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National policy for further education bursaries: 2016-17

Fund management & audit information

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Introduction

1. This policy has been produced for bursary and student support officers within colleges. We recommend that colleges publish their own individual policies for advising students on student support matters. This will ensure the students receive information that is relevant to their own circumstances and local community.
2. As well as publishing their own policies, it is recommended that colleges provide a link, which is easily accessible by students, to the Scottish Government's website showing the cost of learning under the *learner funding* section. This provides high level information for students and can be found via the following web link:

<http://www.scotland.gov.uk/Topics/Education/UniversitiesColleges/16640/learn erfunding/furthereducation>

3. The terms of this policy do not affect how colleges use other student support funds, unless referred to in the policies for those particular funds or referred to in this policy.
4. Where a college chooses to supplement bursary funds with its own resources, it may use the additional resources as it sees fit.
5. A set of Advisors Notes can be found via the following link:

http://www.sfc.ac.uk/funding/colleges/student_support/student_support_guidance.nce.aspx

6. Student support staff may also wish to refer to SFC's web page for student support administrators at:

http://www.sfc.ac.uk/funding/colleges/collegefundingstreams/student_support/info_links_for_student_support_admin.aspx

7. A detailed list of the updated student support rates can be found in Annex A of the Award Assessment section of the bursary guidance which can be found via the following link:

http://www.sfc.ac.uk/funding/colleges/student_support/student_support_guidance.nce.aspx

Conditions of grant

Context

8. The college governing body has power under section 12(2)(c) of the *Further and Higher Education (Scotland) Act 1992* to provide to students of its college such assistance of a financial or other nature as it considers appropriate.
9. It is a condition of the *Education (Access Funds) (Scotland) Direction 2013*, that SFC shall administer student support funds, in conjunction with the fundable bodies, in accordance with the requirements of section 73ZA of the *Education (Scotland) Act 1980*, the *Education (Access Funds) (Scotland) Regulations 1990*, the *Education (Access Funds) (Scotland) Determination 2013*.

Use of bursary allocations

10. Colleges should apply the terms of this policy when using the funds allocated to them from SFC for bursary purposes. Funds may only be used for student support purposes, as described in this policy.
11. When using bursary funds, colleges should also apply all relevant legislation, together with any supplementary guidance that SFC may issue from time to time.
12. Under the *Education (Access Funds) (Scotland) Determination 2013* residential criteria for bursaries are as set out in Schedule 2, where “Scotland” excludes the local authority areas of Orkney Islands and Shetland Islands. A bursary payable to, or in respect of, a person who is eligible for a bursary only by virtue of Part 2 of Schedule 2, may include sums only in respect of tuition and other fees payable in respect of that person (see paragraph 64 “The college may also determine support for tuition and other fees”).
13. Conditions of grant apply and these will form part of the colleges’ Outcome Agreements for AY 2016-17.
14. Colleges must apply to SFC for dispensation to vary or add to the terms of this policy, including the limits set on the use of funds.
15. Colleges cannot use bursary funds allocated to them by SFC in a way that does not adhere to the guidance in this policy or a variation agreed by SFC. Any college wishing to discuss this matter further should contact Jane Scott, Policy Officer, Funding Policy, tel: 0131 313 6660, email: jscott@sfc.ac.uk.

Fund management

16. The Award Assessment section of the student support guidance sets out the minimum criteria, maximum rates and minimum contribution scales that a college must apply in allocating bursary funds. In recognising that the bursary fund is cash-limited, colleges may have to exercise discretion to target support to meet local priorities and the needs of their students.
17. We expect colleges to award students their full calculated award. **The previous policy, which allowed colleges vary awards to students, reducing the award to 80% of the calculated total, no longer applies.**
18. Colleges can choose to hold bursary funds in a separate bank account but this is not a condition of grant. There is no requirement to apply any interest earned on these funds to the fund balance.
19. Colleges should have in place systems which minimise incorrect payments of bursary funds. However, where there has been overpayment for any reason and funds are recovered, these should be credited to the fund balance at the time of recovery. The administrative costs of recovering these funds, in line with other administrative costs relating to SFC student support funds, should be met from core college funds.
20. Colleges should monitor their spend on study costs and we would expect college's overall spend on study costs to be in line with the sector average of between 6% and 7% as detailed in Annex B of the Award Assessment section of the guidance and paragraphs 32 and 33 of this section of the guidance provide further details). **The previous policy, that spend on study costs must not exceed 15% of the college's initial bursary allocation, no longer applies.**
21. SFC will undertake an analysis of the funds used for study and travel costs to identify and query any outlier data, with a view to ensuring greater consistency of practice in the distribution of these funds.

