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FE Student Support Discretionary Funding AY 2025-26



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Summary:	The conditions for use by colleges of SFC's Further Education student support Discretionary funding for Academic Year 2025-26.
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FE Student Support Discretionary Funding AY 2025-26

Introduction

1. This document sets out the conditions for use by colleges of Further Education (FE) Discretionary Funding allocated by the Scottish Funding Council (SFC) for Academic Year (AY) 2025-26.
2. FE Discretionary Funding (FEDF) is cash-limited and discretionary. Students who are eligible for support from these funds are not automatically entitled to this support.

Purpose of FEDF

3. FEDF is primarily for **emergency use** and instances of **financial hardship**. Funding is intended to:
 - Provide financial help to students whose access to or continuation in FE may be inhibited by financial considerations.

OR

 - Where students, for whatever reasons, including physical or other disabilities, face financial difficulties.
4. FEDF must be used by colleges for student support purposes, in accordance with this policy. Colleges should also comply with any changes made to this policy or any supplementary guidance SFC may issue.

Legislative context

5. Colleges should follow all applicable legislation. College governing bodies have the power under section 12(2)(c) of the [Further and Higher Education \(Scotland Act\) 1992](#) and section 12(B) of the [Further and Higher Education \(Scotland\) Act 2005](#) to provide their students such assistance of a financial or other nature, as they consider appropriate.
6. It is a condition of the [Education \(Discretionary Funds\) \(Scotland\) Direction 2024](#) that SFC shall administer student support funds, in conjunction with the fundable bodies, in accordance with the requirements of section 73ZA (1)(a) of the [Education \(Scotland\) Act 1980](#), the [Education \(Access Funds\)\(Scotland\) Regulations 1990](#), the [Education \(Discretionary Funds\) \(Scotland\) Determination 2024](#).

Student eligibility for FEDF

Course type and level

7. FEDF is for students undertaking SFC-fundable non-advanced/FE courses, who have reached their statutory school leaving age. For an explanation of 'SFC Fundable' please refer to SFC's [Credit Guidance](#).

8. Under no circumstances can a college use FEDF for:
 - Students on advanced/Higher Education (HE) courses.
 - Students who are below their statutory school leaving date, as defined in the [Education \(Scotland\) Act 1980](#).
 - Students who are beyond their statutory school leaving date but still studying at school. (This includes students studying at school under the school/college partnership.)

Residency

9. To be eligible to access student support, students must meet the residency criteria detailed in Schedule 1, Part 1 of the [Student Support \(Scotland\) Regulations 2022](#), as amended in the [Education \(Fees and Student Support\) \(Miscellaneous Amendments\) \(Scotland\) Regulations 2024](#) (effective from 1 August 2024). The only exceptions are outlined below in paragraphs 13 to 16.
10. The [Education \(Discretionary Funds\) \(Scotland\) Determination 2024](#) was issued by Scottish Ministers and became effective on 1 October 2024. It outlines the eligibility criteria for students who can receive a grant from the Further Education (FE) Discretionary Fund.
11. To access the FE Discretionary Fund, a student must be eligible under the 2024 Determination, detailed in Schedule 1 of the Determination; or be a person eligible for student support, under Schedule 1 of the [Student Support \(Scotland\) 2022 Regulations](#); **or** be eligible to receive student support under equivalent provisions of legislation made under sections 22, 42(6) and 43(1) of the [Teaching and Higher Education Act 1998](#); **or** articles 3 and 8(4) of the [Education \(Student Support\) \(Northern Ireland\) Order 1998](#).
12. The relevant revised Directions and Determinations for AY 2025-26 will be issued by Scottish Government in summer/autumn 2025. Once published, the Directions and Determination can be accessed on the [Student Support section](#) of the SFC website.

Asylum seekers

13. Colleges can provide emergency financial support from FEDF for students in the categories set out below:
 - Asylum-seeking students who are on full-time or part-time ESOL courses or other part-time non-advanced courses.
 - A young asylum seeker, or the child of an asylum seeker, who is studying a full-time or part-time FE course, and is living in Scotland on the relevant date. To be classed as a young asylum seeker, or the child of an asylum seeker, an application for asylum should be submitted to the Home Office before they are 18 years old.
14. This support can only cover the travel and study costs necessary for the student to get to college and take part in their course of study. The support should not usually constitute

maintenance or living costs.

15. Colleges should provide this travel and study support in the form of physical items (e.g., travel pass or study materials or equipment) where possible, rather than in monetary terms (cash). If the college provides this support in monetary terms, the student must be given both a clear explanation of the purpose of the support given and a written copy of the conditions of support.
16. Where the asylum-seeking student has no alternative form of childcare, assistance may include payment to cover childcare costs whilst they are studying.

