



# SFC Guidance

## ESF Developing Scotland's Workforce

Issue date: 7 August 2018

Reference: SFC/GD/19/2018

Summary: Guidance notes for institutions participating in the European Social Fund (ESF) Developing Scotland's Workforce programme, Phase 2 (2018-23)

FAO: Principals and Directors of institutions operating under the ESF 'Developing Scotland's Workforce' programme.

Further information:

**Contact:** Rebecca Fairgrieve-Stewart  
**Job title:** Senior Policy/Analysis Officer, ESF  
**Directorate:** Finance  
**Tel:** 0131 313 6687  
**Email:** [rfairgrievestewart@sfc.ac.uk](mailto:rfairgrievestewart@sfc.ac.uk)

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD  
T 0131 313 6500  
F 0131 313 6501  
[www.sfc.ac.uk](http://www.sfc.ac.uk)



**EUROPE & SCOTLAND**  
European Social Fund  
Investing in a Smart, Sustainable and Inclusive Future

ESF Developing Scotland’s Workforce.....	3
Introduction .....	3
Summary of main programme eligibility criteria .....	3
Key monitoring requirements .....	4
Student destinations/results .....	5
Course eligibility guidance.....	5
Participant eligibility guidance .....	7
Legally able to reside/work in UK.....	7
Residency.....	7
Qualification levels on entry.....	9
Student support guidance (H&I only).....	10
Study expense allowances.....	11
Travel expense allowances.....	11
Childcare costs.....	11
Conditions of grant .....	11
Other programme guidance .....	12
Personal data, data returns and claims.....	13
Gathering participant information and retaining documentation for audit purposes .....	13
Electronic documents.....	15
Reporting process.....	16
<b><i>FES quarterly returns</i></b> .....	17
Payment profile .....	18
Clawback.....	18
Further information.....	18

- Annex A - Refugees & Asylum Seekers
- Annex B - ESF Participant Form (2018-19)
- Annex C - Retained Information Guidelines
- Annex D - SFC Funding Models
- Annex E - Alternative certification form

# ESF Developing Scotland's Workforce

## Introduction

1. Developing Scotland's Workforce (DSW) aims to address regional skill gaps and shortages associated with key employment sectors; providing higher level skills to support the development of emerging growth areas. Funding has been provided to allow the provision of additional further and higher education activity across Scotland, including Lowlands and Uplands Scotland (LUPS) and the Highlands & Islands (as a transitional region). The DSW project, under the 2014-2020 European Structural and Investment Funds programme, is fundamentally different to previous ESF programmes that colleges may have participated in.
2. This document provides guidance to further and higher education institutions<sup>1</sup> on the purpose of the DSW programme and the funding allocated to institutions under it, eligibility criteria, conditions of grant, monitoring / reporting processes and fund management for this project.
3. ESF activity funding under DSW has been allocated to institutions in Scotland based partly on our demographic model and the need / demand for additional places. The aim of the additional activity allocated under DSW is to:
  - Provide higher level skills, upskilling and job progression.
  - Support emerging employment potential in the national Smart Specialisation sectors and other key national / regional growth sectors.
  - Provide higher level accredited 'nationally recognised qualifications'<sup>2</sup>.

## Summary of main programme eligibility criteria

4. The characteristics of ESF fundable students under DSW are as follows:
  - There are no age restrictions however the clear focus of the programme is progression and upskilling, and to help support emerging industries and key growth sectors by promoting relevant vocational skills and higher level qualifications. The project is not focussed on unemployment.
  - Student participants must be on programmes of study that will gain them higher level skills and qualifications in regional and national growth areas, including the National Smart Specialisation sectors.

---

<sup>1</sup> References to 'Delivery agents' in this document refer to colleges and universities (as applicable), including SRUC, The Data Lab (University of Edinburgh) and the University of Highlands & Islands (UHI).

<sup>2</sup> A 'Nationally Recognised Qualification' in this context is considered to be one that has a group award attached to it.

