

Conditions of university funding 2020-21

* denotes new or amended condition from what was published in April 2020.

1. Grant funding is provided to allow universities to deliver their 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](#) between the Scottish Funding Council (SFC) and Higher Education Institutions.
3. Universities must have regard to public sector pay policy set by Scottish Ministers.
4. Universities are required to comply with any principles of governance which SFC believes to constitute good practice in relation to such bodies. Regional strategic bodies receiving grant funding from SFC are required, when making payments to any institution assigned to it, to impose this condition on the institution.
5. All funded provision must be of satisfactory quality, in line with SFC guidance.
6. If the Scottish Government revises its grant funding to SFC, we reserve the right to make in-year adjustments to university funding. In this case, SFC would renegotiate the terms of its outcome agreement with the university.
7. Where appropriate, universities must provide data returns requested by SFC to the deadlines and standards specified. Relevant guidance can be found on the SFC website.
8. Where a university is in receipt of European Social Funding (ESF) it must follow and adhere to ESF programme guidance/requirements.
9. The funding outlined in this announcement is subject to the agreement of your outcome agreement for Academic Year (AY) 2020-21.

Tuition fees

10. Where applicable, universities must charge student tuition fees at the levels set by Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011, whichever is applicable (other than those persons who are undertaking an honours or ordinary degree course which is a specified 'graduate entry' course,

requiring successful completion of a previous honours or ordinary degree level qualification or relevant experience). Under the 2005 Act, regional strategic bodies receiving grants from SFC are required, when making payments to any institution assigned to it, to impose this condition on the institution. However:

- Universities must charge fees equal to those set by Scottish Ministers under either the Student Fees (Specification) (Scotland) Order 2006 or the Student Fees (Specification) (Scotland) Order 2011 to applicable students on the following 'graduate entry' courses:
 - Bachelor of Dental Surgery, University of Aberdeen.
 - Scottish Graduate Entry Medicine (ScotGEM), University of Dundee and University of St Andrews (the £1,820 fee is paid by SFC).
 - The tuition fee levels set by Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2006 does not apply to students who do not have a relevant connection with the United Kingdom and Islands or are not excepted students within the meaning of the Education (Fees and Awards) (Scotland) Regulations 2007.
 - The tuition fee levels set by 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, but any tuition fees charged to students from the rest of the United Kingdom (rUK) must not exceed £9,250 per year.
11. Universities should not charge a student fee for any course funded by SFC at the gross teaching price; these should be provided on a 'fee-waiver' basis. This includes funded student places for Masters level courses to be delivered under the Innovation Centre programme.

Funded places and indicative numbers

12. Universities should fill the target number of funded student places that SFC provides. We may recover funding if universities under-enrol against funded places or over-recruit (above the consolidation numbers set out in Table 5), subject to the tolerance thresholds set out in paragraphs 13 to 21 below.

Under-enrolment policy

Non-controlled subjects

13. The tolerance threshold for under-enrolment against funded student places in non-controlled areas will normally be 2%, subject to the terms of the outcome agreement. This threshold applies to total funded places within non-controlled

subject areas, for Scottish-domiciled (Scots-dom) students and students from the rest of the European Union (rEU). For under-enrolment in the non-controlled subjects SFC will recover Main Teaching Grant equivalent to that associated with the recruitment below the tolerance threshold.

Controlled subjects

14. The tolerance threshold for under-enrolment against funded student places in the controlled subjects of Dentistry, Pre-registration Nursing and Midwifery Education, and Initial Teacher Education is 3%. This threshold applies to funded student places – for Scots-dom and rEU students – at a course level for controlled subjects.
15. For the controlled subject of Medicine, there is no tolerance threshold for under-enrolment. Under-enrolment will be measured against the annual core intake target for Scots-dom and rEU students.
16. For under-enrolment in the controlled subjects SFC will recover Main Teaching Grant equivalent to that associated with the recruitment below the tolerance threshold.

Over-recruitment (consolidation) policy

17. Universities should not exceed their student numbers for ‘consolidation’ - for non-controlled and controlled subjects - by more than the tolerances set out below. The purpose of consolidation for non-controlled subjects is to ensure that universities conform to the Scottish Government’s consolidation policy by limiting the numbers of full-time (and sandwich) undergraduate students eligible for funding across all years. For controlled subjects the purpose is to support the Scottish Government’s workforce planning processes.

Non-controlled subjects

18. In AY 2020-21 the penalty for breach of consolidation for non-controlled subjects will be withdrawal of part of the Main Teaching Grant equivalent to the estimated tuition fee income generated by the student numbers in excess of a 10% threshold. As the control will cover Scots-dom and rEU students only, the level of this income will be based on the Student Awards Agency Scotland (SAAS) fee.

