



Financial Contingency Fund 2007/08

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Guidance

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Financial Contingency Fund 2007/08

Audience	Higher Education Institutions in Wales
Overview	Guidance for use by Higher Education Institutions (HEI's) for administering, assessing eligibility and the methodology for calculating payments made under the Financial Contingency Funds for Higher Education 2007/08.
Action required	Higher Education Institutions
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Available online at	http://new.wales.gov.uk/publications/circular
Related documents	Financial Contingency Fund 2006/07: Guidance by Higher Education Funding Council for Wales (HEFCW)

CONTENTS

	Page No
1. Summary	3
2. Terms and Conditions	4
3. Introduction	8
4. Guidance	10
4.1 Purpose of Financial Contingency Funds	10
4.2 Who is eligible to apply	10
4.3 Eligibility of students from England, Northern Ireland and Scotland	11
4.4 Priority Groups for help from the FCFs	11
4.5 General rules for FCFs	12
4.6 Treatment of 'Student Loan for Fees'	14
4.7 Additional Fee Support (AFS) for Part-time Students	15
4.8 Taster Modules	17
4.9 Students on franchised courses at FE colleges	19
4.10 Students in receipt of other significant support e.g. Assembly Learning Grant (ALG) and HE Grant	19
4.11 Fee remission scheme for part-time students studying at least 50% FTE who lose their jobs after starting their courses	19
4.12 Deciding whether a student should receive a payment	20
4.13 Financial advice for students	21
4.14 Making payments to students	22
4.15 Making payments to third parties	22
4.16 DWP disregards	22
4.17 Help for Disabled Students (including diagnostic test costs)	22
4.18 Suspension of Studies	23
4.19 Summer Vacation students	24
4.20 Bursaries	24
4.21 What the Financial Contingency Fund cannot be used for	25
4.22 Appeals by students	25
4.23 Information about Payments from the Financial Contingency Fund	25
4.24 Additional funding to support part-time students pending the extension of targeted grants within the statutory system.	25
5. Financial issues	27
5.1 Total Amounts available in the Fund	27
5.2 Payment to institutions	27
5.3 Financial conditions and auditing requirements	27
5.4 Carry forward of unspent Funds	28

6. Annexes

Annex A:	Residency requirements	29
Annex B:	Advice on issuing short term loans from the Financial Contingency Fund	33
Annex C:	Form of words for students to give to their JobCentre Plus Office or Local Authority Housing Benefit Office	35
Annex D:	2005/06 Summary	36
Annex E:	2007/08 Monitoring Requirements	43

Financial Contingency Fund 2007/08

1. Summary:

This document sets out the terms and conditions for the payment by the Welsh Ministers (the 'grantor') to institutions of grant specifically earmarked for the purposes of providing assistance for students in particular need ("grant for Financial Contingency Funds") in respect of the academic year beginning August 2007. These Terms and Conditions supersede any previous Terms and Conditions imposed by the grantor for the payment of grant for Financial Contingency Funds/Hardship Funds to institutions.

2. Terms and conditions for payment of grants for the purposes of Financial Contingency Funds 2007/08

2.1 This document sets out the terms and conditions for the payment by the Welsh Ministers (the 'grantor') to institutions of grant specifically earmarked for the purposes of providing assistance for students in particular need ("grant for Financial Contingency Funds") in respect of the academic year beginning August 2007. These Terms and Conditions supersede any previous Terms and Conditions imposed by the grantor for the payment of grant for Financial Contingency Funds/Hardship Funds to institutions.

2.2 Grant for Financial Contingency Funds shall be subject to such conditions and requirements as the grantor may from time to time prescribe. The institutions shall ensure that any grant for Financial Contingency Funds is used only in accordance with the Terms and Conditions which apply to that grant. In addition, the grantor will require institutions to have regard to the guidance set out in the attached document entitled: Financial Contingency Funds (HE): 2007/08 in relation to the use of grant for Financial Contingency Funds.

Purpose of Grant

2.3 Any grant for Financial Contingency Funds is to be used by institutions to pay grants to provide financial help to those whose access to higher education might be inhibited by financial considerations or who, for whatever reason, including physical or other disabilities, face financial difficulties associated with their living costs. It may not be given to any full-time or part-time students to help them meet tuition fees with exception to those students eligible for additional fee support (AFS) for part-time students (4.7), those transitionally protected under the fee waiver scheme, contained in (4.11) and those students with little or no experience of higher education who wish to undertake a taster module (4.8).

Accountability

2.4 In HEIs the designated officer, whose responsibilities are described in the Financial Memorandum, has been notified to the grantor. In FECs comparable responsibilities are assumed to be borne by the principal of the college. Specifically in respect of Financial Contingency Funds allocations, the designated officer shall:

- a) advise the Governing Body on the discharge of its responsibilities under this document; and
- b) ensure that the uses to which the institution puts grant for Financial Contingency Funds are consistent with the purposes for which such grant was given by the grantor and comply with any Terms and Conditions attaching to it.

2.5 The institution shall take such steps as the grantor may require from time to time for the purposes of ensuring that the systems of financial control and management are such as to enable it to fulfil its obligations under this document.

Payment of the Grant for Financial Contingency Funds to institutions

2.6 Grant for Financial Contingency Funds will be paid to institutions in September in respect of that academic year.

2.7 The amount of grant which the grantor shall make available to institutions for the purposes specified in paragraph 2.3 above shall be in aggregate not less than the amount of grant for Financial Contingency Funds specifically earmarked by the grantor.

