SFC / ESF Youth Employment Initiative

Issue date: 10 June 2016

Reference: SFC/GD/09.2016

Summary: Guidance notes for colleges participating in the ESF Youth Employment Initiative, 2015-18

FAO: Principals and Directors of Colleges operating under the 'Youth Employment Initiative' ESF programme

Further information:

Contact: Rebecca Fairgrieve-Stewart
Job title: Senior Policy/Analysis Officer, European Social Fund
Directorate: Finance
Tel: 0131 313 6687
Email: rfairgrievestewart@sfc.ac.uk

European Union

The Scottish Government
Riaghaltas na h-Alba

EUROPE & SCOTLAND
European Social Fund
Investing in a Smart, Sustainable and Inclusive Future

Scottish Funding Council
Promoting further and higher education

CONTENTS

SFC/ESF Youth Employment Initiative

Introduction

1. The Youth Employment Initiative (YEI) aims to integrate young people not in employment, education or training (NEET) into the labour market and to reduce youth unemployment in South West Scotland. Funding has been provided to colleges in South West Scotland to meet those aims by strengthening the education and skills of young people NEET that are at a disadvantage in the labour market, and moving those individuals into positive destinations. YEI funding is available for three academic years from 2015-16 to 2017-18.

2. This document provides guidance to colleges on the purpose of the YEI programme and the funding allocated to colleges under it, eligibility criteria, conditions of grant, monitoring / reporting processes and fund management for this project in AY 2015-18.

3. ESF activity funding under YEI has been allocated to colleges in South West Scotland based on our demographic model and the need/demand for additional places. The additional places must be used to provide young people NEET in South-West Scotland with the skills and qualifications that will allow them to gain sustainable employment, undertake an apprenticeship, or continue in education.

Summary of main programme criteria and monitoring requirements

4. Under the YEI programme:

   - Student participants must not be in employment, education or training (NEET) at the point of enrolment.
   - Participants must reside in the South West Scotland geographical area which includes Dumfries & Galloway, East Dunbartonshire, West Dunbartonshire and Helensburgh and Lomond; East Ayrshire and North Ayrshire mainland, Glasgow City, Inverclyde, East Renfrewshire and Renfrewshire, North Lanarkshire, South Ayrshire and South Lanarkshire.
   - At the point of enrolment, participants must be aged between 16 and 29 years old.
   - Participants must enrol on a course / programme of study that leads to a 'Nationally Recognised Qualification'[1] (full-time or part-time), e.g. Scottish Credit and Qualifications Framework (SCQF) accredited.

---

[1] A 'Nationally Recognised Qualification' is considered to be one that has a Group Award attached.

5.   Key points to note:

- If the participant completes the full course, then the standard course tariff will apply (e.g. they do not have to achieve a qualification).
- Participants must complete at least one credit.
- Physical attendance is not monitored by SFC for the purpose of teaching funding. However, we expect colleges to manage attendance / participation on courses effectively to ensure that students who are not engaging in learning are withdrawn.
- Qualifications achieved must be monitored.
- Colleges will be expected to report to SFC both short and longer term result indicators:
    - (i)   'immediate' result indicators which capture the situation up to **4 weeks** after a participant leaves their course of study (whether that be at the scheduled end of their course or part-way through).

    - (ii)   Longer-term result indicators which refer to a student's situation **6 months** after leaving their course (as above).

6.   Teaching activity is funded by SFC on the basis of the Credit funding model. Please refer to Annex A for more information.

7.   Colleges should be aware that the YEI programme is more results-focused than previous ESF programmes. Although funding is not directly linked to these results, the success of the programme will be based on one (or more) of the following results:

- (i)   Full success in their course of study and achievement of a nationally recognised qualification.

- (ii)   Continued education/training (including subsequent re-enrolment onto a college place in year 2).

- (iii)   Apprenticeship or traineeship.

- (iv)   An offer of employment.

