

ESF Developing Scotland's Workforce programme guidance AY 2021-22



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Summary: SFC programme guidance notes – updated for Academic Year (AY) 2021-22 - for institutions participating in the European Social Fund programme, 'Developing Scotland's Workforce' (Phase 2: 2018-23)

Version 1/2021-22

FAO: Principals and Directors of institutions participating in the ESF DSW programme.

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Version Control Table							
Date	Changes (from AY 2020-21)	Paragraph	Version number				
27/08/2021	 Evidence of settled status for EU Nationals after 30 June 2021 (see Annex F): Evidence of settled status for EU, EEA and Swiss Nationals from 1 July 2021 Update to requirements around the use of Driving Licences as evidence of Right to Live/Work in the UK Claimable credits – part credits to two decimal places 	7 7 17	1				

Some flexibility around timescales for evidence provision is permitted during the pandemic period – please refer to the updated ESF COVID-19 Q&A document (August 2021 version).

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SFC / ESF Developing Scotland's Workforce

Introduction

- The second phase of the European Social Fund (ESF) 'Developing Scotland's Workforce' (DSW) programme (2018-23) continues with the aim of addressing regional skills gaps and skills shortages associated with key employment sectors. The project will provide higher level skills to support the development of emerging growth areas. Funding has been allocated to allow the provision of additional further and higher education activity across Scotland, including Lowlands and Uplands Scotland (LUPS) and the Highlands and Islands (H&I) as a transitional region.
- This document provides guidance to delivery agents in Further and Higher Education institutions¹ on the purpose of the DSW programme funding allocated, eligibility criteria, conditions of grant, monitoring/reporting processes and fund management for this project.
- 3. Funding has been allocated under DSW to institutions in Scotland based on our demographic model and the need/demand for additional places. The aim of the additional activity allocated under DSW is to:
 - Provide higher level skills, upskilling and job progression.
 - Support emerging employment potential in the national Smart Specialisation sectors and other key national/regional growth sectors.
 - Provide higher level accredited 'nationally recognised qualifications'.²

Summary of main programme eligibility criteria

- 4. The characteristics of ESF-fundable students under DSW are as follows:
 - Participants (students) should be of working age the clear focus of the programme is progression and upskilling, and to help support emerging industries and key growth sectors by promoting relevant vocational skills and higher level qualifications. The project is not focussed on unemployment.
 - Student participants must be on programmes of study that will gain them higher level skills and qualifications in regional and national growth areas, including the national Smart Specialisation sectors.

¹ References to 'Delivery agents' in this document refer to colleges and universities (as applicable), including SRUC, The Data Lab (University of Edinburgh) and the University of Highlands & Islands (UHI).

² A 'Nationally Recognised Qualification' in this context is considered to be one that has a group award attached to it.

- Delivery agents must provide qualifications at International Standard Classification of Education (ISCED) level 5 or above, which equates to HE activity at Scottish Credit and Qualifications Framework (SCQF) level 7 and above, i.e. Higher National (HN) qualifications and above.
- Participants attending institutions located in the H&I geographical area must reside in that respective area, subject to geographical flexibility allowances.³
- Participants attending institutions located in the LUPS geographic area must also reside in that respective area.
- An ESF 'Participant Form' (Annex A) must be fully completed and signed⁴ by the student and the institution at induction or as soon as possible thereafter. This form notifies the participant that the course they have enrolled on is part-funded by ESF through the DSW programme.
- In addition, participants must be able to satisfy the eligibility criteria set out in the 'Participant Eligibility Guidance' section below (paragraphs 5-13).
- Continuing ESF participants are only eligible under DSW if they are progressing to a higher level course. For example, if an ESF student has previously undertaken a qualification at SCQF level 7 in AY 2020-21 and then enrols on an SCQF level 8 course in AY 2021-22, the student remains eligible for ESF.
- Institutions must be able to demonstrate 'additionality' as a result of ESF activity delivered through DSW.