Using bursary funds for childcare

22. Colleges cannot vire or transfer funds from bursaries to childcare but they may spend bursary funds on childcare. The maximum amount of bursary funds which colleges may spend on childcare is 50% of the amount they were allocated for the childcare fund.
23. SFC expects colleges to use their childcare fund in full before using bursary funds as childcare funds (see the national policies for childcare and discretionary funds for information on the use of childcare funds). If a college wishes to use bursary funds for childcare but has not spent its childcare allocation in full then the college must contact SFC for permission to spend bursary funds as childcare

funds.

24. Colleges must ensure they explain this in writing when submitting their audited statement for student support funds. Colleges need to renew this request annually.

Using childcare and discretionary funds as bursaries

25. Colleges may use their childcare and discretionary funds to meet shortfalls in their bursary allocations.
26. In order to fulfil our duty to account for the proper use of public funds, any college that wishes to do this must first apply in writing to SFC to request this flexibility. Again colleges need to renew this request annually.
27. Any childcare and discretionary funds used in this way must meet the conditions of the bursary policy in full. Colleges cannot use childcare and discretionary funds to meet bursary needs of students who are not eligible for bursary funds.
28. Please ensure that you have met the childcare needs of students who are already being supported at the college before considering using these funds for bursary purposes.
29. Please note that this is not a virement of funds and to avoid clawback you should record your spend under childcare and discretionary funds in your audited student support return.

Audit and data collection requirements

30. Colleges are required to complete the student support elements of the FES return to confirm their final spend on student support. The AY 2015-16 FES 4 data return is due on **14 October 2016**.
31. Colleges were previously advised that subject to any remaining data quality issues, the audited aggregate return would be dropped. However, data quality issues still remain and until such time as the data quality of FES4 is deemed to be satisfactory colleges are required to complete an aggregate return.

Reporting on study items

32. When reporting spend on study items it is essential that colleges itemise costs against individual students, showing that the allocation has been calculated on the basis of need for specific items or materials. Colleges should not allocate set amounts to groups of students, regardless of subject of study or level of spend.
33. Annex B of the Award Assessment section provides details of average sector levels of spend on study costs, at an individual subject level and at overall sector level. Overall, the average mean sector spend on study costs is between 6% and

7% of the overall bursary budget. We expect that most colleges will not claim above sector average levels for study costs. However, we do recognise that there can be subject fluctuations, particularly where study costs are allocated to students with additional support needs. Colleges should be aware that SFC will monitor college spend and will investigate colleges with outlier data and those that exceed average levels of spend on study costs. We will expect colleges that exceed sector average levels of spend on study costs to be able to provide evidence of the reasons for high levels of spend.

Clawback

34. SFC will recover any student support funds which remain unused at the end of the academic year. Colleges are reminded that they cannot carry-forward any unspent funds and unspent funds for AY 2015-16 will be clawed back by SFC during AY 2016-17.
35. The available funds are taken to be the announced allocation for an academic year. Where appropriate, the available funds also take account of funds received or relinquished as part of the in-year redistribution process. Unspent funds are the available funds less the audited spend.

Administration of the award

Conditions of bursary

36. Every bursary shall be held subject to the following conditions:
- The holder shall comply with the requirements of the course of education in respect of which the bursary is awarded.
 - The college shall be satisfied as to the conduct and progress of the holder.
 - The holder shall provide the college with such information and such documents as they may from time to time require to enable them to exercise their functions in line with this policy.
37. If the above conditions are not complied with, or if the holder receives from any other source any sum which, in the opinion of the college, makes it unnecessary for the holder to be assisted by means of a bursary, the college may suspend payment of the bursary or terminate the bursary.
38. It shall be a condition of payment of a bursary that the applicant gives a written undertaking to pay to the college any amount which the college may request as repayment in line with the circumstances specified above. See paragraph 73 for further details.
39. Where the college is satisfied that there has been an overpayment of bursary for any reason and requests repayment of all or part of the overpayment, and the holder has given an undertaking as above, the holder shall be obliged to pay to the college the amount requested.