- (v)   Self-employment.

Eligibility guidance

Definition of students and courses eligible for teaching funding

8. Project participants must be ESF/YEI eligible and reside within South West Scotland. Additional places provided through YEI credits should be in areas highlighted in Regional Skills Assessment plans to ensure that young people NEET are offered courses with good employment opportunities.

9. College regions must follow SFC's student activity data guidance for colleges (Credit guidance). This guidance sets out the details of students and courses eligible for funding as well as credits that can be claimed in respect of full and part time provision. In addition to SFC's Credit guidance, in case of withdrawal, additional rules apply (see 8. ii.)

    i.   For students who complete their course, ESF credits should be based on the *planned* number of credits to be delivered rather than the actual number. These students should be identified in the FES 2 return as having <u>completed their course</u>, i.e. the outcome selected from the 'student record outcome' list must specifically state <u>'completed'</u>.

    ii. Where the student does not complete their course (i.e. is withdrawn from the course before completing) the college can only claim the units completed before the point of withdrawal. A student who withdraws after one semester of a 16 credit course and completes 7 credits (not just those achieved) can be counted for the 7 credits only.

    iii. ESF credits can only be claimed once the core SFC credit target has been achieved. A college delivering 101,000 credits with a 100,000 core credit target would only be able to count 1,000 credits towards their ESF project.

10. You can find the student activity data guidance on the SFC website.

11. Colleges must adhere to SFC's fee waiver guidance when waiving the fees of students. This includes FT Further Education (FE) and PTFE and Higher Education (HE) provision.

12. Colleges must also adhere to SFC's residency rules outlined in SFC policies, available on our website.

13. SFC rules on residency align with Scottish Government residency criteria.

14. In addition to rules on residency, the criteria set out in Annex B, relating to refugees and asylum seekers also applies to the Youth Employment Initiative.

15. For each ESF participant, colleges will be required to provide a record of the qualification enrolled for and the credits claimed, broken down to unit level, which we will then retain on the FES system.

16. There will be reconciliation points during the lifetime of the project to ensure that colleges are on track to achieve their core credit target plus their additional ESF credit target as set out in their offer of ESF grant letter. This is explained in more detail in the section on Quarterly Reporting.

17. Colleges must collect and record each participant's National Insurance (NI) number as a unique identifier. For each ESF participant identified in the FES return, colleges must upload a list with participants' National Insurance numbers to the secure server. If a student is unable to obtain the NI number then the Scottish Candidate Number (SCN) should be used. However, this should only be used in exceptional circumstances. All participants within the target age group (16-29) should make every effort to obtain their NI number, as it would be required if they were asked to take up employment.

18. Colleges will be able to use the SFC in-year redistribution process to request additional student support funds for their core SFC activity.

Definition of students and courses eligible for student support funding

19. To be eligible for support from the ESF an individual must be:

    - Legally resident in the UK.
    - Able to take paid employment in a European Union member state.

20. Colleges must follow SFC's student support guidance, available on SFC's website.

21. Colleges can only use ESF student support funds for eligible students enrolled on activity under this YEI programme. Student support eligibility criteria must be met, as set-out in this guidance (e.g. attendance criteria). YEI student support funding should be used to help address issues that prevent young people NEET taking up or continuing in a college place, for example childcare commitments. SFC expects colleges to reduce student support payments to students who are not actively engaged in learning.

22. If colleges are delivering ESF provision to students under YEI who are under 18 years of age and will be supported through the Educational Maintenance Allowance (EMA), we will assume that they are pulling down this support from the EMA fund. Colleges should not include a claim for these students against this project, in respect of the EMA allowances.

23. Colleges must also ensure that they comply with the conditions of grant outlined in their Regional Outcome Agreement and audit guidance. Student support audit guidance will be published at the end of the AY as per our normal processes.