Participant eligibility guidance

- 5. Delivery agents must collect and retain evidence from every participant that proves they are legally able to live/work in the UK and confirms their residence **at the course start date**.
- 6. Evidence, where not in its original form, must be certified as a true copy of the original document (paragraphs 40-41). Exceptions to this rule apply where evidence has been gathered electronically under COVID-19 flexibilities.
- 7. The following is a list of accepted (and preferred) evidence types. This is not an exhaustive list, however Delivery Agents are advised to check with SFC if a particular piece of evidence that they have collected is not listed below:

³ UHI are permitted to allocate up to 15% of the 'Operation' cost to participants outside of the H&I geographical area (but within LUPS).

⁴ Please refer to the ESF COVID-19 Q&A document for guidance on electronic signatures/collection of evidence during the pandemic years, including AY 2021-22.

Legally able to reside/work in UK

- A valid, **unexpired** UK passport.
- A valid, **unexpired** non-EU passport must be endorsed 'indefinite leave to remain proceed' (settled status) or include work or residency permits or visa stamps (unexpired) and all related conditions met.
- A valid, **unexpired** UK driving licence (Full or Provisional) may be used provided that it is accompanied by further supporting evidence such as a birth certificate, a letter from a Government department including local authorities confirming name and address, a P60. Please note this list is not exhaustive.
- From 1 July 2021, Right to Work evidence for EU, EEA and Swiss Nationals can be verified using the Home Office online Right to Work checking service. Full details of this can be found in Annex F.
- A UK residency permit for foreign nationals (both sides).
- Asylum seeker copy of an individual's Application Registration Card (ARC).
- Proof of Refugee status, Humanitarian Protection, Discretionary Leave to Remain or Indefinite Leave to Remain in the UK, including:
 - Home Office Letter confirming status and permission to work.
 - Home Office Certificate of Identity.
 - Benefits notification letter.
 - o Immigration Status document.
- Evidence that the participant is in receipt of state benefits/pension e.g. award letter detailing benefits (Department for Work & Pensions/ Universal Credit/ Job Centre Plus/ Pension Service correspondence) or print-out from online Universal Credit system.
- A UK birth/adoption certificate.
- A Marriage/Civil Partnership certificate (provided that it can be evidenced that the participant's partner has a legal right to live in the UK).
- Evidence that participant is employed in the UK e.g. letter of employment, wage slip, contract of employment.

- Evidence that the participant has been employed in the UK within the last three years e.g. P45, P60, wage slip, contract of employment.
- National Insurance number e.g. NI Card, correspondence from HM Revenue & Customs/ DWP/ Job Centre Plus/ Pension Service, contract of employment, wage slip.

Change of name

8. Where a participant adopts a name different to their eligibility evidence, the change of name should be noted on the ESF Participant Form in the 'Also known as' field and evidenced accordingly, e.g. through use of an official document or, where appropriate, a declaration of the change signed by the participant and a representative from the college/university.

Residency

- A signed registration form is acceptable as proof of participants' residency.
- No additional evidence is required, although delivery agents are expected to conduct checks to ensure that participants are within their respective LUPS/H&I geographic area, or within the limits of any approved geographic flexibility.

Participant consent – General Data Protection Regulations (GDPR)

9. Where a participant is below 16 years of age, additional evidence requirements apply. Signed consent must be obtained from their parent or legal guardian and this must be accompanied by a copy of the parent/ guardian's valid passport or photographic ID card (that contains a signature).

Qualification level on entry

- 10. Delivery agents must have evidence of their participants' qualifications prior to course start date, by having:
 - Qualification certificate.
 - Records of the academic institution/qualification body, etc.
 - A print-out from <u>My SQA</u> recording detail of all qualifications held (from 1995 onwards).
 - Where a participant's qualifications were obtained pre-1995, and/or they are unable to obtain any evidence from SQA, a signed registration form will be considered acceptable evidence.

- Where qualifications certificates / academic records are written in a language other than English, the delivery agent should provide a brief translation of the qualification title and level this should be signed and dated.
- Where no evidence of qualification is available, or there is no grouping/ group award, the participant should select 'no qualifications' on their ESF Participant Form and sign the declaration to confirm.⁵
- 11. Evidence collected to show the qualification level prior to enrolment (as set out above) must reflect the selection that the participant has made on their ESF Participant Form. The highest qualification level must be taken from the 'grouping' i.e. a whole accredited course, and not unit level, regardless of the resulted grade.
- 12. All qualifications evidence that has been photocopied or obtained via 'MySQA', by the participant or the college/university, must be signed and certified by the delivery agent as a true copy of the original document (paragraphs 40-41).
- 13. Delivery agents must collect and record each participant's National Insurance (NI) number as their unique identifier. Participants should make every effort to provide their NI number, as it would be required if they were asked to take up employment. Alternative identifiers, such as a Scottish Candidate Number (SCN) or matriculation number (universities), will only be accepted in exceptional circumstances if the institution can demonstrate that it has attempted to obtain an NI number.