Attendance requirement

40. Bursary awards should be made on the basis that students have full attendance.
41. We recommend the extension of the EMA 100% attendance policy to bursary students. It should be noted that this allows students periods of authorised absence, including (but not limited to):
- Self-certificated absence because of illness for up to 5 consecutive days (note: this is calendar days, not college attendance days). For college students we do not expect the self-certified period to be covered by a letter from the parent / carer / guardian as stated in the EMA policy. Medical certificates should be submitted for illnesses lasting for more than 5 days.
 - Religious holidays (but not other holidays).
 - Work experience placements.
 - Exam preparation.

- Attendance at Children’s Hearing, court, meeting related to caring responsibilities or care needs, etc.
 - Unexpected caring responsibilities, either for the student’s child(ren) or an adult dependant, such as the illness of a child or dependant.
 - Severe weather and transport breakdown.
 - Attendance at a family funeral.
 - Emergency medical or dental appointments (but not routine appointments unless the student can prove that these could not be arranged outwith planned study hours).
42. Colleges are free to determine how often students may take periods of authorised absence, and may align their policy on this with their absence policy for college staff. Colleges should work to the principle that students who are having difficulties in meeting attendance criteria should be offered pastoral care and support before punitive and / or disciplinary measures are put in place. However, the College also must be satisfied that the student is making sufficient progress in their course and is achieving required learning outcomes.
43. In all instances of absence, colleges should use their discretion to determine what absences will be accepted and can take into account the student’s wider circumstances. Where a student has complex circumstances which impact on their attendance, Colleges should agree attendance plans directly with the student and this should be reflected in the student personal learning support plans.
44. Colleges should have regard to equalities legislation (see paragraph 49) and the Children and Young People (Scotland) Act 2014 (see paragraph 51) when considering the position of students with protected characteristics and care experienced students. Colleges may exercise increased flexibility when considering attendance issues for these groups of students. Colleges should conduct Equality Impact Assessments on their attendance policies to ensure that protected groups are not disadvantaged.
45. Colleges should also consider, when determining their policies on authorised absence, their position on maternity / paternity / adoption leave for students.
46. SFC expects colleges to:
- Produce their own rules for measuring satisfactory attendance.
 - Produce their own guidance for authorised absence .
 - Operate these rules and guidance consistently across the college.
47. Colleges should withhold payment and seek refunds for periods of unsatisfactory attendance.

Legal considerations

48. Colleges should be aware of and comply with equalities legislation in relation to student support matters.
49. **Equality Act 2010:** This Act brings together all previous equality legislation, and includes public sector equality duty, which replaced the separate duties relating to race, disability and gender equality. This duty includes provisions such as:
 - Indirect disability discrimination.
 - Discrimination arising from disability.
 - New protected characteristics.
 - Pregnancy and maternity, and.
 - New positive action provisions.
50. Further guidance can be obtained from the [Equality and Human Rights Commission](#):
51. **Children and Young People (Scotland) Act 2014:** This Act confirms colleges' status as corporate parents. Colleges should ensure that their student support policies take into account the circumstances of care experienced students and the college's responsibilities towards these students. Care experienced students to be allocated the optimum award, for example in most cases they would receive a bursary rather than an EMA (see paragraph 45 of the Award Assessment section of the guidance). Colleges should also note paragraphs 46 and 63 of this document which allow colleges to exercise flexibility over care experienced students' attendance and submission of documentation.
52. **Data Protection Act:** All personal data must be processed in accordance with the eight principles of the *Data Protection Act 1998*. Colleges should inform students that they, SFC and other colleges may process the information students provide on their application form for audit, monitoring and fraud avoidance purposes.
53. In extraordinary instances where personal student data needs to be transferred to SFC or any other agency or institution this should be carried out securely and in accordance with an agreed data sharing protocol.

<http://www.legislation.gov.uk/ukpga/1998/29/contents>

Documentary evidence

54. All students and relevant parents or partners should supply supporting documentary evidence whenever they are required to do so.
55. In line with any requirements agreed with college auditors, colleges may accept:
 - Original documents to copy or scan in the college.

- Clear photocopies.
 - Clear scanned copies.
56. The college should reserve the right to request original documents if required, and this should be clearly stated on its application forms and website.
 57. If the college has seen original documents it should record evidence that staff have seen the original documents supporting a student's claim to eligibility for an award, through for example, age, marital status or receipt of benefits. The retention of copied versions of this evidence is at a college's discretion and should be in line with current Data Protection principles.
 58. Where this information is not provided, or where the college believes a student or relevant parent or partner is withholding information that may be relevant to the student's application, colleges may use their discretion to offer the student a provisional award or refuse to offer the student an award.
 59. If the required documentation is not available at the time of application a college may (at its own discretion) approve a provisional award until such time as that documentation becomes available. However, if the provisional award exceeds the final award the college should seek a refund for any overpayment given.
 60. Students who are care experienced may have difficulty in accessing documentation where they have become estranged from their families and support networks. If a student who is care experienced cannot access the required documentation the college may approve an award to the student at its own discretion.
 61. Colleges should have in place their own system / process for applications and supporting documents for courses that span two academic years.