Terms and Conditions for payment of grant to institutions

2.8 The institution shall comply with these Terms and Conditions and shall have regard to any policy guidance or directions issued by the grantor in making for the purpose specified in paragraph 2.3 above.

2.9 Payments to institutions funded by the grant for the purpose specified in paragraph 2.3 above in respect of each academic year shall be made by the grantor in September of that year.

2.10 Grant for the purpose specified in paragraph 2.3 above shall be paid to institutions subject to Terms and Conditions which, shall be issued by the grantor. The Terms and Conditions shall be in addition to any Financial Memorandum between HEFCW and the HEIs, and the Schedule to the Funding Agreement between HEFCW and FEIs. These Terms and Conditions shall include the following:

- a) such grant is to be used only for the purpose specified in paragraph 2.3 above;
- b) such grant is to be made available only to eligible students as defined in paragraph 2.13 below;
- c) each institution shall operate a separate, interest-bearing account into which such grant shall be paid; and
- d) the interest on such grant may be paid to students, as part of the normal allocation of the resource available, used for publicity or administration costs or used to defray audit costs.

2.11 The grantor shall require each institution to which it has paid grant for Financial Contingency Funds to present, by 31 December, audited accounts in respect of the previous academic year and such information as the grantor shall from time to time prescribe, showing how grant for Financial Contingency Funds was used in the previous academic year. The grantor shall ensure that each institution's audited accounts includes a note showing the receipt, any payments, any repayments and closing balance of the grant for Financial Contingency Funds provided by the grantor. Auditors shall be required to certify whether the Funds provided by the grantor and any interest earned on them have been applied in accordance with the Terms and Conditions of the grant. Where an institution makes a Financial Contingency Fund payment to a student in the form of a loan,

repayments may only be used in furtherance of the purpose of the funds as set out in this guidance, or for further payments which shall be documented in the same way as original payments.

2.12 The HEIs shall, by the end of January each year, provide the grantor with a report on the use of grant for the purpose specified in paragraph 2.3 above in the preceding academic year. This will include the information specified in Annex E of the attached document Financial Contingency Funds (HE): 2007/08.

Eligible students

2.13 Grant for the purpose specified in paragraph 2.3 above shall be used only to assist students falling within the following groups:

- **Undergraduate students** either full or part-time, including distance learners, following a higher education course including sandwich courses and any periods of work placement and foundation degrees (further information on eligible courses is available at 4.2 of the Guidance attached);
- **Postgraduate students** either full or part-time, following a course of higher education at a level above first degree. This may include, at the institution's discretion, those who are writing up their thesis for a maximum 6 month period from date of the end of course registration and are not therefore attending the institution.
- **Further education students** either full or part-time, following a course of further education at a higher education institution including sandwich courses and any periods of work placement, who are aged 16 or over.

2.14 In paragraph 2.13 a part-time student must be studying at least 50% of a full-time course in an academic year (e.g. 60 credit points, where the full-time equivalent is 120) to qualify for help. One exception to this limit can be made in the case of disabled students, whose disability prevents them from studying at least 50% of a full-time course. These students are not eligible for DSAs and may need some additional support. These students must be studying for at least 25% (30 credits) of a full-time course. Another exception is students undertaking 'taster modules' of between 10 and 50 per cent of a full-time course (see 4.8).

2.15 Grant shall **not** be used to assist those students eligible for a student loan in the relevant academic year but who have decided not to take one out. Except where a student is applying for FCF support to cover a preliminary dyslexia diagnostic test, then it **may** not be necessary. However the student should show a need for financial help to pay for the cost of the test.

2.16 In each case a 'home' student is defined as one who meets the residence conditions for living costs set out in the Schedule 1, The Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007, and includes students from England, Scotland, Wales and N Ireland but not the Channel Islands or the Isle of Man. Where a student is not in receipt of statutory student support, it is for the institution to determine their residency status.

Revision

2.17 The grantor may at any time revise, revoke or add to any of the terms and conditions in this document. The grantor may make revisions, revocation or addition to the Terms and Conditions of payment.

Interpretation

2.18 Questions arising about the interpretation of the arrangements in this document shall be resolved by the grantor.

3. Introduction

3.1 The guidelines set out from 4 onwards have due regard for the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007: These are the Education, Wales Regulations 2007 (S.I.2007 No.W). They are the main regulations made by the National Assembly for Wales, providing financial support for students who are undertaking designated higher education courses.

3.2 Administrators are reminded that students applying to the Fund will be subject to different funding regimes which will be dependent upon when they entered onto their course and also the support available from the country of domicile and that this should be taken account of when assessing a student's application from the Fund.

3.3 Main Changes 07/08 FCF Guidance

Outlined below are the main changes to the Financial Contingency Fund:

Following the Independent Review of Part-time Higher Education Study in Wales (Graham Review) and mindful of the importance of part-time study upon individuals and institutions in term of the widening access agenda the grantor has decided to open up eligibility for FCFs in respect of the following:

- **Extending eligibility for 'taster modules':** From 2007/08, FCFs has been opened up to help support part-time students with little or no experience of higher education who wish to undertake a taster module. The module must be undergraduate higher education listed courses of between 10 and 50% of a full-time course (between 12 & 59 credits). Further information is included at 4.8.
- **Additional Fee Support (AFS):** additional fee support to new and continuing part-time undergraduate students where the statutory fee support is insufficient to meet the full fees charged. The introduction of the AFS removes the need to continue with the transitional protection of continuing part-time students who received a fee waiver from FCFs in 2003/04. Further information is available at 4.7.
- In keeping with the recommendations of the Graham Report, it is the grantor's intention to extend certain targeted grants which are currently available only to full-time undergraduates to part-time students who are studying 50% FTE. Additional funding has been made available, but the grantor's delivery agents, the Student Loans Company will not be in a position to administer the extended support until A/Y 2008/09. Therefore, the grantor has made available additional funding, for one year only (A/Y 2007/08) through FCFs to enable the targeted groups to receive additional support on a discretionary basis, pending the extension of targeted support on a statutory basis from the 2008/09 AY. Further information is available at 4.24.