24. All relevant guidance will be published on the SFC website.

25. The ESF YEI project guidance for AY 2015-18 is also available on the SFC website.

Standard conditions of grant for YEI

26. It is a condition of grant that:

    (a) All funds must only be used for the purpose(s) for which they are provided. (SFC retains the right to audit the relevant institutional documentation in order to satisfy itself that this is the case and the college undertakes that it will provide such assistance as SFC reasonably requires to enable it to do so).

    (b) The college will give SFC prompt written notice of any anticipated under-delivery of credits under the project.

    (c) SFC may recover any amounts of grant unspent, or which in its view have not been spent in accordance with the conditions of this grant.

    (d) Use of this funding must meet the eligibility criteria for the Youth Employment Initiative (YEI) project.

    (e) The college must achieve its core SFC Credit target and the conditions of grant attached to your final outcome agreement funding.

    (f) The college must deliver the additional ESF Credit target set out in this letter in order to receive the full allocation of ESF funding. Under-recruitment may result in the clawback of funding.

    (g) Should there be a reduction in ESF monies available under the programme, SFC may have to reduce the amount of funding provided to colleges.

    (h) Activity delivered under this project should reflect the college's Regional Skills template, which ensures fit with local needs and priorities, submitted to SFC.

    (i) The college will provide progress and monitoring reports to SFC as required under the Youth Employment Initiative.

    (j) Student participants under the YEI project must be accurately flagged and recorded by the college in Further Education Statistics (FES) quarterly returns.

    (k) All documentation relating to the ESF YEI student participant must be retained until at least 2032 for European audit requirements, including enrolment form, participant form, notification of ESF funding, record of continued participation on course/withdrawal, evidence of nationality, evidence of permanent residence and records of destination/follow up 4 weeks and 6 months after leaving. Where applicable, student support applications, letters of award, BACS payments, Personal Learning Support Plans and appropriate referral documentation should also be retained.

Additional project requirements

27. Colleges must:

- Nominate a project manager, to act as the main project contact with SFC and to accept responsibility for monitoring use of the grant and co-ordinating any additional reporting requested.
- Seek our agreement in advance for any alterations to the activity outlined in the initial completed regional skills pro-forma.
- Inform SFC in advance of any publicity arrangements they are making for the YEI project. Colleges must also provide examples of publicity used in the delivery of this project when requested by the SFC. Please also note the specific guidelines on ESF publicity.
- Ensure that college staff help all participants complete the ESF participant form provided in Annex C within four weeks of enrolment. The form provides evidence for audit that the participant was notified that their course is part-funded by the European Union (EU). Only participants with fully completed ESF participant forms are eligible for the project;
- Upload student enrolment forms and ESF participant forms for all ESF students using SFC's secure server.

- Colleges must collect and record each participant's National Insurance number as a unique identifier – only in exceptional circumstances will an SCN number be accepted as an alternative. For each ESF participant identified in the FES return, colleges must upload a list with participant NI number (or SCN number where appropriate) to the secure server.
- Accept that SFC and/or European Court of Auditors (ECA), Scottish Government may audit relevant project documentation to confirm that the grant has been used appropriately and in line with the conditions of grant and.
- Certify true copies of original paper documents (photocopies) – photocopied documents must contain a 'certification statement'. The declaration must be annotated on, or appended to, the copy.
    - o If a document contains multiple pages then the first page should be certified and the number of attached pages indicated on the front page (alternatively, each page could be certified). <u>The certification statement must be signed and dated by an employee who can vouch that the copy is a true replica image of the original.</u>

Specific conditions of grant – course and qualifications aim

28. It is a requirement of these funds that students are enrolled on a course that leads to a full, nationally recognised, accredited qualification.

29. Colleges are expected to reconcile their ESF teaching funds to the students being supported in this YEI project. The funds cannot be used for students out with this project.

30. Colleges must be able to demonstrate that all ESF SFC project funds have been spent on qualifying students. If less is spent on student support, more credits should be delivered in line with the funds allocated.