- Delivery agents in the Highlands and Islands (H&I) must provide programmes of study leading to a nationally recognised qualification, e.g. Scottish Credit & Qualifications Framework (SCQF) accredited at International Standard Classification of Education (ISCED) level 3 or above, which equates to SCQF level 5 or above.
  - Delivery agents in the rest of Scotland (LUPS) must provide qualifications at ISCED level 5 or above, which equates to HE activity at SCQF level 7 and above (i.e. Higher National qualifications and above).
  - An ESF Participant Form must be fully completed and signed by the student and the institution at induction or as soon as possible thereafter. This form notifies the participant that the course they have enrolled on is part-funded by ESF through the DSW programme.
  - Participants must be able to provide acceptable evidence of their residency and legal right to live (and work) in the UK.
  - Where a participant adopts a different name and / or gender to their eligibility evidence, the change of name / gender should be evidenced accordingly, e.g. through use of an official document or declaration signed by the participant and authorised by a representative from the college / university.
  - Participants attending institutions located in the H&I geographical area must reside in that respective area, subject to geographical flexibility allowances<sup>3</sup>.
  - Continuing ESF participants are only eligible under DSW if they are progressing to a higher level course. For example, if an ESF student has undertaken a qualification at SCQF level 7 in AY 2017-18 and enrolls on an SCQF level 8 course in AY 2018-19, the student remains eligible for ESF.
5. Institutions must be able to demonstrate 'additionality' as a result of ESF activity delivered through DSW.

### **Key monitoring requirements**

6. The physical attendance of students at a college or university is not monitored by SFC for the purpose of providing teaching funding<sup>4</sup>. However, we expect institutions to manage attendance and participation on courses effectively to ensure that ESF participants who are not sufficiently engaged in learning are withdrawn.

---

<sup>3</sup> UHI is permitted to allocate up to 15% of the 'Operation' cost to participants (and associated student support) outside of the H&I geographical area (but within LUPS).

<sup>4</sup> For the purposes of ESF funded activity, SFC requires attendance to be monitored in order to support claims for 'achievements' and 'costs'.

7. Qualifications achieved by successful participants must be monitored and recorded by institutions.
8. Participants who complete their course but do not successfully achieve a qualification must also be monitored by institutions and evidence of their continued engagement in learning until the end of their course (despite their relative lack of success) retained.

### ***Student destinations / results***

9. There are important monitoring requirements for results / outputs under DSW. Institutions must be able track their students' destinations and report to SFC on the following specific result indicators:
  - Participants in employment, including self-employment, six months after leaving (regardless of their achievements or whether they completed their course).
  - Participants with ISCED level 5+ qualifications (SCQF level 7 [HN] or higher) upon leaving.
  - Participants with ISCED level 3 qualifications (SCQF level 5, 6 or 7 [non-HN] upon leaving; (this is only relevant to H&I and UHI partner colleges).

### **Course eligibility guidance**

10. Additional student places provided through DSW should be in areas highlighted in regional skills plans in order to ensure that participants are gaining higher level skills in national and regional growth areas. Where possible, institutions should focus on the National Smart Specialisation sectors, such as Food & Drink, Life Sciences, Renewable Energy, Low Carbon, Finance & Business and Creative Industries, as well as STEM subjects generally. (ESOL courses are ineligible under DSW).
11. Participants must be enrolled on a programme of study leading to a nationally recognised qualification, e.g. accredited within Scottish Credit & Qualifications Framework (SCQF).
12. Colleges must follow SFC's Student Activity Data Guidance for Colleges ('Credit Guidance'). This Guidance sets out the details of students and courses eligible for funding as well as credits that can be claimed in respect of full and part-time provision. In addition to SFC's Credit Guidance, in cases of students withdrawing, additional rules apply (as set out overleaf):

