



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

FE Discretionary Funding AY 2023-24



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FE Discretionary Funding AY 2023-24

Introduction

1. This document sets out the conditions for use by colleges of Further Education (FE) Discretionary Funding allocated by the Scottish Funding Council (SFC) for Academic Year (AY) 2023-24.
2. FE Discretionary Funding (FEDF) is cash-limited and discretionary. Students who are eligible for support from these funds are not automatically entitled to this support.

Policy changes for AY 2023-24

3. In recognition of the impact the COVID-19 pandemic, SFC removed the £4,000 limit per student on Discretionary awards from AY 2020-21. For AY 2023-24 we have reintroduced a cap, but in recognition of the current cost-of-living pressures, it has been increased to £5,000 per student. If a college believes there is an exceptional circumstance that merits awarding a sum above this limit, it should contact SFC in advance.

Purpose of FEDF

4. FEDF is primarily for **emergency use** and instances of **financial hardship**. The Fund is intended to:
 - Provide financial help to students whose access to or continuation in FE may be inhibited by financial considerations.

OR

 - Where students, for whatever reasons, including physical or other disabilities, face financial difficulties.
5. FEDF must be used by colleges for student support purposes, in accordance with this policy. Colleges should also comply with any changes made to this policy or any supplementary guidance SFC may issue.

Legislative context

6. Colleges should follow all applicable legislation. College governing bodies have the power under section 12(2)(c) of the [Further and Higher Education \(Scotland Act\) 1992](#) and section 12(B) of the [Further and Higher Education \(Scotland\) Act 2005](#) to provide their students such assistance of a financial or other nature, as they consider appropriate.

7. It is a condition of the [Education \(Access Funds\)\(Scotland\) Direction 2022](#) that SFC shall administer student support funds, in conjunction with the fundable bodies, in accordance with the requirements of section 73ZA (1)(a) of the [Education \(Scotland\) Act 1980](#), the [Education \(Access Funds\)\(Scotland\) Regulations 1990](#), the [Education \(Access Funds\)\(Scotland\) Determination 2022](#).

Student eligibility for FEDF

Course type and level

8. FEDF is for students undertaking SFC-fundable non-advanced/FE courses, who have reached their statutory school leaving age. For an explanation of 'SFC Fundable' please refer to SFC's [Credit Guidance](#).
9. Under no circumstances can a college use FEDF for:
 - Students on advanced/Higher Education (HE) courses.
 - Students who are below their statutory school leaving date, as defined in the [Education \(Scotland\) Act 1980](#).
 - Students who are beyond their statutory school leaving date but still studying at school. (This includes students studying at school under the school/college partnership.)

Residency

10. With the exceptions set out in paragraphs 11 to 14 below, students must be eligible to access support under the residency rules set out in Schedule 1 of the [Education \(Student Loans\)\(Scotland\) Regulations 2007](#) and any subsequent amendments, Schedule 2 Part 2 of The Education (Access Funds) (Scotland) Determination 2022 or be eligible to receive student support under equivalent provisions of legislation made under sections 22(2), 42 (6) and 43(1) of the [Teaching and Higher Education Act 1998](#) or articles 3 and 8(4) of the [Education \(Student Support\)\(Northern Ireland\) Order 1998](#).

Asylum seekers

11. Colleges can provide emergency financial support from FEDF for students in the categories set out below:
 - Students on part-time English for Speakers of Other Languages (ESOL) courses. (This should exclude students whose main purpose for being in the UK is to receive education.)
 - Asylum-seeking students who are on full-time or part-time ESOL courses or other part-time non-advanced courses.

- Asylum-seeking students on other full-time, non-advanced courses who meet the following criteria:
 - (i) Is resident in Scotland on 1 August, 1 January, 1 April or 1 July closest to the beginning of the first term of the person's course.
 - (ii) Has been resident in Scotland for a minimum period of three years.
 - (iii) Was under 18 years old on the date when the application for asylum was made, and the application must have been made prior to 1 December 2006.
 - (iv) Is under 25 years old on 1 August, 1 January, 1 April or 1 July closest to the beginning of the first term of the person's course.
12. This support can only cover the travel and study costs necessary for the student to get to college and take part in their course of study. The support should not usually constitute maintenance or living costs.
 13. Colleges should provide this travel and study support in the form of physical items (e.g., travel pass or study materials or equipment) where possible, rather than in monetary terms (cash). If the college provides this support in monetary terms, the student must be given both a clear explanation of the purpose of the support given and a written copy of the conditions of support.
 14. Where the asylum-seeking student has no alternative form of childcare, assistance may include payment to cover childcare costs whilst they are studying.