31. Colleges cannot use these funds as part of another ESF bid and the participants must not be used as part of any other ESF or other funded project e.g. Princes Trust. This includes Community Planning Partnerships (CPPs) & Skills Development Scotland (SDS) ESF projects.

32. Although spanning courses are eligible for funding under our credits guidance, colleges can only claim spanning activity if it falls between the beginning of AY 2015-16 and the end of AY 2017-18. This project will not fund activity beyond AY 2017-18.

Data returns/claims

33. Colleges will be subject to some financial testing in relation to student support costs, and will be required to provide evidence for their beneficiaries, such as attendance records and outcomes achieved. The information requirements and the ESF claim categories that we will be asked to report on are shown in Annexes C and D. ESF reporting is built into quarterly FES returns. It is a mandatory requirement for colleges to complete this additional reporting for ESF students through FES, e.g. status immediately prior to enrolment and highest qualification level at time of enrolment.

Gathering Student Information and Retaining Documentation

34. As the project's Lead Partner, SFC is responsible for collating and submitting college claims based on robust supporting information. This can only be achieved by sharing that responsibility with the sector and relying on colleges to identify (or 'tag') their students participating in this project. This process will require rigour and is critical to the overall success of the project and its continuation over the next two years.

35. SFC as Lead Partner will also be responsible for the retention of all relevant documentation for this ESF project. Documentation will include all relevant financial and participant records pertinent to the project, including the SFC administration costs, college returns and student records to support the credit payments. SFC will therefore expect all colleges to retain the relevant documentation as prescribed in the National Rules for the ESF 2014-2020 programme. The National Rules can be accessed from the Scottish Government website by using the link below:

36. Colleges must retain all student records that show:

- Evidence of enrolment and notification of ESF funding.
- Evidence of continued participation / withdrawal.
- Evidence of student support / childcare (including payments to participants).
- BACs payment relating to the above.

- Evidence of any extended learning support provided to the student (e.g. the individual student's personal learning support plan).
- Records of destination/follow up of participant's destination 4 weeks after leaving **and** 6 months after leaving (regardless of leaving date).

37.   Colleges must also collect and retain the following:

- Evidence of participant's nationality - photocopies of passports/birth certificates, residency permit or letter from UK immigration granting indefinite leave to remain (certified).
- Evidence of the participant's permanent residence, e.g. mobile phone / utility bill, SQA certificate / print from 'SQA Navigator', driving licence (certified).
- Appropriate formal referral documentation (where applicable).
- Evidence of 'The Learner Journey' – Colleges must be able to demonstrate and outline the processes, services and interventions available to NEET participants under the YEI programme – this process begins with the student's first contact with the college, right through to follow up after they have completed their course/left the college.

38.   While a certain amount of information can be drawn from FES returns, the level of information required for audit purposes means that each college will be expected to retain that information to support claims submitted to SFC. Following advice from Scottish Government, SFC requires that colleges upload each ESF beneficiary's ESF participant notification and enrolment form onto Secure Send. These documents will be archived electronically by SFC for review by Scottish Government verification officers and by auditors at SFC's offices. Institutions are also required to retain copies of these documents as many audits will be conducted onsite at colleges.

39.   Under EU Regulations, project documentation must be retained for three years after the final payment has been made by the European Commission to the Paying Authority. In practice, this can mean that documents must be retained for up to 12 years. SFC requires that colleges retain this information relating to the YEI until at least 2032.

Electronic documents

40.   EU Regulations require that the audit trail must be supported by original source documents. These can be retained in either paper form or in electronic format. Please note: if you are keeping copies of original documents electronically, they must meet with Commission Regulation (EC) 2355/2002.

41.   Documents must be:

- Held on a recognised data carrier.
- Certified as copies of the original.
- Able to be audited.

42. Commonly-accepted data carriers include:

- Photocopies of original documents.
- Microfiches of original documents.
- Electronic versions of original documents on optical data carriers (such as CD-ROM, hard disk or magnetic disk).

