

Conditions of College Outcome Agreement Funding

1. Grant funding is provided to allow colleges/Regional Strategic Bodies (RSBs) 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/RSBs must have regard to public sector pay policy set by Scottish Ministers.
4. Colleges/RSBs are required to comply with any principles of governance which SFC believes to constitute good practice in relation to such bodies. RSBs receiving grants from SFC are required, when making payments to any college assigned to it, to impose this condition on the college.
5. Colleges/RSBs 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/RSB funding. In this case, SFC would renegotiate the terms of its Outcome Agreement with the college/RSB.
7. Where appropriate, colleges/RSBs 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/RSBs must follow SFC's Student Support guidance.
9. Where a college/RSB is in receipt of European Social Funding (ESF) it must follow and adhere to ESF programme guidance/requirements.
10. The funding outlined in this announcement is subject to the agreement of your outcome agreement for 2019-20.

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, RSBs 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.

Other non-core funding

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

Capital funding

13. Capital funding must be used by colleges/RSBs for the purpose for which it was allocated and must be **spent by 31 March 2020**.

High priority backlog maintenance

14. Capital funding for high priority backlog maintenance must be used to address the high priority backlog maintenance requirements informed by the sector estate condition survey, unless the college submits a case (and obtains SFC prior approval) for addressing other more pressing needs.

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/RSB 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.

17. SFC consulted on a method of managing the recovery of funds which would incentivise 'early warning' if a college/RSB was at risk of falling short of its activity targets. We informed colleges/RSBs of our revised process which involves obtaining formal in-year sign-off on their expected final credit activity value. Where a college/RSB cannot confirm that it expects to meet its credit target, we will use this information to transfer credits to other colleges/RSBs that would be able to deliver additional activity.
18. To encourage colleges/RSBs to transfer credits where this is appropriate, SFC will agree with colleges/RSBs the terms on which transfers will happen, including the level of funding that could be retained by the college/RSB giving up this activity. To make this cost-neutral, the college/RSB agreeing to take on additional activity will be asked to do so at a reduced credit price.