Course eligibility guidance

- 14. Additional student places provided through DSW should be in areas highlighted in regional skills plans in order to ensure that participants are gaining higher level skills in national and regional growth areas. Where possible, institutions should focus on the National Smart Specialisation sectors, such as Food & Drink, Life Sciences, Renewable Energy, Low Carbon, Finance & Business and Creative Industries, as well as STEM⁶ subjects generally.⁷
- 15. Participants must be enrolled on a programme of study leading to a nationally recognised qualification, e.g. accredited within the SCQF.

⁵ Where a student has no prior (recognised / grouped) qualification, the Delivery Agent should provide a system print to support this e.g. SQA Navigator.

⁶ Science, Technology, Engineering and Mathematics.

⁷ Delivery agents are expected to complete a Regional Skills Plan each AY to include lists of courses to be delivered.

- 16. Colleges must follow SFC's Student Activity Data Guidance for Colleges ('Credit Guidance'). This Guidance sets out the details of students and courses eligible for funding as well as credits that can be claimed in respect of full and part-time provision. In addition to SFC's Credit Guidance, in cases of students withdrawing, additional rules apply.
 - College participants must complete at least **one full credit** in order to be eligible.
 - Where a participant does not complete their course and withdraws from it early, a college can only claim for the credits completed (passed or failed) up to the point of withdrawal. For example, a student who withdraws after one semester of a 16 credit course and completes 7 credits (successfully or unsuccessfully) can only be counted for those 7 credits.
 - For college participants who complete their course, ESF credits should be based on the actual number of credits completed (passed or failed) up to the planned course amount. These students should be identified in college's 'FES 2' return as having completed their course (i.e. the outcome selected from the 'student record outcome' list must specifically state 'completed') in the final FES return.
 - Part-credits, to two decimal places, are acceptable for ESF claim purposes.
 - ESF credits must be additional to core SFC credits and can only be claimed by colleges once their core SFC credit target has been achieved. For example, a college that delivers 101,000 credits against a 99,000 core credit target would only be able to count 2,000 credits as ESF, subject to them being 'flagged' correctly (paragraph 20).
 - In addition to achieving above their core credit target (as outlined in the above bullet point), colleges delivering HE activity should also meet their sector-wide core HE activity baseline.
- 17. SFC's current <u>Credit Guidance</u> is available on our website.
- 18. Participants studying HE level courses at college must meet <u>residential eligibility</u> <u>rules set by SAAS</u>.
- 19. Guidance around the eligibility of refugees and asylum seekers, which also applies to the DSW programme, can be found in Annex B.
- 20. Colleges must accurately 'flag' and record DSW participants in the Further Education Statistics (FES) system. For each participant, colleges will be required to provide a record of the course/qualification enrolled for and the credits claimed, broken down to unit level, which will be retained on the FES system.

- 21. Universities will similarly be required to provide a record of the course/ qualification and the final Full-time Equivalent (FTE) places claimed as recorded in their Final Figures Return (in October).
- 22. Universities must follow SFC's Early Statistics Return guidance, particularly section 5 which summarises the criteria of students/courses eligible for funding. Universities providing student places through DSW must be able to demonstrate additionality, as a result of ESF, to their core SFC-funded activity.
- 23. Current notes of <u>guidance on SFC's Early Statistics Return</u> are available on our website⁸.
- 24. There will be reconciliation points during each year of the programme to ensure that delivery agents are on track to achieve their ESF activity. For colleges this means meeting their core SFC credit target plus their additional ESF credit target as set out in their offer of grant letter (paragraphs 51-54 'FES quarterly returns').