43. You should use the following declaration to certify that the copies you hold on the commonly-accepted data carrier are true copies of the original document.

'I certify that this is a true copy of the original document/s'

Signed:..

Date:...

Position in organisation:...............................

Reporting process

44. SFC provides grants to colleges to deliver a specified volume of activity (measured in credits) during an AY, and issues guidance each year on eligibility of programmes and students for credit funding.

45. To verify that colleges have met their credit target, SFC collects annual statistical data from colleges. There are two main collections:

- The Further Education Statistical (FES) return - this collects data on all further education and higher education provided by colleges in Scotland.
- The student activity return (or credit return) - this collects data on college FE/HE activity that is eligible for SFC funding.

46. The credit return is a sub-set of the FES return. The accuracy of the credits claimed is certified by the college Principal, and the claim is audited by the college's external auditors.

47. The data is collected at individual student level and includes personal information about the student, details of the course, duration of study and outcome. SFC annually publishes detailed performance indicators using data from the FES system.

48. SFC will monitor each college's progress in meeting its additional credit target by analysing quarterly FES returns. Claims for delivery of training and student support costs incurred by colleges will be made once per annum to Scottish Government using the on-line claims system, €UMIS.

49. SFC will conduct annual verification checks onsite at colleges to review activities reported and outputs claimed by each college. In order to ensure these verifications are completed successfully, colleges will be required to provide all relevant supporting documentation on request.

50. Verification checks on €UMIS claims will be **in addition** to checks that will be carried out by the SFC, to ensure that a robust audit regime is in place that will stand up to scrutiny by EC or ECA audits.

51. It is a condition of grant that colleges use FES to report on their progress with these funds and additional ESF reporting requirements including the status of ESF participants immediately prior to enrolment and their highest qualification level at the time of enrolment.

52. FES guidance notes can be found at on the SFC website.

53. These documents detail the monitoring information that SFC will collect, including details on disability, ethnicity, gender, age, subject area, qualification of study, bursaries, childcare funds, discretionary funds and postcode which allows us to also report in terms of geographies (local authority areas etc.) and deprivation. College staff will be asked to identify SFC ESF students using the '*ESF funded student*' field within the FES 2 data return and/or the appropriate field in FES.

FES quarterly returns

54. Colleges are expected to submit their first return in November 2015. This should include all fields within the FES returns, with the exception of student and unit outcomes. As this is not a final return, some areas will be subject to change. For example, the dominant programme group is likely to change for many courses as these are dependent on the subjects studied by students over the entire AY.

55. FES returns at the end of the AY are only accepted once the data has gone through an extensive cleansing process.

56. As outlined in the FES guidance, fields collecting data required for ESF reporting will become mandatory for ESF students, including status immediately prior to enrolment and highest qualification level at the time of enrolment.

57.   The dates for submission of FES quarterly returns for ESF activity delivered in AY 2015-16 are as follows:

- 13 November 2015.
- 5 February 2016.
- 8 July 2016.
- 14 October 2016.

Payment Profile

58.   We will pay 75% of the funding to colleges between August and July. The final amount (25%) will be paid in October as an ad-hoc payment once the October FES return has been fully reviewed.

Clawback

59.   SFC reserves the right to clawback these funds if they have not been used for the purposes outlined the individual offers of grant. Final payments will not be released if the college has not achieved the outcomes agreed in their offer of grant. SFC reserves the right to clawback funding dependent on the outcome of audit findings. As is the case with current clawbacks for teaching and student support funds, should we need to clawback funds these will be taken from future teaching and/or student support payments.

Further information

1.   Please contact Rebecca Fairgrieve-Stewart, Senior Policy / Analysis Officer, ESF Funding Policy for further information, tel: 0131 313 6687, email: rfairgrievestewart@sfc.ac.uk.

Martin Smith
Chief Funding and Information Officer