- The only other change in terms of the administration of the Scheme is that from 2007/08 Financial Contingency Fund will be administered directly by the grantor rather than indirectly through HEFCW as was the case in previous years. This includes the financial and monitoring arrangements.

3.4 Main Changes to Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007

Outlined below are the main changes to the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007:

- **Tuition Fee Grant:** 'New system' undergraduate students starting their course in 2006 or later can apply for a Tuition Fee Grant of up to £1,845 to help towards tuition fees if the student lives and decides to study in Wales. The grant is not dependent on household income.
- **Welsh Bursary Scheme:** From September 2007, universities and colleges in Wales, charging flexible fees, are committed to providing additional support for students under a new Welsh Bursary Scheme (WBS).

New full-time higher education students who started a higher education course in Wales in or after September 2006, regardless of where they come from in the UK, will be considered for a means tested WBS from their institution. This award will be £305 in the 2007/08 AY. The award is administered and paid by participating universities and colleges.

Institutions may also be offering increased or additional bursary and scholarship awards.

- **Eligibility Criteria:** tightening the definition of family members of a refugee or person with "leave to enter or remain" in the UK and when that status must have been held for the purposes of the Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007 and the treatment of those who lose their immigration or EE/Swiss family member status during their HE course (More information provided in Annex A).

4. Guidance

4.1 Purpose of Financial Contingency Funds

The Financial Contingency Fund is made available to institutions to provide discretionary financial help to support vulnerable students, in particular to help them access and remain in higher education.

Specifically it should be used:

- to assist those who need extra financial help to meet particular costs which are not already being met from statutory (or other) sources of funding;
- to alleviate cases of financial hardship;
- to meet unexpected financial crises;
- to intervene in cases where a student may be considering leaving higher education because of financial problems.

4.2 Who is eligible to apply?

The Fund is for “home” students (as defined in Schedule 1, The Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007) in one of the following categories:

- **Undergraduate students** either full or part-time**, including distance learners, following a higher education course including sandwich courses and any periods of work placement and foundation degrees;

Eligible undergraduate courses include:

- a first degree, such as BA, BSc or BEd;
- a diploma of higher education (DipHE);
- a higher national diploma (HND);
- a higher national certificate (HNC);
- a certificate of higher education;
- an NVQ at level 4 where this is awarded alongside a first degree, DipHE or HND;
- a foundation degree; or
- a course which prepares for a professional examination of a higher standard than GCE advanced level, Scottish Higher, National Certificate or National Diploma.

Students on foundation years, which are an integral part of one of the above courses and where progression to the HE part of the course depends on the completion of the foundation year, are also eligible to apply for help from the Fund.

- **Postgraduate students** either full or part-time**, following a course of higher education at a level above first degree. This may include, at the institution's discretion, those who are writing up their thesis for a maximum 6 month period from date of the end of course registration and are not therefore attending the institution.
- **Further education students** either full or part-time**, following a course of further education at a higher education institution including sandwich courses and any periods of work placement, who are aged 16 or over.
- **NHS Bursary Holders** All students who receive a NHS bursary (both means-tested and non means-tested) are eligible to apply for help from the Financial Contingency Fund.
- **ITT and PGCE students** Students on initial teacher training courses must have applied for help from the Teacher Training Recruitment Scheme, if eligible, **before** applying for the Financial Contingency Fund. Postgraduate trainees eligible for teacher training incentives should expect to have these taken into account when making a Financial Contingency Fund application.

****Part-time students**

A part-time student must be studying at least 50% of a full-time course in an academic year (e.g. 60 credit points, where the full-time equivalent is 120) to qualify for help. An exception to this limit can be made in the case of disabled students, whose disability prevents them from studying at least 50% of a full-time course. These students are not eligible for DSAs and may need some additional support. These students must be studying for at least 25% (30 credits) of a full-time course. Another exception is students undertaking 'taster modules' of between 10 and 50 per cent (12–59 credits) of a full-time course.

Information on 'taster modules' is outlined at 4.8.

4.3 Eligibility of students from England, Northern Ireland and Scotland

Students from England, Northern Ireland and Scotland are eligible to apply for bursaries or for help from the Financial Contingency Fund. Institutions should take into account any support the student is receiving from their country of domicile.

4.4 Priority groups for help from the Financial Contingency Fund

In line with the purpose of the fund, the grantor expects institutions to give priority for help to students who fall into the priority groups as set out below.

The institution should ensure that its assessment process identifies students who have particular financial needs and those who are in unforeseen financial difficulty. The process should result in most of the available funding being directed to students with a low income and those who have exceptionally high costs.

- Students with children, especially lone parents.
- Other students, with existing financial commitments, including priority debts.
- Students who need extra help with childcare costs.
- Disabled students, in particular those where the DSA is unable to meet particular costs and the institution has no legal responsibility to do so.
- Care Leavers.
- Final Year Students, who are in financial difficulty (including those unable to work due to academic pressures).
- Foyer residents and other homeless students.