Key monitoring requirements

- 25. The physical attendance of students at college or university is not monitored by SFC for the purpose of providing teaching funding. However, we expect institutions to manage attendance and participation on courses effectively to ensure that ESF student participants who are not sufficiently engaged in learning are withdrawn.
- 26. Qualifications achieved by successful participants must be monitored and recorded by institutions.
- 27. Participants who complete their course but do not successfully achieve a qualification must also be monitored by institutions and evidence of their continued engagement in learning until the end of their course (despite their relative lack of success) retained.

Student destinations/results

- 28. There are important monitoring requirements for ESF results/outputs under DSW. Institutions must be able track their students' destinations and report to SFC on the following specific result indicators:
 - Participants in employment, including self-employment, six months after leaving (regardless of their achievements or whether they completed their course).

⁸ Early Statistics Guidance for AY 2021-22 is due to be issued in October 2021.

• Participants with ISCED level 5+ (SCQF level 7 [HN] or above) qualifications upon leaving.

Conditions of grant

- 29. The following conditions of grant apply:
 - (i) All ESF funds must only be used for the purpose(s) for which they are provided. (SFC retains the right to audit the relevant institutional documentation in order to satisfy itself that this is the case. The delivery agent undertakes that it will provide reasonable assistance to SFC to allow it to do so).
 - (ii) Use of ESF funding must meet the eligibility criteria for the DSW programme.
 - (iii) Delivery agents must be able to demonstrate additionality with the activity they deliver.
 - (iv) Delivery agents must deliver the additional ESF activity targets set out in their offer of grant to be able to receive their full allocation of ESF funding. Under-delivery is likely to result in the recovery of funding.
 - (v) Delivery agents must provide progress and monitoring reports to SFC as required under DSW.
- 30. SFC may decide to recover any amounts of grant unspent, or which in its view have not been spent for the purpose in which they were allocated or in accordance with conditions of grant/ESF programme guidance.

Other programme guidance

- 31. As part of the DSW programme, delivery agents must:
 - Retain all documentation relating to ESF DSW participants for audit purposes.
 - Certify true copies of original documents (where it is safe and appropriate, under Scottish Government COVID-19 guidelines, to receive these in person).

- Photocopied documents must contain a 'certification statement' and the statement must be annotated on, or appended to, the copy. If a document contains multiple pages, then the first page should be certified and the number of attached pages indicated on the front page (alternatively, each page can be certified).
- Photocopies must show the relevant evidence and be clear and readable for audit purposes. Any additional personal participant data in the evidence should be redacted. The certification statement must be signed and dated by an employee who can vouch that the copy is a true replica image of the original. (See 'Format of documents' section below, paragraphs 40-41).
- Seek SFC's agreement, in advance, for any alterations to institution's planned activity outlined in their completed Regional Skills Template.
- Provide SFC with advanced written notice of any anticipated under-delivery of ESF activity under the DSW programme.
- Upload ESF participant documentation, as required, using SFC's secure server which can be accessed at: <u>https://share.sfc.ac.uk/securesend.</u>
- Inform SFC in advance of any publicity arrangements they are making for the DSW programme. Institutions must also provide examples of publicity used in the delivery of this project when requested by SFC. Institutions are also asked to note the following specific guidelines on <u>ESF publicity</u>.
- Accept and be prepared for SFC, Scottish Government and/or the European Court of Auditors (ECA) auditing relevant institutional project documentation to confirm that funding has been used appropriately and in line with programme guidance and conditions of grant.

Personal data, data returns and claims

- 32. The ESF DSW programme requires the collection and sharing of personal data, including sensitive personal data. It is therefore essential that we (both SFC and delivery agents) ensure we keep the information used for this programme confidential and adhere to data protection laws when using participants' personal data. Some key considerations include:
 - Delivery agents should ensure that only necessary information is shared with SFC nothing more. When sharing documents with us, you should edit or redact out information which is not necessary to evidence ESF claims, e.g. bank details for non-ESF students.