- For college participants who complete their course, ESF credits should be based on the **actual** number of credits completed (passed or failed). These students should be identified in the 'FES 2' return as having completed their course (i.e. the outcome selected from the 'student record outcome' list must specifically state '*completed*') in the Final FES return, due on 4 October 2019.
  - Where a participant does not complete their course and withdraws from it early, a college can only claim for the credits completed (passed or failed) up to the point of withdrawal. For example, a student who withdraws after one semester of a 16 credit course and completes 7 credits (successfully or unsuccessfully) can only be counted for those 7 credits.
  - College participants must complete at least in order to be eligible. one full credit
  - Part-credits (in excess of one) will be rounded down for ESF audit purposes.
  - ESF credits can only be claimed by colleges once their core SFC credit target has been achieved. For example, a college that delivers 101,000 credits against a 99,000 core credit target would only be able to count 2,000 credits as ESF.
13. SFC's current [Credit Guidance](#) is available on our website.
  14. Colleges must adhere to [SFC's Fee Waiver Policy](#) - current guidance on how a college may use fee waiver grant from SFC is on our website.
  15. Colleges must also adhere to SFC's [residential eligibility rules](#), which are available on our website.
  16. SFC rules on residency align with [Scottish Government residency criteria](#).
  17. In addition to residency rules, the criteria set out in Annex A of this guidance relating to refugees and asylum seekers also applies to the DSW programme.
  18. Universities must follow SFC's Early Statistics Return guidance, particularly section 4 which summarises the criteria of students / courses eligible for funding. Universities providing student places through DSW must be able to demonstrate 'additionality', as a result of ESF, to their core SFC-funded activity.
  19. Current notes of guidance on SFC's [Early Statistics Return](#) are available on our website<sup>5</sup>.
  20. Colleges must accurately 'flag' and record DSW participants in the Further Education Statistics (FES) system. For each participant, colleges will be required

---

<sup>5</sup> Early Statistics Guidance for 2018-19 is due to be issued on 26 October 2018.

to provide a record of the course / qualification enrolled for and the credits claimed, broken down to unit level, which will be retained on the FES system.

21. Universities will similarly be required to provide a record of the course / qualification and the final Full-time Equivalent (FTE) places claimed as recorded in their Final Statistics Return (end September).
22. There will be reconciliation points during each year of the programme to ensure that delivery agents are on track to achieve their ESF activity. For colleges this means meeting their core SFC target plus their additional ESF target as set out in their offer of grant letter. (See section below on 'FES quarterly returns').

### **Participant eligibility guidance**

23. Delivery agents must collect and retain evidence from every participant that proves they have the legal right to live / work in the UK and confirms their residence at induction / course start<sup>6</sup>. Delivery agents should do this by providing the following evidence:

#### ***Legally able to reside / work in UK***

- A valid, **unexpired** UK (or other EU Member State) passport. Non-EU passports are acceptable if they are endorsed 'indefinite leave to remain - proceed' (settled status) or include work or residency permits or visa stamps (unexpired) and all related conditions are met.  
*or*
- A UK (or EU member state) birth / adoption certificate.  
*or*
- A valid, UK (or EU member state) driving licence.<sup>7</sup>  
*or*
- A valid EU ID card (provided that the participant comes from a country within the European Economic Area (EEA) or Switzerland).

#### ***Residency***

- Evidence should be in the form of:
  - Utility bill.
  - Bank / credit card statement.
  - Council Tax bill.
  - NHS Medical Card.
  - Official correspondence from the NHS, DWP or HMRC.

---

<sup>6</sup> Disclosure and PVG are **not acceptable** as evidence for the purposes of proving residency or RTLW in the UK. These must not be submitted as evidence as they are not permitted to be shared with third party organisations, i.e. SFC, SG Managing Authority.

<sup>7</sup> Full and provisional driving licences are acceptable.

- Driving Licence (full or provisional)<sup>8</sup>.
  - SQA Navigator report.
- Evidence can be dated up to 6 months before the participant's entry date. As a rule, evidence should not be dated more than 3 months after the course start date, unless exceptional circumstances are present. Please also note that correspondence from a private individual is not acceptable and where an individual is homeless, evidence of address is not required, although a 'care of' address should be noted (where available).
  - The use of a screenshot from a college / university MIS system which shows a student's term-time address is acceptable as evidence of residency, but only in exceptional circumstances – and where all other attempts to obtain the documentation (per the lists above) have been exhausted.<sup>9</sup>
24. If a participant is unable to provide the above evidence in relation to being legally able to reside / work in the UK (as shown in the first three bullet-points under paragraph 23 above), the following alternative evidence is acceptable:
- Identity Card issued by the Home Office in place of a visa (confirming the participant's right to stay, work or study in the UK).
  - Marriage / Civil Partnership certificate (provided that it can be evidenced that the participant's partner has a legal right to live in the UK).
  - National Insurance (NI) number e.g. NI card / letter, correspondence from HMRC / DWP / Jobcentre Plus / Pension Service, contract of employment, wage slip.
  - Evidence that participant is employed in the UK e.g. letter of employment, wage slip, contract of employment.
  - Evidence that participant has been employed in the UK within the last three years e.g. P45, P60, wage slip, contract of employment.
  - Evidence that the participant is in receipt of state benefits / pension e.g. letter detailing benefits (DWP / Universal Credit / Job Centre Plus / Pension Service correspondence).