4.5 **General rules for FCFs**

- a) **Tuitions Fees** - FCFs cannot be used to meet the cost of tuition fees for any full-time or part-time student **except for**:
 - i. Part-time students eligible for AFS (see further information at 4.7).
 - ii. Those students with little or no experience of higher education who wish to undertake a 'taster module' (see 4.8 for further information).
- b) **Diagnostic Tests** - In cases where a student is applying for FCF support to cover a preliminary dyslexia diagnostic test then it may not be necessary for the student to have taken out their student loan first, or indeed to intend to take out a student loan, however the student should show a need for financial help to pay for the costs.
- c) **Student Loan** - Where eligible, full-time undergraduate students must have applied for their full entitlement of student maintenance loan and received the first instalment before receiving any payment from FCFs.
- d) **Short Term Loans** - Students can receive an emergency short-term loan from FCFs, where their first loan payment has been delayed beyond the start of the term. This should be recovered once the student loan payment is received.

The majority of students receive their student loan through the BACs credit transfer paid directly into their bank or building society account. Administrators will have the discretion to offer short-term loans to eligible

students who have not received a loan instalment through no fault of their own e.g. applied for statutory funding after deadline – not to be confused with a student who has gone through clearance. It is for institutions to determine the amount of short-term loan to give. However it is recommended that this should not exceed four weeks worth of a loan. Payment should be recovered once the student loan payment is received. More detailed advice on making these loan payments is at **Annex B**.

- e) **Arrears of student loan** - The Fund should not normally be used to repay arrears of student loan repayments. However, where access to a further student loan is blocked because a student is in default on a previous student loan, institutions have the discretion to make a short-term loan from the Fund. Institutions should assess the benefit to the student of making such a loan. Payment of the loan would be conditional upon the student using the money to clear their student loan debt with the SLC and enable the student to access their full statutory support package.
- f) **Hardship Loans** - Special consideration can be given, at the institute's discretion, to **existing students** (i.e. 3rd & 4th years) who previously qualified for a Hardship Loan and where there is clear evidence of hardship and no other financial resources being available. However, students should be advised that they should not expect to automatically be supported to the same level that they would have had in previous years from a combined Hardship Loan & FCF award.
- g) **Summer Vacation Funding** - Students in their second or subsequent year who have been receiving benefits during the **summer vacation** can receive a payment from FCFs before they enrol, to avoid a potential funding gap between the benefit payment stopping (usually in the first full week of September) and the student loan payment arriving.
- h) FCFs can be used to meet the following costs/circumstances:
- the general costs associated with being a student, these include;
 - living costs** - such as rent, mortgage payment, food, utility bills, clothing and laundry;
 - course costs** - such as childcare, travel, books and field trips; or
 - exceptional costs** - such as;
 - repairs to essential household equipment;
 - emergency situation (including travel costs for family illness or bereavement and - hardship due to burglary or fire);
 - additional costs for disabled students, not met by the DSA;
 - high costs for students dependent on continuing medication; or
 - assistance with priority debt.

- i) **Previous Study** - From 2006/07, students with a full honours degree are ineligible for the maintenance loan, except where the student wishes to retrain in a profession where undergraduate professional qualifications are required in addition to a degree, such as medicine (See regulation 5 (4) of The Assembly Learning Grants and Loans (Higher Education) (Wales) Regulations 2007.

Students ineligible for the maintenance loan due to previous study rules should be considered for FCF alongside other students. It is for administrators to decide on the percentage of additional need to award based on students having made adequate provision for living costs and administrators' local knowledge. This group of students will be in a similar position to those students aged over 60, who are ineligible for the maintenance loan due to the upper age limit.

Students ineligible for the maintenance loan due to previous study rules are not given priority for FCF funding. However, should they fall into a priority funding group because, for example, they have a disability, then they should be given priority consideration for FCF funding.

There is no change in the treatment of previous study for those undertaking specialised courses such as Initial Teacher Training (ITT), BEd or CertEd, so those students will still be able to apply for a maintenance loan.

Where a student is not eligible for the statutory part-time package because they have already received statutory support for an HE qualification, they can still be considered for help from FCF. If they fall into a priority funding group, they should be given priority consideration for FCF funding.

- j) **Topping up to an honours degree** - Students on a sub-degree course (e.g. HND) who then 'top up' their degree to a full honours degree are eligible for statutory support. Administrators should be guided by the LA assessment showing the statutory support they receive. For the purposes of FCF they should be treated as for other students (either 'old system' or 'new system' as appropriate).

4.6 Treatment of Student loan for Fees.

It is expected that most new students will apply for a tuition fee loan. However there might be students who have paid their fees and then fallen into hardship, though these cases should be extremely rare. It is expected that such students would be advised to apply for a fee loan as soon as they are able to do so. In considering whether help should be made available through FCF institutions will want to examine carefully the underlying cause of the student's financial difficulty and exercise their discretion accordingly.

FCFs are linked to hardship arising from living costs. They cannot be used for the payment of fees except in cases as stated at 4.7 and 4.8. Whilst a student should have exhausted their full entitlement to a student loan they should not be expected to

have taken out their entitlement to a 'Student Loan for Fees' or 'Loan for Fee Contribution'.

The grantor, DfES and Scottish Executive have agreed that there should be a consistent UK-wide approach. Tuition fee expenditure and income should therefore be excluded when assessing a student's application to the Fund.

4.7 **Additional Fee Support (AFS) for Part-time students**

- a) **Introduction** - From 2006/07 new full-time undergraduates were eligible for a more generous statutory support package and it has been recognised that this should have an impact upon their call on hardship support provided by FCFs.