Students receiving support from other sources

15. Students are not entitled to seek support from FEDF from more than one institution at a time. For this reason, colleges should ensure that a declaration is signed by the student when applying for FEDF to confirm that they have not applied for, or are in receipt of, FEDF from another institution.
16. Students who are in receipt of other funds - public or private - are still eligible to receive FEDF. Colleges should advise students in receipt of benefits to check how an FEDF award will affect their individual circumstances.
17. Colleges can access general advice and guidance on benefits on the [UK Government's website](#). In addition, CPAG's Benefits for Students in Scotland Handbook for 2022-23 is available [online](#). Further information related to benefits for students can also be found on the [Student Information Scotland portal](#).

Priority groups

18. When making FEDF awards, colleges are asked to consider the financial hardship of the student applicants, and bear in mind vulnerable/disadvantaged groups such as – but not limited to – estranged students, students who are carers, care-experienced students,

students with dependent children and part-time students.

College management of FEDF

What can FEDF be used for?

19. FEDF is intended to be allocated to students, either as a non-repayable monetary grant or an in-kind support through the purchase of specific items. A college cannot use FEDF for:
 - Administration costs (including the costs of any recovery of overpayments).
 - Staff salaries, including counselling costs.
 - Capital purposes.
 - Communal facilities, adaptations to buildings.
 - Top-up fees such as tuition and/or exam fees.
 - To compensate for the lack of parental contributions.

How much can be allocated to each student?

20. The overall payments to an individual student must not exceed £5,000 in a single AY. Within the overall amount of £5,000, colleges are best placed to decide how much should be allocated to the individual student based on an analysis of their need. The needs assessment should be based on evidence showing the student's net financial position. There is no maximum number of times that a student can receive assistance from FEDF throughout the AY.
 1. Should a college believe there are exceptional circumstances that merit awarding a sum above this amount, it should contact SFC in advance.

Assessment of need

21. Colleges should continue to carry out a needs assessment, which should be based on evidence showing the student's net financial position. This evidence can be taken from information which the student has already supplied – for example, details of household income submitted as part of the application for bursary – and students should not be asked to submit duplicate information.
22. Where additional information is required from the student, colleges should take a balanced and proportionate approach when asking for supporting evidence. Colleges should seek the minimum information required, usually the student's latest bank statement(s). Additional supporting evidence may be required where the bank statement does not provide the information required.

Can FEDF be used to purchase items and equipment?

23. FEDF may be used to purchase items for a student, including course-related materials and equipment. There is no threshold on the amount that colleges can spend on these items. In most cases, the cost of items bought from this funding will be relatively small.
24. The college may use its discretion to pass ownership to the students, where appropriate. However, colleges are encouraged to deliver best value when purchasing and are encouraged to recycle items where possible.
25. If a student does not complete the course and/or attain the planned qualification, the college may insist that course materials and other items bought using this funding should remain the property of the college.

Supplementing FEDF

26. A college can choose to add to its FEDF from its own resources as it sees fit.

Carry forward and recovery of unspent funds

27. Colleges cannot carry-forward any unused funds between AYs.
28. The available funds are taken to be the allocation for an AY (as announced in the relevant annual College Final Funding announcement). Where appropriate, the available funds also take account of funds received or relinquished as part of SFC's annual in-year redistribution process. Unspent funds are the available funds less the audited spend.
29. Unspent funds for AY 2023-24 will be recovered during AY 2024-25.

Using FEDF for bursaries

30. Colleges may use their FEDF to meet shortfalls in their bursary allocations. Any FEDF used this way must meet the conditions of the bursary policy in full. Colleges cannot use FEDF to meet bursary needs of students who are not eligible.

