



SFC Announcement

In-year redistribution of student support funds for AY 2018-19

Issue date: 22 February 2019

Reference: SFC/AN/02/2019

Summary: Announcement of in-year redistribution of student support funding to colleges for academic year 2018-19; detailing the recovery of unspent funds from 2017-18 and allocations of additional funding for 2018-19.

FAO: Principals / Finance Directors / Chairs / Board Secretaries / Student Support contacts in Scotland's colleges

Further information: **Contact:** Caroline Leburn
Job title: Senior Policy & Analysis Officer
Department: Finance
Tel: 0131 313 6627
Email: cleburn@sfc.ac.uk



Scottish Funding Council
Promoting further and higher education

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

In-year redistribution of student support funds for AY 2018-19

Purpose

1. This letter announces the in-year redistribution of student support funding to colleges for academic year (AY) 2018-19. It details the recovery of unspent funds from AY 2017-18 and the allocation of additional funding for AY 2018-19.

Background

2. Demand for student support is unpredictable and, in order to match our funding to demand as closely as possible, we carry out an in-year redistribution. We do not allow colleges to use student support funding for other purposes; we recover funds that colleges do not expect to use in the current year, as well as any unspent funds from the previous year. We use the funds returned to us to allocate to colleges that need additional student support in the current year.
3. We invited colleges to relinquish unspent student support funds or request an increase to their AY 2018-19 student support allocations in a Call for Information published on 19 October 2018 ([SFC/CI/04/2018](#) - *In-year management of student support allocations for 2018-19*).

Redistribution

4. The total amount of student support funding requested by colleges is £11.7 million (as set out in Annex A column 1). There is £11.7 million available for redistribution (Annex A column 2). **Therefore SFC will be able to meet, in full, colleges' requests for additional student support funding for 2018-19.** The table in Annex A details the amounts requested and relinquished by each college / college region. The table shows the total additional funding to be paid out in AY 2018-19 along with a breakdown across the two financial years (FYs).

Funds available for redistribution

5. The total amount of student support funding SFC has available for redistribution is £11.7 million. This comprises the following elements:
 - **£4.8 million for care experienced bursaries.** £5.2 million was initially allocated to SFC from the Scottish Government as part of our 2018-19 funding settlement for the purpose of implementing changes arising from the Scottish Government's response to the Independent Review of Student Support. However, at the time that SFC was publishing its core funding announcement, the details of the changes to be made to student support funding had not yet been decided. Therefore this amount was not included in colleges' core allocations of student support, but was set aside to be distributed later in the

year, as detailed in our final [outcome agreement funding allocations](#) for 2018-19. The Minister announced in June 2018 that the additional funding would be used to introduce a new, higher rate bursary for Care Experienced students, as announced in [our letter](#) to the sector. Of the £5.2 million, £0.4 million was transferred to the Student Awards Agency Scotland (SAAS) for Care Experienced bursaries for HE students, with SFC retaining the remaining £4.8 million.

- **£4.2 million of unspent funds from 2017-18.** Colleges are returning £4.2 million that they did not spend in AY 2017-18, for redistribution. This amount is calculated on the basis of the 2017-18 initial allocation, plus the in-year redistribution together with the European Social Fund (ESF) final student support allocation, and compared to the final 2017-18 student support spend recorded in the Further Education Statistics (FES) return. The amount of unspent funds being returned to SFC is in line with the amounts returned in recent years and represents 4% of the overall funding available for student support in 2017-18.
- **£2 million of funds not required in 2017-18.** The [2017-18 outcome agreement funding announcement](#) included £2 million for use in the student support in-year redistribution. The colleges returned more than they requested, hence this £2 million was not required in 2017-18.
- **£0.7 million of unspent funds from 2016-17.** In the 2017-18 redistribution exercise, colleges returned £7.1 million of unspent funds for 2016-17, but only requested £4.3 million in additional funds. As set out in last year's [announcement](#) on the redistribution, SFC set aside the remaining £2.8 million with the intention of using it to cover any future gap in European Social Fund (ESF) student support funding. Although the audit of the ESF projects is not fully complete, we have decided to use £0.7 million of this funding for this year's redistribution exercise.