---

<sup>8</sup> (a) A UK/EU driving licence can be used for both residency and right to work / live in the UK *i.e. only one piece of evidence need be collected provided that (i). The licence is valid and the address on the licence matches that stated on the ESF form and; (ii). The student's place of birth is within the UK, EEA or Switzerland.*

(b) Driving licences which are valid within one month of the course start date may be used to evidence residency, but not RTLW.

<sup>9</sup> This course of action should be used as a last resort – if the screenshot is deemed unsatisfactory, the participant will become ineligible for funding.



- Signed referral from a government agency / service using a statutory register and who has an accurate knowledge and verified the participant's circumstances (DWP, Local Authority service).
- Residency permit for foreign nationals.
- Asylum Seekers - copy of individual's Application Registration Card (ARC).
- Proof of Refugee Status, Humanitarian Protection, Discretionary Leave to Remain or Indefinite Leave to Remain in the UK, including:
  - A Home Office letter confirming status and permission to work.
  - A Home Office Certificate of Identity.
  - A benefits notification letter.
  - An Immigration Status Document.

### ***Qualification levels on entry***

25. Delivery agents **must** have evidence of their participants' qualifications<sup>10</sup> prior to course start date, by having:
- Qualification certificate(s).
  - Records of the academic institution / qualification body etc.
  - A print-out from 'My SQA' recording details of qualifications held.<sup>11</sup>
- Where no evidence of qualification can be obtained via SQA, or there is no grouping / group award, the student should select 'no qualifications' on their ESF form and sign the participant declaration to confirm.

*Evidence collected to show the qualification level prior to enrolment (per above) must reflect the selection that the participant has made on their ESF form. The highest qualification level must be taken from the 'grouping' i.e. a whole accredited course, and not unit level.*

26. All participant evidence that has been photocopied or obtained via 'MySQA', either by the participant or the institution, must be signed and certified by the delivery agent as a true copy of the original document. (See paragraph 50.)
27. Delivery agents must collect and record each participant's NI number as their unique identifier. Participants should make every effort to provide their NI number, as it would be required if they were asked to take up employment.

---

<sup>10</sup> Where qualifications certificates / academic records are written in a language other than English, the delivery agent should provide a brief translation of the qualification title and level – this should be signed and dated.

<sup>11</sup> Qualifications obtained pre-1995 (not available from SQA) should be evidenced using certified copies of original certificates.

Alternative identifiers, such as a Scottish Candidate Number (SCN) or matriculation number (universities), will only be accepted **in exceptional circumstances** if the institution has exhausted its attempts to obtain an NI number.

### **Student support guidance (H&I only)**

28. The following points in this section apply only to colleges in the UHI network.
29. Colleges in receipt of ESF student support funding through DSW must follow SFC's [student support guidance](#), available on our website.
30. Colleges can use allocated student support funds - bursary and / or childcare funding - to support eligible ESF participants that meet the relevant student support eligibility criteria set out in the above guidance. (Discretionary funding and Educational Maintenance Allowance (EMA) payments are ineligible and cannot be claimed through ESF.)
31. Colleges should be mindful of a participant's attendance and their continued engagement in learning. SFC expects colleges to withhold student support payments to participants for prolonged periods of unauthorised absence that the college deems as unsatisfactory, in accordance with their student support policies<sup>12</sup>.

---

<sup>12</sup> We understand that there may occasionally be circumstances where it is not appropriate to withhold student support payments. Where exceptional circumstances are present, a file note should be added to explain the reasons behind the college's decision to continue making payments.

