

Annex B: Standard conditions of grant

1. Grant is provided to allow colleges to deliver their regional outcome agreements under the terms of section 5 of the Further and Higher Education (Scotland) Act 2005.
2. Governing bodies and their designated officers must comply with the terms of the Financial Memorandum (FM) between the SFC and each college or university.
3. It is a condition of grant that colleges comply with any principles of governance which appear to the Council to constitute good practice in relation to colleges of further education.
4. Colleges must maintain provision of acceptable quality and develop and implement a satisfactory quality improvement strategy.
5. Colleges are expected to follow public sector pay policy set by HM Treasury.
6. Colleges must provide data returns requested by the SFC by the deadlines and to the standards specified. This includes our *Student Activity Data Guidance for Colleges*:

<http://www.sfc.ac.uk/guidance/guidance.aspx>

7. Capital allocations must only be used for items which can be capitalised, including IT. Maintenance allocations must only be used for estates maintenance and/or debt servicing associated with capital developments
8. It is a condition of grant that fundable bodies charge student tuition fees at the levels set by the Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable. However the tuition fee levels set by the Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2011 do not apply to students who do not have a relevant connection with Scotland or are not excepted students within the meaning of the Education (Fees) (Scotland) Regulations 2011.
9. Colleges must follow the student support guidance provided at:
<http://www.sfc.ac.uk/SFCAN052014.aspx>
10. Colleges in receipt of ESF funding must follow separate specific guidance:
<http://www.sfc.ac.uk/funding/colleges/ESF/ESFLiveProject.aspx>

11. Colleges deliver their specific responsibilities set out in the Scottish Government's 16+ Learning Choices Policy and Practice Framework (published April 2010). In particular colleges must aim to notify SDS within five working days of a young person leaving, recognising that the longer a young person is disengaged from learning, the harder it is to re-engage them.

Failure to adhere to these conditions

12. If the college – or the colleges collectively in a multi-college region – does not deliver the outcome agreement and the targets within it, or the other conditions of grant in this document, the SFC will consider clawback of grant or reductions in future funding.

Status of Outcome Agreements

13. If the Scottish Government revises its grants to the SFC we reserve the right to make in-year adjustments to their funding. In this case SFC would renegotiate the terms of its Outcome Agreement with the college(s).