consider process and impact to understand the programme's effectiveness in achieving its aims and value-for-money. A theory-based mixed-method approach has been proposed, combining analysis of existing administrative data with new qualitative and survey evidence. Administrative sources such as bursary and ESG data, the Higher Education Statistics Agency (HESA) dataset, Skills for Care workforce data, and the Social Work England register has been identified to track outcomes such as bursary uptake, completion rates, and workforce entry routes. Should the proposal go ahead, this will be supplemented by interviews and focus groups with students, Higher Education Institutions (HEIs), placement providers, and employers, alongside surveys and potentially a Discrete Choice Experiment to better understand how students make trade-offs between different types of financial and training support.

The success of the policy will depend not only on the design of the bursary and ESG but also on wider factors affecting the sector. These include the HEI enrolments in social work courses and the role of social workers in supporting NHS and social care integration, and the Department for Education's implementation of recommendations from the Independent Review of Children's Social Care, which may interact with these reforms. The evaluation will aim to assess whether the new arrangements achieve their intended objectives of increasing the number of qualified social workers entering the workforce, improving student retention and completion, supporting sustainable practice placements, and widening access to training for underrepresented or financially constrained groups. Findings will also consider whether bursary recipients are more likely to enter areas of practice such as children and families or adult and mental health social work. Interim findings in 2027/28 will inform decisions on implementation, with final results expected to inform the next Spending Review in 2029.

Currently, monitoring of the bursary and ESG has been limited, relying mainly on administrative datasets without a full evaluation of effectiveness or workforce additionality. The lack of systematic evaluation makes it unclear how far these programmes have contributed to reducing social work vacancies or strengthening supply. The planned evaluation will address this

²⁷ Skills for Care (2024). Adult Social Care Workforce Data Set (ASC-WDS): Workforce Intelligence Summary

evidence gap, while ensuring flexibility for future policy adjustments. Early commissioning of the evaluation would mean lessons can be drawn at an initial stage, allowing changes to be made to the policy as early as 2027/28 following consultation.

To fill existing evidence gaps, new data collection will be required alongside administrative analysis. This will include qualitative research with students and HEIs, surveys to capture motivation and placement experiences, and experimental approaches such as Discrete Choice Experiments to understand student preferences. While the main evaluation is intended to inform decisions for SR29, earlier review may be triggered if interim findings highlight risks to implementation or value for money, if the evidence shows outcomes are not being optimised.

Commissioning this evaluation will be the primary means of addressing the long-standing lack of evidence on the bursary and ESG. The research will generate much-needed insights into the effectiveness, equity, and impact of these reforms, and provide an evidence base to guide decisions on targeting support where it has the greatest workforce impact.

Annex 1

The longlist of options was constructed by combining each of the four undergraduate funding options with each of the four postgraduate funding options. This produces a total of 16 possible permutations (4 × 4).

UG Option	Bursary	PTA	Total
Sensitivity i	£0	£862	£862
Sensitivity ii	£1,500	£862	£2,362
Sensitivity iii	£2,719	£862	£3,581
Sensitivity iv	£4,012	£862	£4,874

PG Option	Bursary*	Supplementary payments*	Tuition fees	Total	Description
Sensitivity a	£2,364	£4,872	£3,934	£11,170	Current system
Sensitivity b	£2,719	£5,362	£3,934	£12,015	+15% bursary uplift; 30% allowance uplift
Sensitivity c	£2,719	£5,362	£6,429	£14,510	+15% bursary uplift; tuition aligned to Master's Loan
Sensitivity d	£3,073	£5,362	£9,535	£17,970	+30% bursary uplift; tuition aligned to full fee

*Estimated averages.

Longlisted options, at a glance

	PG a	PG b	PG c	PG d
UG i	UG i + PG a	UG i + PG b	UG i + PG c	UG i + PG d
UG ii	UG ii + PG a	UG ii + PG b	UG ii + PG c	UG ii + PG d
UG iii	UG iii + PG a	UG iii + PG b	UG iii + PG c	UG iii + PG d
UG iv	UG iv + PG a	UG iv + PG b	UG iv + PG c	UG iv + PG d

Annex 2

The longlist of options for the ESG was constructed by combining each of the four undergraduate (UG) funding options with each of the four postgraduate (PG) funding options. This produces a total of 16 possible permutations (4 × 4).

Enrolment/bursary changes

Sensitivity Option i	No change to enrolments/bursaries
Sensitivity Option ii	Increased enrolments/bursaries by 5%
Sensitivity Option iii	Increased enrolments/bursaries by 10%
Sensitivity Option iv	Increased enrolments/bursaries by 15%

Cost changes

Sensitivity Option a	No change to costs
Sensitivity Option b	Costs increased by 5%
Sensitivity Option c	Costs increased by 10%
Sensitivity Option d	Costs increased by 15%

Longlisted options, at a glance

Option	Description
1	Keep ESG as it is.
2	Allocate as a flat rate to HEIs, apportioned according to the number of enrolled social work students.
3	Allocate as a flat rate to HEIs, apportioned according to the number of students receiving the bursary.
4	Stop all ESG funding.