32. Colleges must retain a full audit trail of all student support payments to ESF participants, including travel costs, and comply with student support audit guidance.

### ***Study expense allowances***

33. Study costs are ineligible under ESF due to the audit evidence required to attribute all study costs directly to individual students.

### ***Travel expense allowances***

34. Travel costs are eligible, but only if they can be evidenced and directly attributed to an individual student (e.g. where the student has been paid directly / where the student is named on bus company invoice).

### ***Childcare costs***

35. If childcare payments are made directly to a student, there must be evidence that the payment has been passed onto the childcare provider. Furthermore, where a childcare provider is paid and there is no invoice, there must be confirmation from the childcare provider that the child attended nursery regularly throughout the year / up to the point of withdrawal (as applicable).

### **Conditions of grant**

36. The following conditions of grant apply:
- (i) All funds must only be used for the purpose(s) for which they are provided. (SFC retains the right to audit the relevant institutional documentation in order to satisfy itself that this is the case and the delivery agent undertakes that it will provide such assistance as SFC reasonably requires to allow it to do so).
  - (ii) This funding must meet the eligibility criteria for the Developing Scotland's Workforce (DSW) project.
  - (iii) Delivery agents must be able to demonstrate additionality.
  - (iv) Delivery agents must deliver the additional ESF activity targets set out in their offer of grant letter in order to receive the full allocation of ESF funding. Under-recruitment is likely to result in the clawback of funding.
  - (v) Delivery agents will provide progress and monitoring reports to SFC as required under DSW.
37. SFC may decide to recover any amounts of grant unspent, or which in its view have not been spent for the purpose in which they were allocated or in accordance with conditions of grant / ESF programme guidance.

## Other programme guidance

38. As part of the DSW programme, institutions should:

- Inform SFC in advance of any publicity arrangements they are making for the DSW project. Institutions must also provide examples of publicity used in the delivery of this project when requested by the SFC. Please also note the [specific guidelines on ESF publicity](#).
- Seek our agreement in advance for any alterations to the activity outlined in the initial completed Regional Skills Template.
- Give SFC written notice of any anticipated under-delivery of ESF activity under the project.
- Certify true copies of original paper documents (photocopies). Photocopied documents must contain a 'certification statement' and the statement must be annotated on, or appended to, the copy. If a document contains multiple pages, then the first page should be certified and the number of attached pages indicated on the front page (alternatively, each page could be certified).
  - Photocopies must show the relevant evidence and **must be clear and readable**. Any additional personal student data on the evidence should be redacted. The certification statement **must** be signed and dated by an employee who can vouch that the copy is a true replica image of the original. (See 'Electronic documents' section below, paragraph 47-50).
- Upload ESF participant documentation, as required, using SFC's secure server which can be accessed at: <https://share.sfc.ac.uk/secure-send>.
- Accept and be prepared for SFC, Scottish Government and / or the European Court of Auditors (ECA) auditing relevant institutional project documentation to confirm that funding has been used appropriately and in line with conditions of grant.
- All documentation relating to ESF DSW student participants must be retained for audit purposes (see overleaf).

## Personal data, data returns and claims

39. The ESF programme requires the collection and sharing of personal data, including sensitive personal data. It is therefore essential that we, SFC and our delivery agents, make sure we keep the information used for this programme confidential and adhere to data protection laws when using students' personal data. Some key considerations include:

- Delivery agents should ensure that only necessary information is shared with SFC - nothing more. When sharing documents with SFC, you should edit or redact out information which is not necessary to evidence the ESF claim, e.g. bank details for non-ESF students.
- Delivery agents should ensure that concise information about how their data is used is communicated to students at the point of data collection.
- Delivery agents should only ever share documents containing personal information with SFC via the secure server.

If you have any queries about the use of personal data for ESF purposes you can get in touch with the team at SFC or contact your own Data Protection Officer / team for more information.

40. Colleges will be subject to full and comprehensive testing of evidence relating to their participants. Complete financial testing will also be undertaken in respect of student support costs (where applicable). ESF reporting is built into quarterly FES reporting and it is mandatory that colleges complete additional reporting for ESF students through FES, e.g. 'status immediately prior to enrolment' and 'highest qualification level at time of enrolment'.
41. HE institutions will be subject to the above testing. Reporting for HE will be through the medium of HESA and individual excel data returns.

