



SFC Call for information

In-year management of student support allocations 2019-20

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Summary: Colleges are invited to relinquish unspent student support funds or request an increase to their student support allocations for AY 2019-20.

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

Further information: **Contact:** Caroline Leburn
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In-year management of student support allocations for 2019-20

Purpose

1. The purpose of this publication is to invite colleges to relinquish unspent student support funds or request an increase to their student support funding allocations for Academic Year (AY) 2019-20.

Background

2. The in-year redistribution of student support funds is an ongoing feature of SFC's annual student support funding cycle.

In-year redistribution exercise for AY 2019-20

3. Instructions for completion of the redistribution request form are set out in Annex A to this letter. Colleges should particularly note the guidance on estimating demand for student support. SFC will email forms pre-filled with student support data to colleges on an individual basis by the end of October 2019. As in previous years, these forms will include sections for colleges to:
 - Confirm the data on their student support spend in AY 2018-19, as returned to SFC through the FES4 returns.
 - Confirm details of the student support funding paid to each college during AY 2018-19, so that colleges can reconcile the information they are returning with their draw-down and payment details.
 - Provide information on the use of their 'cash budget for priorities' for student support.
 - Provide contextual and supporting information.
4. As last year, we will also be asking for additional, separate information on the costs to colleges of implementing changes to student support funding as a result of the Independent Review of Student Support. The changes we are looking for information on are:
 - The costs associated with the allocation of the higher rate Care-Experienced Student Bursary.
 - The requirement to consider all 18/19 year olds for bursary rather than Education Maintenance Allowance (EMA).
5. Further details are set out in Annex A.

Management of payment of AY 2019-20 funds

6. SFC will contact colleges in early June 2020 to seek clarification of their

near-final position on student support spend in AY 2019-20. 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 2020 draw-down of funds or return surplus funds to SFC in July 2020, rather than waiting until the AY 2020-21 redistribution exercise in Autumn 2020.

Cash budget for priorities

7. Since 2015-16, SFC has asked colleges to be prepared to use their cash budget previously earmarked for depreciation ('cash budget for priorities') to supplement their student support allocations, where these funds are available.
8. The redistribution request form will ask colleges to report on the use of their cash budget for priorities to supplement student support in 2018-19. It will also ask colleges to quantify the amount of the cash budget for priorities they have available for student support in 2019-20. If there are insufficient funds to meet colleges' requests for additional student support funding for 2019-20, we will take into account the level of the cash budget for priorities held by colleges for this purpose when determining allocations.

Return date

9. Colleges should complete the request form and email it to Caroline Leburn, email: cleburn@sfc.ac.uk by **Friday 22 November 2019**.

Announcement of the outcome of the in-year redistribution

10. Colleges will be individually notified of SFC's decision on their bids for additional funding in December 2019. We will announce the sector outcome of the 2019-20 in-year redistribution exercise in January 2020.

Further information

11. Please contact Caroline Leburn, Senior Policy and Analysis Officer, Finance for further information, tel: 0131 313 6627, email: cleburn@sfc.ac.uk.



Lorna MacDonald
Director of Finance

In-year management of AY 2019-20 student support funds: instructions for completion of request form

Estimating demand for student support

1. SFC has undertaken work with colleges in the past four years on estimating demand for student support. The 2018-19 FES4 returns indicate that, last year, the level of unused funds in the sector reduced compared to previous years. However there is still a degree of over-estimation in some bids for additional student support. As with previous years, colleges are reminded of the need to provide accurate bids for student support funding, based on realistic predictions of student demand.
2. The starting point for determining need for student support funding should be based on colleges' existing commitments to support students already enrolled for 2019-20.
3. SFC is aware that colleges can still be receiving and processing applications for student support at the point where we ask for the in-year redistribution submission. In addition, most colleges will expect to enrol additional students later in the academic year. Therefore colleges need to calculate the volume of additional student support funding applications they expect to receive for the remainder of the academic year.
4. Colleges then need to estimate the likely level of support required by the additional students. In performing this calculation, colleges should take into account historic data on the differential spend patterns at course/subject level, for different types of student (e.g. full-time/part-time, by gender, by age group, including Care-experienced). For example, colleges should be aware of the following factors that will have a bearing on the resources required:
 - Some subjects will have a higher level of demand for SFC student support funding than others.
 - Female students are more likely to require childcare funding than males.
 - Any move from FE to HE level provision, or from full-time to part-time provision, will reduce demand for SFC student support funding.
5. All of these factors will have a bearing on the quantum of resources required in the coming year. SFC strongly recommends that colleges build in assumptions for these factors when predicting need, rather than basing their requests on average levels of funding. Colleges should not assume that all of their additional students will require the maximum level of funding.

