

IN-YEAR MANAGEMENT OF COLLEGE STUDENT SUPPORT FUNDING 2025–26



In-Year Management of College Student Support Funding 2025-26

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Summary:	Invitation to colleges to relinquish unspent student support funds or request an increase to their student support funding allocations for AY 2025-26.
FAO:	Principals, Finance Directors, and Student Support contacts at Scotland's colleges.
Further Information:	CONTACT: SFC Student Support Team DIRECTORATE: Funding EMAIL: studentsupport@sfc.ac.uk

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In-Year Management of College Student Support Funding for 2025-26

Purpose

1. This Call for Information invites colleges to relinquish unspent student support funds or request an increase to their student support funding allocations for Academic Year (AY) 2025-26.

Background

2. The in-year management and redistribution of student support funds is an ongoing feature of SFC's annual student support funding cycle.
3. Please note that as part of the simplification of the funding body landscape reforms, FE student support will transfer from SFC to Student Awards Agency Scotland (SAAS) from AY 2026-27. SFC will work with SAAS on any associated redistribution process in AY 2026-27, recognising that this will include information on spend in AY 2025-26.

In-year redistribution exercise for AY 2025-26

4. Instructions for completion of the redistribution request form are set out in Annex A to this letter. Colleges should particularly note the guidance on estimating demand for student support. SFC will email forms pre-filled with student support data to colleges on an individual basis following publication of this letter. As in previous years, these forms will include sections for colleges to:
 - Confirm the data on their student support spend and Care-Experienced students supported in AY 2024-25, as returned to SFC through their Further Education Statistics (FES) returns.
 - Confirm details of the student support funding paid to each college during AY 2024-25, so that colleges can reconcile the information they are returning with their drawdown and payment details.
 - Provide any contextual and supporting information.
5. Colleges should note that, for the purpose of the AY 2025-26 in-year redistribution exercise, student support data is defined as 'core' student support funding allocations only. Specifically, this includes:
 - Core student support funding for AY 2025-26, as announced in the [College Final Funding Allocations for AY 2025-26 \(Table 3 - Student Support Funding\)](#).

- Funding requested/relinquished/allocated following the 2024-25 in-year redistribution exercise (Annex A in the [In-year Redistribution of Student Support Funds 2024-25 announcement](#)).
6. As in previous years, SFC will also be asking for additional, separate information on the costs to colleges of implementing changes to student support funding as a result of the Scottish Government's response to the Independent Review of Student Support. Therefore, colleges are also asked to return information on the costs associated with the expansion of the higher rate Care-Experienced Bursary, including to those aged 26 and over. Further details are set out in Annex A.
 7. For 2025-26, colleges are also asked to provide information on Foundation Apprenticeship student costs for travel. Further details are set out in Annex A paragraph 31.

Management of payment of AY 2025-26 funds

8. SFC's Finance team will contact colleges in Spring 2026 to seek clarification of their near-final position on student support spend in AY 2025-26 and whether any colleges are forecasting an underspend against their budget. Monthly profiled student support payments will then be adjusted to reflect any underspend, rather than waiting until the AY 2026-27 redistribution exercise in Autumn 2026.

Next steps and further information

9. Colleges should complete the request form and email it to SFC's Student Support team at studentsupport@sfc.ac.uk by **Monday 1 December 2025**.
10. Colleges will be individually notified of SFC's decision on any requests for additional funding in December 2025. We will announce the sector outcome of the AY 2025-26 in-year redistribution exercise in early 2026.
11. For further information please contact: studentsupport@sfc.ac.uk.

Tiffany Ritchie

Interim Director of Finance

Annex A: Instructions for Completion of Request Form

Estimating demand for college support

12. Colleges are reminded of the need to provide accurate bids for student support funding, based on realistic predictions of student demand.
13. The starting point for determining the level of need for student support funding should be based on colleges' existing commitments to support students already enrolled for AY 2025-26.
14. SFC is aware that colleges may still be receiving and processing applications for student support at the point where we ask for the In-Year Redistribution (IYR) submission. In addition, most colleges will expect to enroll additional students later in the Academic Year (AY). Colleges therefore need to calculate the volume of additional student support funding applications they expect to receive for the remainder of the AY.
15. Colleges then need to estimate the likely level of support required by the additional students. In performing this calculation, colleges should take into account historical data on the differential spend patterns at course/subject level, for different types of students (e.g. full-time/part-time, by gender, by age group, including Care-Experienced). For example, colleges should be aware of the following factors that will have a bearing on the resources required:
 - Some subjects will have a higher level of demand for SFC student support funding than others.
 - Female students are more likely to require childcare funding than male students.
 - Any move from Further Education (FE) to Higher Education (HE) level provision, or from full-time to part-time provision, will reduce demand for SFC student support funding.
16. All of these factors will have a bearing on the quantum of resources required in the coming year. SFC strongly recommends that colleges build in assumptions for these factors when predicting need, rather than basing their requests on historical average levels of funding. Colleges should not assume that all of their additional students will require the maximum level of funding.
17. After the college has calculated the predicted level of additional student support funding required, it is essential that they make a reduction to the overall requirement to take account of the impact of student withdrawals. This should be based on a realistic assumption of the expected level of withdrawals, based on historical data at the college.
18. **Colleges should not build large and unrealistic contingencies into their bids for funding.** This results in inflated claims and creates a false impression of the level of

unmet demand for student support, which will result in recovery of these monies. More importantly, it limits SFC's ability to move funds to where they are currently needed.