## Gathering participant information and retaining documentation for audit purposes

42. As Lead Partner, the SFC is responsible for collating and submitting claims based on robust supporting information. This can only be achieved by sharing that responsibility with delivery partners, relying on these partners to identify (or 'flag') those students participating in this project within their particular institution, and to ensure all necessary documentation is retained and readily available for future audits. This process will require rigour and is critical to the overall success of administering the project.
43. A master copy of all evidence should be held so it can be copied for future audit sampling – this will help to ensure that documents are clear and legible for any verification, e.g. BACs reports should not be re-used for multiple audits.

44. All documentation relating to ESF DSW student participants must be retained by delivery agents for European audit requirements, including - but not limited to – evidence of enrolment (in the form of an extract), ESF Participant Form, record of continued participation on course / withdrawal, certified proof of qualification level prior to course start, certified evidence of legal right to reside/work in the UK, certified evidence of residence, evidence of credits / FTE's undertaken, and records of destination/follow-up 6 months after leaving. Where applicable, student support award letters, acceptances, invoices, BACS payments and bank statements should also be retained.
45. SFC as Lead Partner is also responsible for the retention of all relevant documentation for this ESF project. Documentation will include all relevant financial and participant records pertinent to the project, including the SFC administration costs, institutional returns and student records to support payments for additional ESF activity. We therefore expect all participating institutions to retain the relevant documentation as prescribed in the National Rules for the ESF 2014-2020 programme. The [National Rules](#) can be accessed from the Scottish Government website.
46. SFC recommends that delivery agents maintain separate audit files for each year of the programme. These should be readily available for verification and future audits by the Scottish Government (Managing Authority / Audit Authority) and the European Commission. Files should include all student records that show:
- Enrolment extract and a completed ESF Participant Form.
  - Certified evidence of right to live (and work) in the UK and residency.
  - Evidence of student support (bursary/childcare), including payments to student participants / childcare providers (applies only to UHI)<sup>13</sup>.
  - Evidence of any additional funds included in the participants' bursary allocation / award but not paid directly to the participant, i.e. travel (UHI only).
  - BACS payments and corresponding bank statements, relating to the above (UHI only).
  - Evidence of the student's qualification level prior to course start date.

---

<sup>13</sup> UHI should also retain evidence that participant's dependent(s) have been in regular attendance at nursery/childminder throughout the year.

- Evidence of the student's continued participation and 'engagement in learning', particularly if they have completed / withdrawn from their course and not been successful.
  - Evidence of the student's change of name / gender (where appropriate).
  - Follow-up / record of students' destinations 6 months after leaving, regardless of when the student left/finished their course, or their withdrawal date.
47. While a certain amount of information can be drawn from FES/HESA/Early & Final Statistics Returns, the level of information required for audit purposes means that each delivery agent will be expected to retain information to support claims submitted to SFC. These documents will be archived electronically by SFC for review by Scottish Government verification officers and auditors at SFC's offices. Delivery agents are also required to retain copies of these documents as some audits may be conducted onsite at institutions.
48. The Developing Scotland's Workforce project falls into a category of '*Operations in excess of €1,000,000*'. Projects in this grouping have a requirement for supporting documents to be kept for a two year period from 31 December, following the submission of the Managing Authority's accounts (in which the final expenditure of the completed Operation is included). SFC will advise delivery agents on dates for destruction of files however, the date that should be adhered to is currently 2032.

### ***Electronic documents***

49. EU Regulations require that the audit trail must be supported by original source documents. These can be retained in either paper form or in electronic format. Please note that if you are keeping copies of original documents electronically, they must meet with Commission Regulation (EC) 2355/2002.
50. Documents must be:
- Held on a recognised data carrier.
  - Certified as copies of the original.
  - Able to be audited, i.e. is clear, legible and available.
51. Commonly-accepted data carriers include:
- Photocopies of original documents.
  - Microfiches of original documents.
  - Electronic versions of original documents on optical data carriers (such as CD-ROM, hard disk or magnetic disk).