Students receiving support from other sources

17. Students are not entitled to seek support from FEDF from more than one institution at a time. For this reason, colleges should ensure that a declaration is signed by the student when applying for FEDF to confirm that they have not applied for, or are in receipt of, FEDF from another institution.
18. Students who are in receipt of other funds - public or private - are still eligible to receive FEDF. Colleges should advise students in receipt of benefits to check how an FEDF award will affect their individual circumstances.
19. Colleges can access general advice and guidance on social security benefits on the [UK Government's website](#) and on the [Social Security Scotland \(SSS\) website](#). In addition, the Child Poverty Action Group (CPAG) Scotland's Handbook, [Benefits for Students in Scotland for 2024-25](#), is available online. A new edition of the Handbook is published by CPAG Scotland annually in Autumn.
20. Further information related to benefits for students can also be found on the [Student Information Scotland \(SIS\) website](#).

Priority groups

21. When making FEDF awards, colleges are asked to consider the financial hardship of the student applicants, and give proper consideration to vulnerable/disadvantaged groups such as (but not limited to) estranged students, students who are carers, care-experienced students, students with dependent children and part-time students.
22. Corporate Parenting Duties as defined in the [Children and Young People \(Scotland\) Act 2014](#) ask that colleges "*uphold the rights and safeguard the wellbeing of looked after children, young people and care leavers*" (care experienced). When making FEDF awards, colleges are asked to consider these legal duties and the financial hardship faced by this group.

College Management of FEDF

What can FEDF be used for?

23. FEDF is intended to be allocated to students, either as a non-repayable monetary grant or an in-kind support through the purchase of specific items. A college cannot use FEDF

for:

- Administration costs (including the costs of any recovery of overpayments).
- Staff salaries, including counselling costs.
- Capital purposes.
- Communal facilities, adaptations to buildings.
- Top-up fees such as tuition and/or exam fees.
- To compensate for the lack of parental contributions.

How much can be allocated to each student?

24. The overall payments to an individual student must not exceed £5,000 in a single AY. Within the overall amount of £5,000, colleges are best placed to decide how much should be allocated to the individual student **based on an analysis of their need**. The needs assessment should be based on evidence showing the student's net financial position. There is no maximum number of times that a student can receive assistance from FEDF throughout the AY.
25. Should a college believe there are exceptional circumstances that merit awarding a sum above this amount, it should contact the SFC Student Support Team in advance.

Assessment of need

26. Colleges should continue to carry out a needs assessment, which should be based on evidence showing the student's net financial position. This evidence can be taken from information which the student has already supplied. For example, this may include details of household income submitted as part of the application for bursary. If possible, students should not be asked to submit duplicate information.
27. Where additional information is required from the student, colleges should take a balanced and proportionate approach when asking for supporting evidence. Colleges should seek the minimum information required, usually the student's latest bank statement(s). Additional supporting evidence may be required where the bank statement does not provide the information required.

Can FEDF be used to purchase items and equipment?

28. FEDF may be used to purchase items for a student, including course-related materials and equipment. There is no threshold on the amount that colleges can spend on these items. In most cases, the cost of items bought from this funding will be relatively small.
29. The college may use its discretion to pass ownership to the students, where appropriate. However, colleges are encouraged to deliver best value when purchasing and are encouraged to recycle items where possible.
30. If a student does not complete the course and/or attain the planned qualification, the college may insist that course materials and other items bought using this funding should remain the property of the college.

Supplementing FEDF

31. A college can choose to add to its FEDF from its own resources as it sees fit.

Carry forward and recovery of unspent funds

32. Colleges cannot carry-forward any unused FEDF between AYs.
33. The available funds are taken to be the allocation for an AY, as announced in the relevant annual [College Final Funding announcement](#). Where appropriate, the available funds also take account of funds received or relinquished as part of SFC's annual In Year Redistribution (IYR) of student support funds exercise. To be clear, unspent funds are the available funds less the audited spend.
34. Unspent funds for AY 2025-26 will be recovered during AY 2026-27.

Using FEDF for Bursary

35. Colleges may use their FEDF to meet shortfalls in their bursary allocations. Any FEDF used this way must meet the conditions of the bursary policy in full. Colleges cannot use FEDF to meet bursary needs of students who do not meet the eligibility criteria to receive an FE bursary.