Discretionary funding in AY 2025-26

19. Some students continue to face cost-of-living pressures and there remain flexibilities in place for colleges when allocating Discretionary funds to students:
 - In AY 2023-24, the cap was reintroduced at the higher rate of £5,000 p.a. in recognition of the ongoing cost-of-living pressures.
 - Discretionary funds can be used to make payments to students who need it (for example, a winter fuel allowance or a cost-of-living allowance).
 - To minimise administrative burden on both the college and the students, funds can be allocated in this way to groups of students whom the college know to be from low-income households, based on evidence previously submitted, along with a short confirmation from the student that they are continuing to face hardship because of increased costs.
20. Colleges are reminded that they cannot use their Discretionary funds for communal support – for example, to provide open breakfast or lunch facilities which would be available to all students. The legislation relating to Discretionary funding states that these funds should be paid to individual students who meet the residency requirements and are on FE-level courses which are SFC-fundable. On this basis, the SFC policy on Discretionary funding sets the expectation that funds should be allocated directly to individual students and specifies that they should not be used for general purposes such as communal facilities or staff costs.

In-year redistribution form for AY 2025-26

21. As in previous years, the in-year redistribution form will be pre-filled with the following information:
 - Colleges' core student support funding allocations for AY 2024-25 (as detailed at [paragraph 4](#)).
 - The funds that colleges have been paid for student support in AY 2024-25, so that colleges can reconcile the information they are returning with their drawdown and payment details.
 - Colleges' core student support funding allocations for AY 2025-26 (as detailed at [paragraph 4](#)).

22. Colleges will then be asked to complete the following information:

- A split of the AY 2025-26 student support funding allocation by FE Bursary, Childcare and FE Discretionary.
- The amount of student support funding being requested or relinquished for AY 2025-26.
- If additional funds are being requested, a breakdown of the amount associated with students already enrolled and the amount required for students not already enrolled (e.g. January start students).
- If additional funds are being requested, details of the proportion required by the college up until the end of March 2026 and end of July 2026 respectively.
- Any contextual or supporting information.

Additional information required for Care-Experienced Bursary

23. This year, SFC will again be asking for additional, separate information on the costs to colleges of implementing some of the changes to student support funding as a result of the Scottish Government's response to the Independent Review of Student Support.

24. In order for SFC to quantify the additional resource required for the expanded Care-Experienced (CE) Bursary, we have included an additional section in the in-year redistribution form. This section will be pre-filled with the number of CE Bursary students that colleges reported that they supported in AY 2024-25 and the amount of bursary (maintenance) funding allocated to these students (as per the FES returns). It will then ask colleges to provide details of:

- The number of CE students (headcount) who have enrolled up to that point.
- The committed bursary (maintenance) funding associated with these enrolments, based on the weekly rate of £225.
- A forward projection of numbers of CE students (headcount) who will enrol later in the AY and an estimate of the bursary (maintenance) funding associated with these enrolments.
- A reduction to take account of the impact of projected withdrawals of CE students.
- Estimated numbers of CE students (headcount) who are better off on benefits than bursary.

25. In quantifying the additional cost of the expanded CE Bursary for AY 2025-26, SFC will assess the increases in colleges' spend on maintenance for CE students arising from the increase in the number of such students attending college. We would expect that the take-up of FE by CE students will increase because of the wider awareness of the new higher rate funding package available for them, as well as the removal of the age cap and the inclusion of students who were in informal care arrangements.

Multi-college regions

26. Multi-college regions should complete one request form as a single region. Any transfers of funding between colleges, agreed by the colleges within the region (prior to the form being submitted), should be included. An additional tab is included in the form to provide a breakdown by each individual college in the region.

General conditions

27. The return date for the form is **Monday 1 December 2025**. If the amounts of funding that colleges require for student support change by mid-December 2025 because of changing circumstances, colleges should inform SFC of this as soon as possible.
28. SFC will endeavour to meet any college student support funding requests. However, as in previous years, there may be a shortfall in available funds at a sector level. This may mean that the amount of funding allocated to individual colleges is capped.
29. SFC reiterates that colleges should adhere to the guidance set out in [paragraphs 12-18](#) when estimating demand. Colleges should not inflate their bids for additional funding. This ensures that we can redistribute any additional funding available in as fair and equitable a way as possible.
30. It is the responsibility of colleges to ensure the accuracy of the data included in their IYR submission to SFC. Any issue identified with the accuracy of the data submitted in the IYR form should be reported by the college to SFC's Student Support team at the earliest possible opportunity.

Foundation Apprenticeship travel costs

31. For 2025-26, SFC, in liaison with Scottish Government, will meet travel costs for Foundation Apprenticeship (FA) learners at Level 6 on the same terms as previous claims, i.e., a maximum claim of up to £1,000 per student who is not able to attend their placement/college via a reasonable free bus route, rising to £1,250 for remote and rural areas.¹ SFC expects college claims to be commensurate with claims made in previous years (where applicable) and will monitor claims against delivery levels through FES.

Next steps

32. SFC will email the pre-filled forms directly to college student support contacts following publication of this letter.

¹ FA Level 6 student travel costs will no longer be funded where a free bus pass is viable for use by the learner to get to their employer premises/college. However, where any free bus route is justifiably unreasonable, claims up to a maximum of £1,000 per learner (or £1,250 if the learner is eligible for a £250 rural uplift) can be made.

33. Colleges should complete the request form and email it to SFC's Student Support team mailbox (email: studentsupport@sfc.ac.uk) **by Monday 1 December 2025**.
34. Each college will be individually notified of the decision on their bid for additional student support funding in December 2025.
35. SFC will announce the sector outcome of the AY 2025-26 IYR exercise in early 2026.