Reporting mechanisms and data collections

31. The Chief Executive Officer of each college must ensure that all accounts and records are adequate and there are systems in place to minimise incorrect payments.
32. Colleges are required to complete the student support elements of the FES return to confirm their final spend on student support. The AY 2022-23 FES data return is due on **29 September 2023**. Guidance on completing the FES data returns can be found on the [SFC website](#).
33. Auditors are required to sign off the FES online student support funding report. Colleges should ensure that their auditors receive a copy of:

- The student support audit guidance.
 - This policy.
 - The national policy for FE bursaries.
 - Their outcome agreement for the relevant year.
34. Colleges may wish to provide their auditors with details of SFC's [student support web pages](#) and SFC student support contact details.
35. Colleges should refer to the Accounts Direction for Scotland's Colleges when presenting information on the student support funds in their annual accounts. The Accounts direction for Scotland's colleges AY 2021-22 can be accessed on the [SFC website](#).

Communication with students

36. This policy has been written for bursary and student support officers within colleges. It is the responsibility of the college to ensure that students are familiar with the availability of FEDF and the procedures they must follow to access funding. We recommend that for communication with their students on student support, colleges publish their own college policy. This will ensure that students receive information that is relevant to their own circumstances and local community.

Further information for student support officers

37. More information for college student support officers can be found on [our website](#).

Conditions of funding

38. It is a condition of grant that colleges allocate FEDF in accordance with the policy set out in this document.
39. General conditions of grant also apply to college funding as set out in SFC's [Final Funding Allocations for Colleges in AY 2023-24](#) announcement.

Further information

40. Please contact the Student Support team, email: studentsupport@sfc.ac.uk.



Richard Maconachie
Director of Finance

Annex A

Guiding Principles

41. Use of discretionary funds for students at college and university.

Principles for institutions

42. Discretionary Funds are an additional source of non-repayable financial support available to students who may be experiencing financial difficulties during their course. In Higher Education, Discretionary Funds are allocated by Scottish Ministers via Student Awards Agency Scotland (SAAS) and are administered by individual institutions. For students in Further Education, the Scottish Funding Council (SFC) issues separate guidance on the disbursement of Discretionary and Childcare Funds. There is also separate guidance for students which includes details on how to apply.
43. Below is a set of guiding principles that set a baseline level of consistency in how student applications for discretionary funding are processed and awarded by colleges and universities in Scotland. This has been endorsed by Colleges Scotland, National Association of Student Money Advisers (NASMA), Universities Scotland, Further Education Student Support Advisory Group (FESSAG) and NUS Scotland with the aim of ensuring as positive an experience for students as possible, recognising that students are facing difficult circumstances.
44. These principles should be read in conjunction with the guidance provided by SAAS and SFC.

Guiding principles for use of discretionary funds

45. Colleges and universities assess student applications for discretionary funding with the aim of positively allocating discretionary funding based on evidence of need/financial difficulty, within the financial constraints of the budget provided by Scottish Government.
46. Colleges and universities recognise that any student may face financial hardship however look to prioritise support for students who are listed as a priority group within the complementary guidance (linked above).
47. Colleges and universities have a duty of care to their students to protect student wellbeing and to not promote short-term borrowing solutions or use of credit cards as an alternative to discretionary fund support.
48. Colleges and universities take a proportionate approach to the evidence they require of

students to demonstrate financial hardship. They aim to make the process as simple and straight forward as possible.

49. Colleges and universities treat every student seeking support with respect and confidentiality, fully aware that people may feel sensitive and uncomfortable about sharing highly personal information about themselves and their finances.
50. Colleges and universities are able to support students in managing their money where appropriate, including but not limited to: paying a third party service (such as childcare provider) on their behalf or providing vouchers in place of cash. This is done in consultation with the student.
51. Colleges and universities aim to ensure that, where possible, discretionary funds remain available to students throughout the academic year and where necessary for students ineligible for Universal Credit into the summer break, providing sufficient funds are available.
52. Colleges encourage students on further education courses to make use of the UK and Scottish Government benefits available to them over the summer. Where appropriate and where needed, colleges may support a student with a “transition payment” to help bridge the gap between a further education course finishing and a student’s receipt of first benefit payment.
53. Colleges and universities promote the availability of discretionary funds amongst their students with clear and regular communication throughout the academic year including the summer period providing funds are remaining. Every effort is made to communicate widely, and simply, using plain English, removing all possible barriers to students accessing this type of support.
54. In addition to discretionary funds, colleges and universities offer other forms of support to students who are worried about money. This might include practical money management advice and/or mental health support such as counselling. This is promoted to students by individual institutions.