Data retention

62. SFC recommends that a reasonable period to keep records on student support is one year after the student's period of support has ended. However, colleges are reminded that **documentation associated with ESF students will need to be retained for between 5 and 12 years** after the period of support has ended (depending on the ESF programme). (This is in line with the Scottish Government's retention policy for ESF programmes, which states "*for the 2007-2013 programmes – the earliest retention date estimated at the moment is 31 December 2019*"). See the following link for more information:

<http://www.scotland.gov.uk/Topics/Business-Industry/support/17404/latest-news/Retention>

Amount of bursaries

63. The amount of a bursary award shall be determined by the college. This may include sums in respect of:
- The maintenance of the bursary-holder and of any person dependent on the holder during periods of full-time attendance and during vacations.
 - Travel expenses necessarily incurred, or to be incurred, by the bursary-holder in undertaking the course of education in respect of which the bursary is awarded.
 - Other expenses incurred, or to be incurred, by the bursary-holder in taking advantage of educational facilities.
64. The college may also determine support for tuition and other fees payable in respect of the holder of a bursary (or other students within the eligibility criteria set by SFC). This support should be within the terms of the Fee Waiver Policy AY 2016-17, issued at the same time as this policy.
65. In determining the amount of a bursary, the college may take account of the sums, if any, which in their opinion the holder of the bursary, the holder's parents and the holder's spouse or civil partner can reasonably be expected to contribute towards the holder's expenses¹.
66. The amount of a bursary may be revised at any time if the college thinks fit, with regard to:
- The failure of the holder to comply with the conditions of the bursary.
 - A change to the circumstances of the student or their partner or their parents (where the award is based on the circumstances of the partner or parents)
 - Any error made in the calculation of the amount of the bursary.

Informing the student of the bursary award

67. Once an award has been finalised colleges should provide students with details of how their award has been calculated and how payments will be made. Details of the information that should be included in the award letter is contained in Annex A of the Advisors Notes section of the bursary guidance which can be found via the following link:

¹ The 'holder's spouse' shall, where the college considers it appropriate, include the other member of a couple who are not married to each other but who are living together as husband and wife and 'holder's civil partner' shall, where the college considers it appropriate, include the other member of a couple who are not civil partners to each other but who are living as civil partners to each other. (See also the glossary definitions of "married" and "partner" at paragraphs 33 and 40 respectively of the [Advisors Notes](#).)

http://www.sfc.ac.uk/funding/colleges/student_support/student_support_guidance.aspx

Payment of student bursaries

68. The equivalent of two weeks of any bursary award is the **maximum** amount of bursary funds that can be paid in advance to any student. However, any college which operates a system of paying more than two weeks in arrears may continue to do so.
69. This should not impact on the purchasing of study items; it only affects the financial payments to students.
70. Bursary payments can only be backdated to the start of the course if the complete application is received within six weeks of the start of the course. (This does not include any delay arising from official documentation requirements.)
71. SFC recommends that colleges pay students their award by BACS instalments, at least once a month.
72. Colleges can pay students these instalments in advance and should reserve the right to withhold, stop or demand refunds for bursary payments based on a student's suspension and / or commitment to progress.

Amending an award

73. Colleges can use their discretion to amend a bursary award if they discover changes in a student's circumstances but this must be supported by appropriate documentation.
74. Students should sign a declaration on the bursary application form, undertaking to refund on demand any overpayment made. This includes overpayments due to miscalculation, re-evaluation of eligibility, unsatisfactory attendance or failure to comply with the college's code of conduct. The student should acknowledge that repayment may be made by reduction or suspension of future payments.

Student appeals

75. We recommend that any grievance raised by a student concerning the application of this policy should be addressed in the first instance with the relevant student support staff in the college. If the student is still unhappy with the result, the college should have an appeal process in place to allow the student to take this grievance further. At this stage in the process, the system should include a review by people who are impartial to the case. SFC is willing to provide clarification on points of policy but should not be involved as part of the appeal process.