Annex 3: SWB Costs

All figures presented are real present values in £ millions, relative to the counterfactual.

Option 2

£ m	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/ 35	Total
Cost of recruitment	0.0	2.1	2.0	2.0	1.9	1.9	1.9	1.8	1.8	1.7	17.1
SW Student opportunity cost	6.5	6.3	6.1	5.9	5.8	5.7	5.6	5.5	5.4	5.3	58.0
Cost of supervision	3.1	3.0	2.9	2.8	2.8	2.7	2.7	2.6	2.6	2.5	27.6
Total	10	11	11	11	11	10	10	10	10	10	103

Option 3

£ m	2025/ 26	2026/ 27	2027/ 28	2028/ 29	2029/ 30	2030/ 31	2031/ 32	2032/ 33	2033/ 34	2034/ 35	Total
Cost of recruitment	0.0	-1.2	-1.2	-1.2	-1.1	-1.1	-1.1	-1.1	-1.0	-1.0	-10.0
SW Student opportunity cost	-3.8	-3.7	-3.6	-3.5	-3.4	-3.3	-3.3	-3.2	-3.1	-3.1	-34.0
Cost of supervision	-1.8	-1.8	-1.7	-1.7	-1.6	-1.6	-1.6	-1.5	-1.5	-1.5	-16.1
Total	-6	-7	-6	-6	-6	-6	-6	-6	-6	-6	-60

Option 4

£ m	2025/ 26	2026/ 27	2027/ 28	2028 /29	2029 /30	2030 /31	2031 /32	2032/ 33	2033/ 34	2034 /35	Total
Cost of recruitment	0.0	2.0	2.0	1.9	1.9	1.8	1.8	1.8	1.7	1.7	16.6
SW Student opportunity cost	6.3	6.1	5.9	5.8	5.7	5.5	5.4	5.3	5.2	5.1	56.4
Cost of supervision	3.0	2.9	2.8	2.7	2.7	2.6	2.6	2.5	2.5	2.4	26.8
Total	9	11	11	10	10	10	10	10	9	9	100

Option 5

£ m	2025/ 26	2026/ 27	2027/ 28	2028 /29	2029 /30	2030 /31	2031 /32	2032/ 33	2033/ 34	2034 /35	Total
Cost of recruitment	0.0	-4.1	-4.0	-3.9	-3.8	-3.8	-3.7	-3.6	-3.5	-3.5	-33.9
SW Student opportunity cost	-12.8	-12.5	-12.1	-11.8	-11.5	-11.3	-11.1	-10.9	-10.7	-10.4	- 115.1
Cost of supervision	-6.1	-5.9	-5.8	-5.6	-5.5	-5.4	-5.3	-5.2	-5.1	-5.0	-54.7
Total	-60	-62	-59	-56	-54	-52	-50	-48	-46	-44	-530

Annex 4: SWB Benefits

All figures presented are real net present values in £ millions, relative to the counterfactual.

Option 2

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
SW student productive output	5.3	5.2	5.0	4.9	4.8	4.7	4.6	4.5	4.4	4.3	47.6
Earlier access to care ROI (central estimate)	0.0	18.3	32.7	44.0	52.9	60.0	65.7	70.3	73.9	76.7	494.5
Total	5.3	23.5	37.7	48.9	57.7	64.7	70.3	74.8	78.3	81.0	542.1

Option 3

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
SW student productive output	-3.1	-3.0	-2.9	-2.9	-2.8	-2.7	-2.7	-2.6	-2.6	-2.5	-27.9
Earlier access to care ROI (central estimate)	0.0	-10.7	-19.1	-25.8	-31.0	-35.1	-38.4	-41.1	-43.2	-44.9	-289.3
Total	-3.1	-13.7	-22.1	-28.6	-33.8	-37.8	-41.1	-43.7	-45.8	-47.4	-317.2

Option 4

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
SW student productive output	5.2	5.0	4.9	4.7	4.6	4.5	4.5	4.4	4.3	4.2	46.3
Earlier access to care ROI (central estimate)	0.0	17.8	31.8	42.8	51.4	58.3	63.8	68.3	71.8	74.5	480.5
Total	5.2	22.8	36.6	47.5	56.1	62.8	68.3	72.6	76.1	78.7	526.7

Option 5

£m	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	Total
SW student productive output	-10.5	-10.2	-9.9	-9.7	-9.5	-9.3	-9.1	-8.9	-8.7	-8.6	-94.5
Earlier access to care ROI (central estimate)	0.0	-36.3	-64.9	-87.3	-105.0	-119.0	-130.3	-139.4	-146.6	-152.2	-981.1
Total	-10.5	-46.5	-74.8	-97.0	-114.5	-128.3	-139.4	-148.3	-155.4	-160.7	1,075.6

