



Scottish Funding Council
Comhairle Maoinachaidh na h-Alba

In-year management of student support allocations 2020-21

SFC Call for Information

Issue Date: 4 November 2020

In-year management of student support allocations 2020-21

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Reference: SFC/CI/10/2020

Summary: Invitation to colleges to relinquish unspent student support funds or request an increase to their student support allocations for AY 2020-21

FAO: Principals/Finance Directors/Board Secretaries and student support contacts at Scotland's colleges

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In-year management of student support allocations for 2020-21

Purpose

1. This publication invites colleges to relinquish unspent student support funds or request an increase to their student support funding allocations for Academic Year (AY) 2020-21.

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 2020-21

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 in early November 2020. As in previous years, these forms will include sections for colleges to:
 - Confirm the data on their student support spend in AY 2019-20, as returned to SFC through the FES returns.
 - Confirm details of the student support funding paid to each college during AY 2019-20, so that colleges can reconcile the information they are returning with their drawdown and payment details.
 - Provide information on the use of their 'cash budget for priorities' for student support.
 - Provide any contextual and supporting information.
4. As in previous years, SFC 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 Scottish Government's response to the Independent Review of Student Support. The changes we are looking for information on are:
 - The costs associated with the expansion of the higher rate Care-Experienced Student Bursary, including to those aged 26 and over.
5. Further details are set out in Annex A.

Management of payment of AY 2020-21 funds

6. SFC will contact colleges in early June 2021 to seek clarification of their near-final position on student support spend in AY 2020-21. 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 2021 drawdown of funds or return surplus funds to SFC in July 2021, rather than waiting until the AY 2021-22 redistribution exercise in Autumn 2021.

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 AY 2019-20. It will also ask colleges to quantify the amount of the cash budget for priorities they have available for student support in AY 2020-21. If there are insufficient funds to meet colleges' requests for additional student support funding for 2020-21, we will take into account the level of the cash budget for priorities held by colleges for this purpose when determining allocations.

Return date

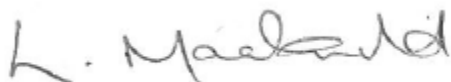
9. Colleges should complete the request form and email it to SFC's Student Support team, email: studentsupport@sfc.ac.uk by **23 November 2020**.

Announcement of outcome of the in-year redistribution

10. Colleges will be individually notified of SFC's decision on their requests for additional funding in December 2020. We will announce the sector outcome of the AY 2020-21 in-year redistribution exercise in January 2021.

Further information

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



Lorna MacDonald
Director of Finance

In-year management of AY 2020-21 student support funds: instructions for completion of request form

Estimating demand for student support

1. SFC has undertaken work with colleges in the past five years on estimating demand for student support. The 2019-20 FES returns indicate that, last year, there was still a degree of over-estimation in some bids for additional student support. However, we are mindful that student support expenditure in 2019-20 was directly affected by the COVID-19 pandemic. 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 2020-21.
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 AY 2020-21

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 AY 2019-20.
 - Colleges' spend on student support in AY 2019-20, as detailed in the FES 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 drawdown 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 AY 2020-21.
 - 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 the end of March 2021.
 - 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 AY 2020-21

10. This year, SFC will again be asking for additional, separate information on the costs to colleges of implementing some of the changes to student support funding as a result of the Scottish Government's response to the Independent Review of Student Support.

Care-experienced students

11. In order for SFC to quantify the additional resource required for the expanded Care-Experienced (CE) Bursary, we have included an additional section in the in-year redistribution form. This section will be pre-filled with the number of CE bursary students that colleges reported that they supported in AY 2019-20 and the amount of bursary (maintenance) funding allocated to these students. It will then ask colleges to provide details of:
 - The number of CE students (aged 16-25, and aged 26 and over) 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 CE students who will enrol later in the academic year.
 - A reduction to take account of the impact of projected withdrawals of CE students.
12. In quantifying the additional cost of the expanded CE Bursary for AY 2020-21, we will assess the increases in colleges' spend on maintenance for CE students arising from the increase in the number of such students attending college. We would expect that the take-up of further education by CE students will increase because of the wider awareness of the new higher rate funding package available for them, as well as the removal of the age cap.

Multi-college regions

13. 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

14. The return date for the form is **Monday 23 November 2020**. If the amounts of funding that colleges require for student support change by mid-December 2020 because of changing circumstances, colleges should inform SFC of this as soon as possible.
15. SFC will try to meet college student support 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.
16. 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

17. SFC will email the pre-filled forms directly to college student support contacts in early November 2020.
18. Colleges should complete the request form and email it to SFC's Student Support team mailbox, email: studentsupport@sfc.ac.uk **by Monday 23 November 2020.**
19. Colleges will be individually notified of the decision on their bids for additional student support funding in December 2020.
20. SFC will announce the sector outcome of the AY 2020-21 in-year redistribution exercise in January 2021.