Mindful of the importance of part-time study upon individuals and institutions in term of the widening access agenda the grantor has decided to open up eligibility for FCFs in respect of additional fee support to part-time undergraduate students where the statutory fee support is insufficient to meet the full fees charged. Please note that this removes the need to retain the transitional arrangements of continuing part-time students who previously received a fee waiver.

- b) **Rationale** - The rationale is to allow additional fee support for low-income part-time students whose statutory fee support is insufficient to meet the full tuition fee, which could prevent the student from accessing and remaining in HE because of financial hardship.
- c) **General issues: Flexibility** - Institutions have a wide discretion, taking into account the local market for part-time provision and the needs of individual students in accessing and remaining in higher education.

This discretion extends to:

- Whether or not to offer additional fee support.
 - Who is eligible for additional fee support (see general eligibility conditions below).
 - The amount of fee support to award to students.
- d) **Allocations** - There is no separate or ring-fenced amount included within the overall FCF allocation.
- e) **Publicity** - Institutions who decide to offer additional fee support to low-income undergraduate part-time students may wish to consider how best to publicise it in the context of part-time tuition fees to their part-time students.

- f) **Eligibility** - Institutions have a wide discretion as to who is eligible for additional fee support. However general eligibility conditions have to be met before eligibility for additional fee support can be considered.
- g) **General eligibility conditions** - To ensure consistency with arrangements for statutory support, applicants must meet:
- Residence conditions (see Annex A), apart from EU students (see below).
 - The requirement that the course is equivalent to at least 50% (60 credits) of a full-time course, apart from certain disabled students (see other categories below).
 - **EU students** - To ensure consistency with EU students' entitlement to statutory fee loans (FT) and statutory fee grant (PT), EU students would, if they meet other eligibility criteria, be eligible for help with additional fee support. **(EU students are not however eligible for hardship awards from FCF).**
- h) **Eligibility for AFS** - It is expected that students in receipt of financially assessed statutory support for part-time undergraduates (fee grant and/or course grant) would account for the majority of awards.
- i) **Other categories** - Institutions have discretion to consider whether the following students should also be eligible for additional fee support (it is expected that the number of students in these categories would be small):
- Students not eligible for statutory support on income grounds but whom the administrator feels would benefit from support to enable them to access or remain on the course.
 - Students not eligible for statutory support because of previous study rules but who are, for example, retraining through a second degree.
 - Disabled students not eligible for statutory support because, due to the nature of their disability, they are unable to study at least 50% of a full-time course but who are studying at least 25% of a full-time course.
- j) **Applications** - Institutions can decide how to invite and handle applications and have the discretion to consider whether to have a separate application form or to combine it with their FCF application form.

Institutions can decide when to invite applications, although it is expected that institutions would receive the majority of applications near the start of the academic year once students have received formal notification about their entitlement to statutory support.

- k) **Assessments** - It is for institutions to decide how to assess a student's eligibility for support. However once students have provided evidence of

their statutory support which shows that this does not fully meet their fees, institutions can consider making an award in line with their internally agreed practice about the levels of these awards (see below).

Institutions can decide what information and evidence other students have to provide. For students not eligible for statutory support, institutions may wish to assess income in the same way as for an FCF hardship award.

- l) **Amount of Additional Fee Support** - Institutions have discretion as to how much additional fee support to award taking account of local circumstances, the needs of individual students in accessing and remaining in higher education, and the budget available. For example, they may wish to ensure that low-income students can access the course without having to pay any fees.
- m) **Payments of Additional Fee Support** - Institutions can decide how payments will be made. It is expected that in the majority of cases, awards will be credited directly to the institution.
- n) **Monitoring returns** – Please note the change to the monitoring requirements included at Table 1 in Annex E.

4.8 Taster Modules

Support for undergraduate taster modules

- a) **Introduction** The aim of offering support for taster modules is to encourage students from poorer backgrounds with little or no experience of higher education, and who may lack the confidence to enrol on a full degree programme, the opportunity to experience higher education by providing fee support and course-related costs support for a single taster module.

Part-time students undertaking a taster module of between 10% and under 50% of a full-time course can apply for support towards fee and course costs. Institutions have discretion to provide support from FCF for taster modules which are less than 10% or 12 credits and otherwise fulfil the eligibility criteria for taster module support.

- b) **Eligibility** Courses eligible for taster module support must be undergraduate higher education courses. The module itself may lead to an HE qualification or it may be self-standing with no formal qualification at the end of the module.

The taster module must be:

- At least 10% or 12 credits of a full time course.
- Less than 50% of a full time course.

The taster module fee support is limited to one academic year or one module, whichever is the shorter.

- c) **Personal eligibility** Students must meet the general residence criteria for 'home' student status. EU students are eligible for help with fees for taster modules.

No or little experience of HE

Institutions have discretion to determine the criteria for what is no or little previous experience of HE. However, we suggest that previous experience of HE should not exceed one term or semester (whichever is the longer) in order to be eligible for support.

HEFCW part-time undergraduate fee waiver scheme

Administrators of FCFs should be mindful of the HEFCW part-time undergraduate fee waiver scheme when considering eligibility for FCFs. The HEFCW Scheme offers free remission for students who are unemployed and actively seeking work or who are in receipt of Department for Work and Pensions benefits and are studying on a course, module or unit which corresponds to ten credit values or more.