6. After the college has calculated the predicted level of additional student support funding required, it is essential that they make a reduction to the overall requirement to take account of the impact of student withdrawals. This should be based on a realistic assumption of the expected level of withdrawals, based on historic data at the college.
7. **Colleges should not build large and unrealistic contingencies into their bids for funding.** This results in inflated claims and creates a false impression of the level of unmet demand for student support, but more importantly it limits SFC's ability to move funds to where they are currently needed.

In-year redistribution form for 2019-20

8. As in previous years, the in-year redistribution form will be pre-filled with the following information:
 - Colleges' core student support funding allocations for 2018-19.
 - Colleges' ESF student support funding allocations for FE activity for 2018-19 (this is only applicable to colleges in the Highlands and Islands Region, through the University of the Highlands and Islands).
 - Colleges' spend on student support in 2018-19, as detailed in the FES4 return.
 - The funds that colleges have been paid for student support in the previous year, so that colleges can reconcile the information they are returning with their draw-down and payment details.
9. Colleges will then be asked to complete the following information:
 - The amount of student support funding being requested or relinquished for 2019-20.
 - If additional funds are being requested, a breakdown of the amount associated with students already enrolled and the amount required for students not already enrolled (e.g. January start students).
 - If additional funds are being requested, details of the amount required by the college up until March 2020.
 - Details of the use of their cash budget for priorities to supplement student support budgets, where applicable.
 - Any contextual or supporting information.

Additional information required in 2019-20

10. This year, we will again be asking for additional, separate information on the costs to colleges of implementing some of the changes to student funding as a result of the Independent Review of Student Support.

Care-experienced students

11. In order for SFC to quantify the additional resource required for the Care-Experienced bursary, we have included an additional section in the in-year redistribution form. This section will be pre-filled with the number of Care-experienced students that colleges reported that they supported in 2018-19 and the amount of bursary (maintenance) funding allocated to these students in 2018-19. It will then ask colleges to provide details of:
 - The number of Care-experienced students who have enrolled up to that point.
 - The committed bursary funding associated with these enrolments, based on the weekly rate of £202.50.
 - A forward projection of numbers of Care-experienced students who will enrol later in the academic year.
 - A reduction to take account of the impact of projected withdrawals of Care-experienced students.

12. In quantifying the additional cost of continuing the Care-Experienced Bursary for 2019-20, we will assess the increases in colleges' spend on maintenance for Care-experienced students arising from the increase in the number of such students attending college. We would expect that the take-up of further education by Care-experienced students will increase because of the wider awareness of the new higher rate funding package available for them.

Student Support Review outcomes

13. New outcomes for 2019-20 of the Independent Review of Student Support are the increase in the maximum standard FE bursary rate (from £98.79 to £104.65 per week) and the requirement for all 18/19 years olds to be considered for bursary rather than EMA. The in-year redistribution form will ask colleges to quantify the costs associated with any increase in the number of 18/19 year olds receiving bursary instead of EMA. We will use our data returns to assess the cost associated with the increase in the maximum standard FE bursary rate, hence we are not asking for this as part of the in-year redistribution form.

Multi-college regions

14. Multi-college regions should complete the request form as a region, with any transfers of funding between colleges agreed by the colleges within the region prior to the form being submitted.

General conditions

15. The return date for the form is **Friday 22 November 2019**. If the amounts of funding that colleges require for student support change by mid-December 2019 because of changing circumstances, colleges should inform SFC of this as soon as possible.
16. As in past years, SFC will try to meet college funding requests as much as possible. However, as with previous years, there may be a shortfall in available funds at a sector level. This will mean that the amount of funding going to individual colleges may be capped.
17. SFC reiterates that colleges should adhere to the guidance set out in paragraphs 1-7 when estimating demand. Colleges should avoid inflating their bids for funding, in order that we can redistribute the additional funding available in as fair and equitable a way as possible.

Key dates

18. SFC will email the pre-filled forms directly to college contacts by the end of October 2019.
19. Colleges should complete the request form and email it to Caroline Leburn, email: cleburn@sfc.ac.uk by **Friday 22 November 2019**.
20. Colleges will be individually notified of the decision on their bids for additional student support funding in December 2019.
21. SFC will announce the sector outcome of the 2019-20 in-year redistribution exercise in January 2020.