- Delivery agents are responsible for ensuring full compliance with General Data Protection Regulations (GDPR) and all relevant Data Protection guidance and legislation. Further information on GDPR is available from Gov.uk (<u>https://www.gov.uk/</u>) and the Information Commissioners Office (<u>https://ico.org.uk/</u>).⁹
- Delivery agents should only ever share documents containing personal information with SFC via our secure server.
- Delivery agents should ensure that participants are given concise information about how their data is used at the point of data collection.
- 33. Delivery agents will be subject to full and comprehensive testing of evidence relating to their ESF participants. ESF reporting is built into quarterly FES reporting and it is mandatory that colleges complete additional reporting for ESF students through FES, e.g. 'status immediately prior to enrolment' and 'highest qualification level at time of enrolment'.
- 34. University reporting will be undertaken through SFC statistical returns (Early Statistics and Final Figures) and HESA.

Gathering participant data and retaining documentation for audit purposes

35. As Lead Partner, SFC is responsible for collating and submitting ESF claims based on robust supporting information. This can only be achieved by sharing responsibility with partner delivery agents and relying on them to identify (flag) students participating in this programme within their institution, and ensuring all necessary documentation is retained and readily available for future audits. This process will require rigour and is critical to the overall success of administering the project.

A master copy of all evidence should be held by institutions so that it can be copied for future audit sampling - this will help to ensure that documents are clear and legible for any verification.

36. When deciding on the most appropriate document format, delivery agents should be aware that records may need to be retained for a longer period than their 'normal' organisation records retention policy requires.

⁹ If you have any queries about the use of personal data for ESF purposes you can get in touch with the team at SFC or contact your own Data Protection Officer/ Team for more information.

- You may need to label and store ESF programme records and documentation to prevent their premature destruction. In doing so, you will also need to consider practical issues such as storage space and the risk of damage.
- You should give particular consideration to the risk of technical obsolescence of digital records; both the ICT hardware and/or software applications used to access the records.
- Delivery agents will need to ensure that original records are retrieved from all electronic records systems that risk becoming obsolete or no longer accessible.
- 37. SFC asks that delivery agents keep separate audit files for each year of the ESF programme. These should be readily available for verification and future audits by the Scottish Government (Managing Authority/Audit Authority) and the European Commission. Files should include all participant records that show:
 - Completed ESF Participant Form (confirming participant residence at course start).
 - Valid and certified evidence of right to live / work in the UK.
 - Evidence of participants' change of name (where appropriate).
 - Evidence of the student's qualification level prior to course start date.
 - Evidence of the student's continued participation and 'engagement in learning', particularly if they have completed / withdrawn from their course and not been successful.
 - Follow-up/record of students' destinations 6 months after leaving, regardless of when the student left / finished their course, or their withdrawal date.
 - Evidence of additional activity delivered (credits/FTEs).
- 38. SFC, as a Lead Partner, is also responsible for the retention of all relevant documentation for this ESF programme. Participant records will be archived electronically by SFC for review by SFC's ESF team, the Scottish Government Managing Authority and Audit Authority. Documentation will include all relevant financial and participant records, including SFC programme management/administration costs, institutional returns and student records to support payments for ESF activity. We expect all participating delivery agents to retain the relevant documentation as prescribed in the National Rules for the European Structural and Investment Funding 2014-2020 Programme. The <u>National Rules</u> can be accessed from the Scottish Government website.

39. The DSW programme falls into the category of '*Operations in excess of* €1,000,000'. Projects in this grouping have a requirement for supporting documents to be kept for a two year period from 31 December, following the submission of the Scottish Government Managing Authority's accounts (in which the final expenditure of the completed Operation is included).

The date the Managing Authority state should be adhered to, unless otherwise advised, is currently 31 December 2030.

Format of documents

- 40. Documents can be retained in any of the following formats detailed below:
 - Documents that originate and exist only in their native digital form, i.e. so-called 'born digital' records such as emails, database records, spreadsheets and word processing files, etc. This extends to both structured and unstructured records, and includes, for example:
 - Electronic records management systems.
 - Digital file formats, such as PDF, JPEG, and TIF when created and then transmitted digitally.
 - o Databases.
 - o Video clips.
 - Digital photography.
 - Electronic/digital versions of original paper documents held on commonly accepted data carriers such as microfilm, digitised/scanned/replica images etc.
 - Original paper documents.
- 41. Delivery agents using scanning, e-archiving or image processing systems (where original paper documents are scanned and stored in digital form) must ensure that certification processes and controls are in place that guarantee that each 'e-document' (scanned image) is identical to the paper original. Exceptions to this rule apply where evidence has been gathered electronically under COVID-19 flexibilities.