- d) **Assessments** It is for institutions to decide how to assess a student's eligibility for support. However it is expected that applicants to the Fund will be treated equitably i.e. the amount awarded from support received should be taken into account when considering support given from the Fund.
- e) **Amount of support** The amount of fee support payable for taster modules is at the discretion of the institution, taking into account the intensity of study.
- f) **Course-related costs** Limited assistance should also be made available for course-related costs, such as books or travel. It is for institutions to determine the exact amounts.
- g) **Limits to support under this scheme** Once a student has received support for one taster module they are not eligible for any further support under this scheme (although payments made under this scheme will not affect their eligibility for the statutory support package or discretionary support from FCF, should they progress to a full- or part-time degree course).
- h) **Transferring into a 50% FTE course** Where a student studies a taster module and within the same academic year, transfers those credits into the first year of a 50% FTE part-time course, the institution should ensure that the total fee received for that academic year of study from both the FCF and the LA should not exceed the grant for fees institutions receive from students who enrolled directly on to the 50% FTE part-time course. If

the student is not permitted to transfer the taster module credits into the first year of a 50% FTE part-time course, this does not apply.

4.9 Students on franchised courses at FE colleges

Students who attend a franchised course at an FE college, or who are on a course provided jointly by an HE and FE institution, remain the responsibility of the “parent” HEI. Students on franchised or partnership courses should be able to apply for help from the Financial Contingency Fund just as easily as those at the parent HEI and wherever possible through the college they attend. This will prevent them having to make unnecessary journeys to apply for and collect money. Institutions might like to consider setting aside an appropriate proportion of their Financial Contingency Fund for franchised students, for their franchised or partner FE college(s) to administer. Institutions with distant campuses must also ensure that students there can apply for the Financial Contingency Fund. This should be at the campus they attend wherever possible.

4.10 Students in receipt of other significant support e.g. ‘new’ or ‘old style’ Assembly Learning Grant (ALG), HE/Maintenance Grant, part-time statutory support package etc

Institutions should be aware that being in receipt of other significant financial support such as those listed above (please note this list is not exhaustive), does not prevent the student from applying for or being awarded financial support from the Financial Contingency Fund. However the amount awarded should be taken into account when considering support given from the Financial Contingency Fund.

Institutions should also direct those students who ‘appear’ eligible for an ALG, part-time support package but have not applied for one, to do so before considering an application for support from the Financial Contingency Fund.

Assembly Learning Grant/Maintenance Grant. ‘New system’ undergraduate students starting their courses from 2006 may be eligible to apply for an Assembly Learning Grant/Maintenance Grant of up to £2,765 per year. How much a student gets is dependent upon the household income and does not have to be paid back.

4.11 Fee remission for part-time students studying at least 50% FTE who have lost their jobs

Should administrators receive any enquiries from part-time students for help with the cost of undergraduate part-time tuition fee support, the student should in the first instance be directed to their local authority (LA) which administers the statutory support package for part-time students.

Transitional arrangements: Previously continuing students who received a FCF fee waiver in 2003/04 **and** who qualified for the maximum fee support in subsequent years but whose fee exceeds the maximum fee support available (£885) were eligible for the difference between the statutory fee support and the actual fee. Students must have first claimed fee support and course costs from their LA before seeking any transitional protection for their fees from the Fund. However the

availability of additional fee support (see 4.7) to new and continuing part-time students means that these transitional arrangements are no longer required. Please note the change in **Table 1** of monitoring returns.

Note: Where a student is studying less than 50 % FTE they should be directed to the 'Part-time Undergraduate Fee Waiver Scheme' operated through HEFCW or the 'old style' ALG.

4.12 Deciding whether a student should receive a payment

It is for institutions to decide an individual student's need, and they should have a fair and open system for making this decision. Institutions should consider whether the claimed shortfall between income and expenditure constitutes real need, and cannot be reduced to a more manageable level through action by the student. Institutions should also consider the availability of support from other sources.

Parental Contribution

Where students declare that the expected parental contribution is not met, genuine cases should be treated sympathetically. Administrators may wish to make students aware that from 2006/07 'old style' students can apply for the 'Student Loan for Tuition Fee Contributions' Institutions should not include the LA assessed contribution in the assessment where a student has demonstrated a clear relationship breakdown (but where there is insufficient evidence to establish estrangement for statutory support purposes).

It is recommended that the student should be asked to complete a supplementary form or provide a letter, outlining the circumstances surrounding the relationship breakdown and why the contribution is not being made. This should be taken as sufficient evidence for administrators to look at the actual rather than the expected contribution. It may also be appropriate for such additional evidence to be marked as confidential for consideration by a senior member of staff only.

Maintenance Payments

From 2005/06 payments **received** by the student's parent/partner/spouse (as appropriate) under written agreement for the benefit of children will no longer be treated as household income for the purpose of assessing a contribution to statutory entitlement; and maintenance payments **paid out** by students for their own children will no longer be excluded from the assessment of the student's income. It is expected that this change will create more winners than losers and will be introduced for all new and existing students. Institutions are asked to take account of these changes when considering applications from the Fund.

4.13 Financial advice for students

The DfES in conjunction with HEFCE have produced a Good Practice checklist which is available from the DfES website. It recognises that Money advisors can be particularly helpful in enabling a student to manage a budget (e.g. debt counselling) and in maximising their available resources (e.g. ensuring that they claim benefits to which they may be entitled). Students who make repeated application for support from the Financial Contingency Funds should be advised to seek money management advice and where an institute does not have money advisers, it should direct students to local agencies that can offer specific advice, eg CABs.

4.14 Making payments to students

The minimum individual payment should not normally be less than £100, unless the institution believes this is appropriate e.g. emergency short-term loan.