Funds requested by colleges

6. The total amount of student support funding requested by colleges is £11.7 million. This comprises the following elements:
 - **Circa £7.6 million additional required for Care Experienced bursary.** Although we do not have an exact baseline of previous Care Experienced bursary costs, the request for additional funds has increased considerably and we estimate it includes £7.6 million of additional funds required to meet the costs of the Care Experienced (CE) bursary which was introduced in 2018-19. The increased bursary for CE students was not announced until June 2018, after the core funding allocations for student support in 2018-19 had been published. It was also not clear at that stage what the take-up of the CE bursary would be.

Therefore SFC asked colleges to wait until the in-year redistribution exercise to request additional funding, so that we could match our allocation of the funding as closely as possible to the student demand.

- **£4.1 million for core student support.** As with the past three redistribution exercises, the amount requested for core activity is lower than the amount requested prior to 2015-16. This is as a result of work SFC has undertaken with colleges to improve the in-year redistribution process and the accuracy of funding bids submitted. It also reflects changes in the student demographic and changes in colleges' balance of full-time, further education provision. The slightly later timing of the redistribution exercise has also helped colleges produce more accurate bids, as their student populations are more settled.

Recovery of unspent funds and adjustments to budgets

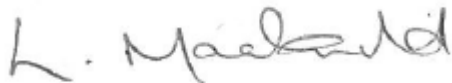
7. Colleges receiving additional funds will have their Financial Year (FY) and Academic Year (AY) student support budgets increased by the amount of additional funding that they have been awarded, as detailed in the Table at Annex A. These updated budgets will be reflected in incorporated colleges' monthly cash-flow pro-forma. Colleges should continue to drawdown funding based on need whilst giving due regard to the revised FY budget.
8. For multi-college regions, we have set out in the table in Annex A the amounts requested by individual colleges within each region. Regional boards should note the allocations to individual colleges. Multi-college regions may action in-year transfers of student support funding between colleges within the region.
9. Colleges that are returning unused funds will have their overall FY student support budget reduced by the amount of funding that they are returning. For those colleges that have already made adjustments to their budgets in June 2018, the March 2019 adjustment to be made will take into account the funds previously returned. This is shown in Annex B, under the Column 'Remaining funding adjustments to be made in March 2019'.
10. Sabhal Mòr Ostaig, Newbattle Abbey College, SRUC, Orkney College, Shetland College and West Highland College do not submit cash-flow pro-formas. For these colleges, relinquished funds will be clawed back in March 2019. Where these colleges are to receive additional funds, payments will be adjusted in March and April 2019 as set out in Annex A.
11. Colleges will not be able to claim funding above the revised budgets. Should this cause you any short-term cash-flow issues, please contact Catherine Atkinson, Senior Budgeting & Reporting Officer, tel: 0131 313 6540, email: catkinson@sfc.ac.uk immediately. If you have any general queries on the payment process, you should also contact Catherine Atkinson.

Management of payment of funds

12. Colleges are reminded of the change to the management of the payment of funds which SFC implemented for the first time last year; that is, we will contact colleges in early June 2019 to seek clarification of their near final position on spend on student support in 2018-19. Colleges that have drawn down their full student support budget but are forecasting a significant underspend against their budget will be asked to reduce their July 2019 draw-down of funds or return surplus funds to SFC in July 2019, rather than waiting until the 2019-20 redistribution exercise in Autumn 2019.

