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Capital Funding to support digital poverty 2023-24



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SUMMARY:	Guidance on the allocation of capital funding for colleges and universities in FY 2023-24 to support digital poverty.
FAO:	Principals and directors of Scotland's colleges and universities and the general public.
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Capital Funding to support digital poverty 2023-24

Summary

1. I am writing to provide guidance on the allocation of capital funding for colleges and universities in Financial Year (FY) 2023-24 to support digital poverty.

Background

2. Digital access, equipment and skills are essential for students. Digital poverty relates to a lack of access and/or skills which prevents students from taking part or progressing in the tertiary system.
3. The Scottish Funding Council (SFC) recognises the continuing efforts colleges and universities make to provide access to learning. Given the increased digital delivery of teaching, learning and support, it is essential that all learners have the necessary equipment to engage in their programmes.

Commitment to tackle digital poverty

4. In Academic Year (AY) 2020-21 SFC announced £4.75 million (m) of [additional capital funding to support digital provision](#). Institutions submitted reports on the utilisation of that funding, indicating that it supported over 9,000 of the most disadvantaged Scottish-domiciled students. Institutions also learned more about the digital support needs of their students in managing those funds.
5. In AY 2021-22, SFC allocated £5.0m for [digital learning in colleges](#) to support investment in IT infrastructure and services as part of the increased provision of digital learning.
6. In Financial Year (FY) 2022-23 SFC allocated £4.5m of capital funding to help alleviate digital poverty across colleges and universities. **The Scottish Government has provided a further £4.5m of capital funding for FY 2023-24.**

Capital funding to support digital poverty in 2023-24

7. In line with [last year's allocation](#), this capital funding (£4.5m) is split across both college and university sectors as set out below:
 - £2.9m for Further Education (FE) and Higher Education (HE) learners in colleges.
 - £1.6m for HE learners in universities.

8. This capital funding should be distributed by colleges and universities in the form of ICT equipment for FE and HE students to access learning. This includes, but is not limited to, the following:
 - A computer device such as a laptop or tablet.
 - Other hardware necessary such as a keyboard, mouse or headset.
 - Any other appropriate connectivity equipment, including Wi-Fi and Mi-Fi dongles.
9. As well as for purchasing new equipment, this capital funding can also be used to replace existing obsolete equipment for the purpose of helping address student digital poverty.

Purpose of funding

10. This capital funding provides an opportunity for colleges and universities to purchase equipment to enable students to engage in their studies, with a particular focus on meeting the needs of students from the most disadvantaged communities and backgrounds.
11. Digital poverty is not limited to a lack of funds to purchase equipment. It also covers the skills to use the equipment and the physical space to use the equipment to take part in learning. SFC expects institutions to support students in the use of this equipment and digital resources, and where required by providing physical space, especially for those from the most disadvantaged communities and backgrounds.
12. Institutions may use alternative revenue/resource (non-capital) funding to support any non-capital elements of planned expenditure to support digital poverty.
13. SFC expects institutions to utilise this capital funding to address digital inclusion and provide fair and equitable access to online learning for their students. Institutions can use their discretion in establishing the needs of individual students and provide additional hardware as required.
14. To optimise the use of these capital funds and obtain best value for money, SFC encourages institutions to procure equipment in bulk as far as possible. Those administering the ICT funds should liaise with their IT managers about equipment specifications. All equipment purchased will be considered to be capital assets, and therefore must be owned and retained by institutions, as appropriate. SFC therefore recommends that institutions establish a lending or borrowing scheme and aim to recycle any items that can be reused.

Eligible students

15. To ensure those students who are most in need are able to access this support, SFC encourages institutions to set up an application process through their relevant student support departments.
16. Those administering the capital funding should advertise this support on the institution's website and other channels of communication with their students, including the Student Association. Institutions should make every effort to ensure students who would benefit the most from the funds are aware of the funding and how to apply. Such students should be encouraged and supported to apply, and care should be taken to ensure that any application process is not a barrier to support.
17. In cases where demand exceeds supply, institutions should use their discretion to allocate digital equipment to those most in need.

Eligibility criteria

18. SFC recommends that institutions give priority to the needs of Scottish-domiciled students, particularly those in categories such as, but not limited to, care-experienced students, students who are estranged or otherwise without parental support, students with caring responsibilities, and students from the most deprived backgrounds and lower income families.
19. However, institutions should manage the funds at their discretion, and should consider student needs taking account of individual circumstances. Institutions can allocate items to both full and part-time students, to non-Scottish-domiciled students, and those students who are not normally eligible to be counted as eligible for SFC core funding.
20. Institutions will be required to assess the eligibility of the students who apply for this equipment. They may wish to do so against their household income and other factors, such as being in receipt of student support discretionary/hardship funding or any other social security benefits such as Universal Credit.
21. To avoid double-funding, and to make best use of the funding available, institutions should check whether applying students have been able to access alternative funds for these purposes. For example, in the case of disabled students, the Disabled Students' Allowance (DSA) or Additional Support Needs (ASN) funding.

Distribution of funding

22. The distribution of capital funds to colleges/universities is in line with last year's allocation and has been determined by their relative shares of AY 2023-24 credit

thresholds/Main Teaching Grant which were announced as part of the AY 2023-24 Final Funding Allocations for [colleges](#) and [universities](#) on 25 May 2023. Funding allocations for colleges and universities are set out in Annexes A and B.

23. College allocations are not broken down between FE and HE funding, giving colleges/regions the discretion to use these funds flexibly between FE and HE students to meet demand effectively. This flexibility should ensure the best use of the funds available.

Payment of funds

24. Capital funding for universities will be paid in three instalments over the FY; with 50% released in August, 25% in December and 25% in March 2024.
25. Incorporated colleges/Regional Strategic Boards should drawdown this funding from August 2023 via their monthly cashflow returns as required. Non-incorporated colleges will receive their funding allocation in August 2023.

Reporting requirements

26. To ensure that these funds are being used for their intended purpose and to monitor the progress and effectiveness of the funding, institutions will be expected to provide a report outlining how they have utilised their allocation at the end of the AY. The reports should include:
 - A statement that all funds spent have been used for the purposes intended (as set out above).
 - A financial statement accounting for funds spent, including any underspend.
 - A breakdown of the total use of the allocation across the categories of 'computer devices,' 'connectivity equipment' and any 'other' categories.
 - The total numbers of students supported by the funding, separately detailing spend against Scottish-domiciled and other students (applies to both colleges and universities).
 - An equality and diversity statement on these students, including a breakdown of specific vulnerable groups that have been supported by this funding (including, but not limited to, care-experienced students, students who are estranged or otherwise without parental support, students with caring responsibilities, and students from SIMD20 and lower income families).
 - An overall statement of the benefits and impacts of the funding.
27. Please send your reports on the use of these funds to the SFC Digital Poverty Funding mailbox, email: digitalpoverty@sfc.ac.uk, by 31 July 2024.

Conditions of funding

28. In addition to the above reporting requirements, the following conditions of grant apply to this capital funding:
- Funds must only be used for the purpose(s) for which they are being allocated. SFC retains the right to audit relevant institutional documentation to satisfy itself that this is the case (and the institution undertakes that it will provide such assistance as SFC reasonably requires).
 - Funds must only be used for capital expenditure and should not be used to support students for items other than equipment to support online learning.
 - Funds must be expended by the end of AY 2023-24 (end of July 2024).
29. We may recover funding if you do not comply with any of the conditions of grant or reporting requirements.

Further information

30. Should you have any queries or require any additional information, please contact the SFC Digital Poverty Funding mailbox by emailing: digitalpoverty@sfc.ac.uk.



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