We recommend the maximum total payment to any student should not exceed £3,500 in any one year, but institutions may make exceptions to these levels in exceptional circumstances, such as disabled students who are not eligible for a DSA, where a payment larger than £3,500 may be merited.

However, those responsible for administering the Fund should ensure, as far as possible, all vulnerable groups having fair access to the Funds. Institutions should not commit themselves to large year on year levels of awards to students. Financial Contingency Fund awards can be agreed in principle prior to the start of the academic year, although they cannot be paid until the student has started the course. They can be offered in addition to other Bursaries. Payments from the Financial Contingency Fund can be made in instalments at the institute's discretion. This can help students to manage their budgets, and can also help institutions to manage theirs - if a 'students' circumstance change, or if there are more resources in the budget than first envisaged, then the level of payment can easily be reviewed. However, for students eligible for benefits it is better for the payment to be made as a lump sum, in line with the advice on treatment of student income by the DWP (at paragraph 4.16).

Students can apply more than once during the academic year for help from the Fund but usually only where circumstances change or they are applying for assistance during the summer vacation. The level of any second payment should take into account the amount awarded at the first application.

To prevent unnecessary drop out due to hardship, the grantor expects students to be able to receive the help they need in a timely fashion. It is recommended that the process of approving aid, where all relevant documentation has been provided, should take no longer than 15 working days. Institutions should also consider including student representation in the decision making process. Clear procedures should be formulated for dealing with appeals, and all applicants should be aware of their right to appeal.

4.15 Making payments to third parties

Payments can be made directly to a student, or to a third party or through the provision of items for the student (e.g. a PC), or through a short-term repayable loan. It may also be provided through the loaning of equipment (e.g. a PC, or wheelchair) which would remain the property of the institution.

Where a student owes money to the institution, the Fund can be used directly to reimburse the institution but only with the student's consent. Institutions must not make payments from the Financial Contingency Fund conditional on a student first settling their debt to the institution, nor should they require the student to use any payment from the Fund to settle the debt. Institutions may, however, take into account any outstanding short-term loan from the Fund which the student has not repaid, when determining how much to give a student from the Financial Contingency Fund.

4.16 DWP Disregards

Any payment from the FCFs for course-related costs, such as childcare, will be fully disregarded by the DWP for benefit purposes. Payment in instalments for these costs will not affect benefits.

It is recommended that payments for living costs are made as a lump sum for students on benefits, e.g. paying an electricity bill, as such payments will be disregarded provided the student's capital holding does not exceed £3,000.

Where payments from FCFs are for everyday living costs such as rent, food, utilities or clothing, and are not paid as a lump sum, they will be taken into account for benefit purposes with a £20 a week disregard. This disregard will include the £10 a week disregard of the student loan if applicable.

It will help students who have received a payment from FCFs in claiming benefits if they are given a document to present to their local JobCentre Plus. A suggested form of words is at **Annex C**.

4.17 Help for Disabled Students (including diagnostic test costs)

The Fund is not intended to provide additional study support that is available from the Disability Students' Allowance (DSA), unless the DSA is insufficient to cover the whole cost or the cost cannot be met from the DSA. Disabled students, especially those with dyslexia, who wish to apply for a preliminary diagnostic test, prior to applying for a DSA, may have difficulty meeting the cost of that test. The cost cannot be provided by the DSA. Assistance in meeting the cost of the test, and associated costs such as travel to the assessment centre, may be provided through the Financial Contingency Fund. In this circumstance it may not be necessary for a student to have taken out a student loan. However, he/she should show a need for financial help to pay for the costs of the test.

Institutions also have a duty under the Disability Discrimination Act to provide certain facilities or assistance for disabled students to enable them to access their course

and to take part in the university 'experience'. The FCF should not be used to fund facilities/services etc where it is the institution's legal responsibility to provide this.

Students can also receive help for other disability costs from the Financial Contingency Fund. Students who face financial difficulty because they have disabled dependant children may also need additional help. *Disabled students who have to study for less than 50% FTE because of their disability are also eligible for the Financial Contingency Fund provided that they study at least 25% FTE.*

Where the Institute has made a purchase of equipment for a disabled student from FCF provisions that equipment should normally remain the property of that Institute.

4.18 Suspension of studies

Students are eligible for full statutory student support for absences of up to 60 days if the student is ill.

Where illness exceeds 60 days or if a student suspends their studies for reasons other than illness, they may continue to receive student loans and grants for living costs at the discretion of the Local Authority (LA). LAs are advised by the Department to treat these students favourably.

Reasons other than illness may include pregnancy (see paragraph below on pregnancy), caring responsibilities, specific financial difficulties, bereavement or premature termination of a work placement. This is not an exhaustive list and LAs and institutions have discretion to consider other reasons that they consider appropriate.

Applications for help from FCF can be assessed and awards can be paid to students who are unable to attend their course during this period, due to health, caring reasons or for any other circumstances deemed appropriate by the institution. Payments from the Fund can be made to students who are not attending the course, provided the institution is satisfied that the student has not withdrawn from or abandoned the course and that the student intends to return to the course.

To assist student retention grantor guidance to LAs recommends that discretionary payments can normally last for up to 52 weeks, but payment may be extended where a student is prevented by circumstances outside their control from returning to their course. Also, payment may be extended where discontinuation of payment would cause hardship and lead to the student abandoning their course.

If the institution decides that the student has withdrawn, abandoned or been expelled from the course payments from the Fund should not be made.

Pregnancy

Where students suspend their studies because of pregnancy, Guidance to LAs strongly encourages LAs to use their discretionary power and continue to award statutory support where the student requests it. For NHS Bursary students maternity awards are available for up to 45 weeks.

