

Conditions of College Outcome Agreement Funding

1. Grant funding is provided to allow colleges / regional strategic bodies to deliver their regional Outcome Agreements under Sections 9 and 10 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 Scottish Funding Council (SFC) and fundable bodies in the college sector.
3. Colleges / regional strategic bodies must have regard to public sector pay policy set by Scottish Ministers.
4. Colleges / regional strategic bodies are required to comply with any principles of governance which appear to SFC to constitute good practice in relation to such bodies. Regional strategic bodies receiving grants from SFC are required, when making payments to any college assigned to it, to impose this condition on the college.
5. Colleges / regional strategic bodies must maintain provision of acceptable quality and develop and implement a satisfactory quality improvement strategy.
6. If the Scottish Government revises its grant funding to SFC, we reserve the right to make in-year adjustments to college / regional strategic body funding. In this case, SFC would renegotiate the terms of its Outcome Agreement with the college / regional strategic body.
7. Where appropriate, colleges / regional strategic bodies must provide data returns requested by SFC to the deadlines and standards specified. Relevant guidance can be found on the SFC website.
8. Where appropriate, colleges / regional strategic bodies must follow SFC's Student Support guidance.
9. Where a college / regional strategic body is in receipt of European Social Funding (ESF) it must follow and adhere to ESF guidance / requirements.
10. The funding outlined in this announcement is subject to the agreement of your Outcome Agreement for 2018-19.

Tuition fees

11. Where applicable, colleges 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. Under the 2005 Act, regional strategic bodies receiving grants from SFC are required, when making payments to any college assigned to it, to impose this condition on the college. However:
 - The tuition fee levels set by Scottish Ministers under the Student Fees (Specification) (Scotland) Order 2006 do 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.

Strategic funding

12. Strategic grant funding must only be used for the purpose(s) for which it is provided. Colleges / regional strategic bodies must adhere to the requirements and any specific conditions of grant as detailed in each strategic project's letter of grant.

Capital funding

13. Capital funding must be used by colleges for the purpose for which it was allocated.

High priority backlog maintenance

14. Capital funding for very high priority backlog maintenance must be used to address very high priority backlog maintenance requirements informed by the sector estate condition survey.

Lifecycle maintenance

15. Capital funding for lifecycle maintenance must be used to support the year-on-year costs of running the college's estate.

Failure to adhere to these conditions

16. If the college / regional strategic body 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 clawback of grant and / or reductions in future funding.
17. SFC will shortly consult with the sector on amending this condition in relation to credit targets to encourage earlier notification from colleges at risk of not meeting their credit targets. This may result in scaling the amount of clawback.