52. The following declaration is suggested as an annotation to certify that the copies you hold on the commonly-accepted data carrier are true copies of the original document.

'I certify that this is a true copy of the original document/s'

*Signed:*.....

*Date:*.....

*Position in institution:*.....

*An alternative certification sheet (for bulk certification of documents by student) can be found in Annex E.*

### **Reporting process**

53. SFC provides grants to institutions to deliver a specified volume of additional activity during an academic year (AY), and routinely issues guidance on the eligibility of programmes and students for funding.
54. To verify that colleges have met their credit target, SFC collects annual statistical data from colleges. There are two main collections:
- The Further Education Statistical (FES) return - this collects data on all further education and higher education provided by colleges in Scotland.
  - The student activity return (or credit return) - this collects data on college FE/HE activity that is eligible for SFC funding.
55. The credit return is a sub-set of the FES return. The accuracy of the credit claimed is certified by the college Principal, and the claim is audited by the college's external auditors.
56. The data is collected at individual student level and includes personal information about the student, details of the course, duration of study and outcome. SFC annually publishes detailed performance indicators using data from the FES system.
57. FES guidance details the monitoring information that SFC will collect, including details on disability, ethnicity, gender, age, subject area, highest level of prior qualification, course of study, bursaries, childcare funds, discretionary funds and postcode which allows us to also report in terms of geographies (local authority areas, etc.) and deprivation.



58. College staff will be asked to identify SFC ESF students using the '*ESF funded student*' field within the FES 2 data return and/or the appropriate field in FES.55. SFC will monitor each college's progress in meeting its additional credit target by analysing quarterly FES returns. Claims for delivery of teaching and student support costs (where appropriate) will be made once a year to Scottish Government using the IT system 'EUMIS'.
59. Universities are required to identify ESF participants in the relevant sections of their Early / Final Statistics Returns - guidance is available on our website (see paragraph 19).
60. SFC will conduct annual interim verification checks – these may be either desk-based checks or onsite checks. SFC will review activities reported and outputs claimed by each delivery agent. In order to ensure these verifications are completed successfully, college and university partners will be required to provide all relevant supporting documentation on request.
61. SFC will conduct 100% verification checks on all necessary evidence prior to making any EUMIS claims. This will be conducted **in addition** to the interim checks that will be carried out by SFC, to ensure that a robust audit regime is in place that will stand up to the scrutiny of Scottish Government and European Commission audits.

### ***FES quarterly returns***

62. Colleges are expected to submit their first return in November. This should include all fields within the FES returns, with the exception of student and unit outcomes. As this is not a final return, some areas will be subject to change. For example, the dominant programme group is likely to change for many courses as these are dependent on the subjects studied by students over the entire academic year.
63. FES returns at the end of the AY are only accepted once the data has gone through an extensive cleansing process.
64. As outlined in the FES guidance, fields collecting data required for ESF reporting will become mandatory for ESF students, including status immediately prior to the course starting and highest qualification level at the time of the course start date.
65. The dates for submission of FES quarterly returns for ESF activity can be found in the [FES 2 Guidance notes](#).

## Payment profile

66. 75% of funding will be paid in equal instalments following the issue and acceptance of a formal offer of grant (normally over the 12-month AY period August to July). The remaining 25% of funding will be paid in October.
67. Should there be a reduction in ESF monies available under the programme, SFC may have to reduce the amount of funding provided to participating delivery agents.

## Clawback

68. SFC reserves the right to clawback these funds if they have not been used for the purposes outlined in this guidance and individual offers of grant. Final payments will not be released if participating delivery agents have not achieved the outcomes agreed in their offer of grant. SFC reserves the right to clawback funding dependent on the outcome of audit findings.

## Further information

69. Please contact:
  - Rebecca Fairgrieve-Stewart, ESF Senior Policy/Analysis Officer (tel: 0131 313 6687, email: [rfairgrievestewart@sfc.ac.uk](mailto:rfairgrievestewart@sfc.ac.uk)) or
  - Paula Haynes, Senior Budgeting and Reporting Officer (tel: 0131 313 6515, email: [phaynes@sfc.ac.uk](mailto:phaynes@sfc.ac.uk)).



Martin Smith  
Chief Funding & Information Officer