Further information

13. Please contact Caroline Leburn, Senior Policy & Analysis Officer, tel: 0131 313 6627, email: cleburn@sfc.ac.uk.



Lorna MacDonald
Director of Finance

In-year redistribution of student support funds for AY 2018-19

Region /College	Additional funding requested for full AY 18-19	Funding relinquished by colleges from 2017-18	Total additional funding allocated	Additional funding requested / allocated to end March 2019	Additional funding requested / allocated Apr - Jul 2019
	(1) (£)	(2) (£)	(3) (£)	(4) (£)	(5) (£)
Ayrshire (*)	446,549	346,675	446,549	1,794,214	- 1,347,665
Borders	330,000	197,483	330,000	231,211	98,789
Dumfries & Galloway	450,000	61,934	450,000	380,000	70,000
Dundee & Angus	1,309,400	1,714	1,309,400	1,309,400	-
Edinburgh	1,245,960	436,866	1,245,960	1,245,960	-
Fife	794,899	889,030	794,899	794,899	-
Forth Valley	342,960	575,469	342,960	342,960	-
Glasgow	3,403,994	131,286	3,403,994	2,467,310	936,684
<i>City of Glasgow College</i>	992,823	- 275,493	992,823	694,976	297,847
<i>Glasgow Clyde College</i>	840,171	- 132,004	840,171	725,000	115,171
<i>Glasgow Kelvin College</i>	1,571,000	538,783	1,571,000	1,047,334	523,666
Highlands and Islands	732,256	827,601	732,256	524,504	207,752
<i>Inverness College</i>	350,000	10,920	350,000	250,000	100,000
<i>Lewis Castle College</i>	- 12,000	1,914	- 12,000	- 12,000	-
<i>Moray College</i>	- 65,000	478,655	- 65,000	- 65,000	-
<i>North Highland College</i>	134,256	- 20,551	134,256	89,504	44,752
<i>Orkney College</i>	-	23,804	-	-	-
<i>Perth College</i>	325,000	323,215	325,000	262,000	63,000
<i>Shetland College</i>	-	9,644	-	-	-
Lanarkshire	454,000	345,610	454,000	227,000	227,000
<i>New College Lanarkshire</i>	154,000	37,520	154,000	77,000	77,000
<i>South Lanarkshire College</i>	300,000	308,090	300,000	150,000	150,000
Newbattle Abbey College	21,000	10,142	21,000	15,750	5,250
North East Scotland	1,163,992	36,739	1,163,992	775,995	387,997
Scotland's Rural College (SRUC)	195,700	157,174	195,700	195,700	-
West	420,000	187,984	420,000	300,000	120,000
West Lothian	428,000	39,834	428,000	428,000	-
TOTAL	11,738,710	4,245,541	11,738,710	11,032,903	705,807
Additional for Care Experienced Bursaries		4,800,000			
Not required from 2017-18 Funding Announcement		2,000,000			
Unused from 2017-18 In-Year Redistribution		693,169			
Total available for 2018-19 redistribution		11,738,710			
(*) Ayrshire requested that the payment of their remaining allocation be moved forward from Apr19-Jul19 to be paid before end March 2019 instead, to reflect student need					

Recovery of unspent funds and adjustments to budgets

Region /College	Funding adjustments made in June 2018	Remaining funding adjustments to be made in March 2019	Total funding relinquished by colleges
	(1) (£)	(2) (£)	(3) (£)
Ayrshire	304,000	42,675	346,675
Borders	132,094	65,389	197,483
Dumfries & Galloway	-	61,934	61,934
Dundee & Angus	-	1,714	1,714
Edinburgh	151,442	285,424	436,866
Fife	600,000	289,030	889,030
Forth Valley	482,448	93,021	575,469
Glasgow	360,000	228,714	131,286
<i>City of Glasgow College</i>	-	275,493	275,493
<i>Glasgow Clyde College</i>	- 140,000	7,996	132,004
<i>Glasgow Kelvin College</i>	500,000	38,783	538,783
Highlands and Islands	93,980	733,621	827,601
<i>Inverness College</i>	- 8,000	18,920	10,920
<i>Lewis Castle College</i>	- 6,000	7,914	1,914
<i>Moray College</i>	99,980	378,675	478,655
<i>North Highland College</i>	-	20,551	20,551
<i>Orkney College</i>	-	23,804	23,804
<i>Perth College</i>	-	323,215	323,215
<i>Shetland College</i>	8,000	1,644	9,644
Lanarkshire	-	345,610	345,610
<i>New College Lanarkshire</i>	-	37,520	37,520
<i>South Lanarkshire College</i>	-	308,090	308,090
Newbattle Abbey College	-	10,142	10,142
North East Scotland	-	36,739	36,739
Scotland's Rural College (SRUC)	-	157,174	157,174
West	100,000	87,984	187,984
West Lothian	-	39,834	39,834
TOTAL	2,223,964	2,021,577	4,245,541