The following declaration is suggested as an annotation to certify that the copies delivery agents hold are true copies of the original document:

'I certify that this is a true copy of the original document/s'

Signed:.....

Date:....

Position in institution:.....

An alternative certification sheet (for bulk certification of documents - by participant) can be found in Annex E.

Reporting process

- 42. SFC provides grant funding to delivery agents to deliver a specified volume of additional activity during an Academic Year (AY), and routinely issues guidance on the eligibility of programmes and participants for funding.
- 43. To verify that colleges have met their credit targets, SFC collects annual statistical data from colleges. There are two main collections:
 - The Further Education Statistics (FES) return this collects data on all Further Education (FE) and Higher Education (HE) provided by colleges in Scotland.
 - The student activity return (or credit return) this collects data on college FE/HE activity that is eligible for SFC funding.
- 44. The credit return is a subset of the FES return. The accuracy of the credits delivered is certified by the college principal, and the claim is audited by the college's external auditors.
- 45. The data is collected at individual student level and includes personal information about the student, details of the course, duration of study and outcome. SFC annually publishes detailed performance indicators using data from the FES system.
- 46. FES guidance details the monitoring information that SFC will collect, including details on disability, ethnicity, gender, age, subject area, highest level of prior qualification, course of study and postcode which allows us to also report in terms of geographies (local authority areas, etc.) and deprivation.
- 47. College staff are asked to identify ESF student participants using the 'ESF funded student' field within the FES 2 data return and/or the appropriate field in FES. SFC will monitor each college's progress in meeting its additional credit target by analysing quarterly FES returns. Claims for delivery of activity will be made to Scottish Government Managing Authority using their IT system 'EUMIS'.
- 48. Universities are required to identify ESF student participants in the relevant sections of their Early Statistics and Final Figure Returns guidance is available on SFC's website (see paragraph 23).
- 49. SFC will conduct annual interim verification checks on delivery agents these may be either desk-based checks or onsite checks. SFC will review activities reported and outputs claimed by each delivery agent. In order to ensure these verifications are completed effectively, college and university partners will be required to provide all relevant supporting documentation on request.

50. SFC will conduct 100% verification checks on all necessary evidence prior to making any claims via EUMIS. This will be conducted **in addition** to the interim checks that will be carried out by SFC, to ensure that a robust audit regime is in place that will stand up to the scrutiny of Scottish Government and European Commission audits. Generally, there will be a maximum of three attempts between SFC and delivery agents to obtain necessary audit evidence – this will ensure each claim is maximised and any recovery minimised.

FES quarterly returns

- 51. Colleges are expected to submit their first FES quarterly return in November. This should include all fields within the FES returns, with the exception of student and unit outcomes. As this is not a final return, some areas will be subject to change. For example, the dominant programme group is likely to change for many courses as these are dependent on the subjects studied by student participants over the entire AY.
- 52. Final FES returns at the end of the AY are only accepted once the data has gone through an extensive cleansing process.
- 53. As outlined in the FES guidance, fields collecting data required for ESF reporting are mandatory for ESF student participants, including 'status immediately prior to the course starting' and 'highest qualification level at the time of the course start date'.
- 54. The dates for submission of FES quarterly returns for ESF activity can be found in the <u>FES 2 Guidance</u> notes.

Payment profile

- 55. 75% of funding for ESF activity will be paid by SFC in equal instalments following the issue and acceptance of a formal offer of grant (normally over the 12-month AY period August to July). The remaining 25% of funding will be paid in October.
- 56. Should there be a reduction in ESF monies available under the programme, SFC may have to reduce the amount of funding provided to participating delivery agents.

Recovery of funds

57. SFC reserves the right to recover funds if they have not been used for the purposes outlined in programme guidance and individual offers of grant. Final (25%) payments will not be released if participating delivery agents have not achieved the targets/outcomes agreed in their offer of grant. The final process to establish overall activity and spend, including the initial reconciliation of funds paid or due to be recovered ordinarily begins in the January after the end of the Academic Year.

58. SFC also reserves the right to recover funding dependent on the outcome of audit findings.

Further information

59. Please contact:

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