Reporting mechanisms and data collections

36. The Chief Executive Officer (CEO) of each college must ensure that all accounts and records are adequate and there are systems in place to minimise incorrect payments.
37. Colleges are required to complete the student support elements of the FES return to confirm their final spend on student support. The AY 2024-25 FES data return is due on 3 October 2025. Guidance on completing the FES data returns can be found on the [SFC website](#).
38. Auditors are required to sign off the FES online student support funding report. Colleges should ensure that their auditors receive a copy of:
 - The student support audit guidance.
 - This policy.
 - The national policy for FE bursaries.
 - Their outcome agreement for the relevant year.
39. Colleges may wish to provide their auditors with contact details for the SFC Student Support Team and the [Student Support section](#) of the SFC website.
40. Colleges should refer to the Accounts Direction for Scotland's Colleges when presenting information on the student support funds in their annual accounts. The [Accounts Direction for Scotland's Colleges AY 2023-24](#) is available on the SFC's website. The updated Accounts Direction guidance will be published in late summer/early autumn 2025 and will be published on the SFC website.

Communication with students

41. This policy has been written for bursary and student support officers within colleges. It is the responsibility of the college to ensure that students are familiar with the availability of FEDF and the procedures they must follow to access funding. We recommend that for communication with their students on student support, colleges publish their own college policy. This will ensure that students receive information that is relevant to their own circumstances and local community.

Further information for college student support staff

42. More information student support practitioners who are working in colleges can be found on the [Student Support section](#) of SFC's website.

Conditions of funding

43. It is a condition of grant that colleges allocate FEDF in accordance with the policy set out in this document.
44. General conditions of grant also apply to college funding as set out in SFC's [College Final Funding Allocations 2025-26](#) announcement.

Further information

45. Please contact the Student Support team, email: studentsupport@sfc.ac.uk.

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Annex

Guiding Principles for use of Discretionary Funds

Principles for institutions

1. Discretionary Funds are an additional source of non-repayable financial support available to students who may be experiencing financial difficulties during their course. In HE, Discretionary Funds are allocated by Scottish Ministers via the [Student Awards Agency Scotland \(SAAS\)](#) and are administered by individual institutions. For students in FE, the SFC issues separate guidance on the disbursement of Discretionary and Childcare Funds. There is also separate guidance for students which includes details on how to apply.
2. Below is a set of guiding principles that set a baseline level of consistency in how student applications for discretionary funding are processed and awarded by colleges and universities in Scotland. This has been endorsed by Colleges Scotland, the National Association of Student Money Advisers (NASMA), Universities Scotland, the Further Education Student Support Advisory Group (FESSAG) and the National Union of Students (NUS) Scotland with the aim of ensuring as positive an experience for students as possible, recognising that students are facing difficult circumstances.
3. These principles should be read in conjunction with the guidance provided by SAAS and SFC.

Guiding principles for use of Discretionary funds

4. Colleges and universities assess student applications for Discretionary funding with the aim of positively allocating Discretionary funding based on evidence of need/financial difficulty, within the financial constraints of the budget provided by Scottish Government.
5. Colleges and universities recognise that any student may face financial hardship however look to prioritise support for students who are listed as a priority group within the complementary guidance (linked above).
6. Colleges and universities have a duty of care to their students to protect student wellbeing and to not promote short-term borrowing solutions or use of credit cards as an alternative to Discretionary fund support.
7. Colleges and universities take a proportionate approach to the evidence they require of students to demonstrate financial hardship. They aim to make the process as simple and straight forward as possible.
8. Colleges and universities treat every student seeking support with respect and confidentiality, fully aware that people may feel sensitive and uncomfortable about sharing highly personal information about themselves and their finances.

9. Colleges and universities are able to support students in managing their money where appropriate, including but not limited to: paying a third party service (such as childcare provider) on their behalf or providing vouchers in place of cash. This is done in consultation with the student.
10. Colleges and universities aim to ensure that, where possible, discretionary funds remain available to students throughout the AY and where necessary for students who are ineligible for Universal Credit into the summer break, providing sufficient funds are available.
11. Colleges encourage students on FE courses to make use of the UK and Scottish Government benefits available to them over the summer. Where appropriate and where needed, colleges may support a student with a “transition payment” to help bridge the gap between a FE course finishing and a student’s receipt of first benefit payment.
12. Colleges and universities promote the availability of Discretionary funds amongst their students with clear and regular communication throughout the AY including the summer period providing funds are remaining. Every effort is made to communicate widely, and simply, using plain English, removing all possible barriers to students accessing this type of support.
13. In addition to Discretionary funds, colleges and universities offer other forms of support to students who are worried about money. This might include practical money management advice and/or mental health support such as counselling. This is promoted to students by individual institutions.