Controlled subjects

19. For the controlled subjects of Initial Teacher Education and Pre-registration Nursing and Midwifery, universities will be liable for a financial penalty if they exceed their ‘indicative number’ by 10% or 10 Full-Time Equivalent (FTE) places; whichever is larger.

20. For the controlled subject of Dentistry, universities will be liable for a financial penalty if they exceed their indicative number by 5%.
21. For the controlled subject of Medicine, universities will be liable for a financial penalty if they exceed their intake target for all Scots-dom, rEU and rUK entrants, subject to a 10% tolerance threshold.
22. The control covers Scots-dom, rEU and rUK students. The financial penalty per FTE in breach of consolidation is the tuition fee for Scots-dom/rEU students and the subject price for rUK students, based on the assumed breakdown of student numbers in excess of the threshold.

Additional funded places

23. SFC will continue to monitor the use of additional funded student places awarded for Articulation and those associated with the Innovation Centres to ensure that these places are being fully utilised. Where additional funded places have been unfilled, we will consider re-allocating these places and/or we may recover funding if universities under-enrol.

Articulation (Associate Student Scheme)

24. Universities should follow the requirements of the scheme as set out in SFC's original Articulation [Guidance](#) and [FAQ](#) documents. Universities should be undertaking a joint recruitment process with colleges and ensure that there is sufficient support for students through their studies at college to ensure that articulation takes place. We expect 75% of funding for those years in which activity is delivered in colleges to be transferred from universities to colleges.

Taught Postgraduate

25. SFC is providing full funding (including the tuition fee element) for a set number of additional Taught Postgraduate (TPG) Skills and Innovation Centre places. Universities should ensure students who are eligible for these places have their tuition fees waived.
26. There is no under-enrolment tolerance threshold for the additional Articulation or TPG places.

Research funding

27. Universities must use Research Excellence Grant (REG) funding for research purposes only; targeting their grant allocations predominantly on world-leading and internationally excellent research.

28. SFC's Research Postgraduate Grant (RPG) invests in the environment needed for high quality research training and supports postgraduate research students to contribute to research in Scotland. Universities are expected to include support for entrepreneurship, knowledge exchange and employability in their postgraduate training environment.
29. Use of REG and RPG should be reported through university outcome agreements.

University Innovation Fund

30. As with previous years, the retention of UIF allocations for AY 2020-21 is conditional on the submission of a satisfactory UIF plan as part of a university's outcome agreement.

Global Challenges Research Funding

31. Global Challenges Research Funding allocations are conditional upon universities having submitted satisfactory research strategies, setting out their intended use of this funding for ODA-compliant research over AYs 2018-19 to 2020-21.
32. * It is also a condition of GCRF that:
 - universities have procedures in place for the prevention, reporting and investigation of incidents of staff misconduct. ('Staff' covers university employees and any person engaged by the university using GCRF.);
 - universities take all reasonable steps to investigate allegations or suspicions of sexual exploitation, abuse or harassment and take appropriate corrective action, including disciplinary action, against relevant staff or others employed, and to keep SFC and relevant authorities informed of the progress of the investigations as appropriate; and
 - where incidents have been notified to OSCR, universities advise SFC that a report has been made (but SFC should not be informed of the detail of the incident itself).

Other non-core funding

33. Other non-core grant funding must only be used for the purpose(s) for which it is provided. Universities must adhere to the requirements and any specific conditions of grant as detailed in each project's letter of grant.

Capital funding

Capital Grant

34. Capital Grant funding must be used for estates build/maintenance and/or debt servicing associated with capital developments. All expenditure should be aligned to a university's estate strategy.

DBEIS/SFC Research Capital Grant

35. Research Capital Grant funding from the UK Department for Business, Energy & Industrial Strategy (DBEIS) and SFC should be used to enable universities to focus on maintaining excellent departments with the critical mass to compete globally and the expertise to work closely with business, charities and public services. Funding should be used solely for capital investment in the physical infrastructure for research. All expenditure should be aligned to a university's estate strategy.
36. * It is recognised that some infrastructure is often used for both research and teaching purposes. DEBIS/SFC Research Capital funding may be used on such infrastructure so long as spend is proportional to the percentage that is used for research.
37. * DBEIS/SFC Research Capital Grant funding must be used for, and line with, the purpose(s) for which it has been allocated, as set out above. SFC will consider the recovery of funds or reducing future funding should universities fail to meet those conditions.

Failure to adhere to conditions

38. As a standard condition of funding, if a university does not deliver its outcome agreement and the targets set out within it, or does not meet any other conditions of grant (including those set out in this document), SFC will consider the recovery of grant and/or reductions in future funding. SFC will however take the current unprecedented circumstances relating to the COVID-19 pandemic fully into account in those considerations.