FCF payments can be made during such periods, providing the institution is satisfied that the student has not abandoned, withdrawn from or been expelled from the course.

4.19 **Summer vacation funding**

It is recommended that institutions set aside an amount at the beginning of the year to provide support for students over the summer vacation. Students who apply for help from FCFs before the summer can be reassessed for an additional summer vacation payment, if they demonstrate need.

Institutes can hold back up to a maximum of 15% of their FCF allocation for summer vacation funding. They are reminded however that only 10% of the total allocation can be carried forward.

4.20 **Bursaries**

Discretionary Bursaries

From 2006-07 some Institutions will be offering discretionary financial awards to students in addition to statutory funding. These awards may come in the form of attainment based awards, often called scholarships, or means tested bursaries which provide extra support for students. In granting these awards from the FCF fund to students, institutions should consider whether it is appropriate to take these scholarships and bursaries into account.

Institutional Bursaries from FCFs

Institutions can use up to 10% of their total FCF allocation to provide bursaries for students. These bursaries can be made available to full and part-time undergraduates and postgraduate students. Where institutions decide to set aside funding for bursaries, they should make it clear in the information provided to the student what their criteria for awarding such bursaries are and how students will be identified and assessed.

Welsh National Bursary

The Welsh National Bursary (WNB) is payable to all UK full-time students who started studying in Wales in or after September 2006 who are entitled to the maximum maintenance grant for their country. Therefore students will qualify for the WNB in 2007 are as follows:

- **Students from Wales** with a household income of up to £17,920 who receive an Assembly Learning Grant of £2,765;
- **Students from England** with a household income of up to £17,910 who receive a Maintenance Grant of £2,765;

- **Students from Northern Ireland** with a household income of up to £17,910 who receive a Maintenance Grant of £3,265;
- **Students from Scotland** with a household income of up to £18,360 who receive a 'Studying outside Scotland' Bursary of £2,045.

Institutions may wish to consider whether it is appropriate to take these scholarships and bursaries into account when considering a student's eligibility for an award from FCFs.

4.21 **What the Financial Contingency Fund cannot be used for**

The Financial Contingency Fund should not be used to help full-time undergraduate students meet their tuition fees (see advice at 4.6 for treatment of Student Loan for Fees) except in cases where:

- Part-time students eligible for AFS (see 4.7 for further information).
- Those with little or no experience of higher education who wish to undertake a taster module (see 4.8 for further information).

The FCF should also not be used to make adaptations to buildings nor be used to provide communal facilities such as a crèche or mini bus.

4.22 **Appeals from students**

Institutions should have an appeals procedure in place for cases where students have applied unsuccessfully for help from the Financial Contingency Fund. This procedure should be clear, and students must be informed of their right to appeal. It is for institutions to consider each case and resolve appeals; cases should not be referred to the grantor. Institutions are of course, welcome to contact the grantor for clarification of policy or procedure when deciding applications.

4.23 **Information about payments from the Financial Contingency Fund**

The grantor asks institutions to submit an analysis on the use of the Financial Contingency Fund at the end of each academic year. This provides useful information for the grantor on how the Fund has been spent, the main recipients and reasons for payment, and informs future policymaking. Where possible please group FCF payments into the identified categories of support. 'Other' should only be used where expenditure clearly falls outside the main categories of support. The grantor is grateful for the time spent by institutions in completing these returns. The summary for 2005/06 is attached at **Annex D**.

Please provide the information requested at Annex E using the forms shown.

4.24 Additional funding to provide targeted support on a discretionary basis to new and continuing undergraduate part-time students with caring responsibilities pending the extension of targeted grants within the statutory system.

- a) **Introduction** – One of the recommendations coming out of the Independent Review of Part-time Higher Education study in Wales (Graham Review) was that the childcare Grant, Parental Learning Allowance and Adult Dependents Grant, currently available to full-time HE students, should be extended to new and continuing undergraduate part-time HE students.
- b) **Rationale** – The grantor agreed in part to the recommendation and proposed that these targeted grants should be made available for new and continuing undergraduate part-time students studying 60 credits (50% FTE) or more. The provision of targeted grants at this level would promote greater consistency and simplicity in the statutory system.

However the grantor's delivery partners were not in a position to introduce the measures within the statutory funding system for the 2007/08 AY. Therefore an additional sum has been made available within the overall FCF allocation which would allow for the intended target audience to apply for additional funding through their institution for **one year only** pending the extension of targeted grants within the statutory system.

- c) **Allocations** – There is a one-off notional amount included within the overall allocation.
- d) **Publicity** – Institutions may wish to consider how best to target those intended student groups. However any publicity/marketing should make absolutely clear that the additional funding through the Fund has been made available for one year only pending the extension of targeted grants within the statutory system.
- e) **Eligibility** – To ensure consistency with arrangements from 2008/09 AY applicants must meet the requirement of studying at least 60 credits (50% FTE) of a full-time course and the general residency conditions. Disabled students who are unable to study at least 50% of a full-time course but who are studying at least 25% of a full-time course.
- f) **Applications** – It is for institutions to decide how to invite and handle applications whilst taking account of e) & g).
- g) **Assessments and Awards** – In line with general guidelines it is for institutions to decide an individual student's need. However institutions may wish to consider adopting an approach which is consistent with current eligibility for targeted awards within the statutory system.
- h) **Payments** – It is expected that students with childcare costs would account for the majority of awards. Institutions can decide how payments will be made and may wish to consider in line with 4.15 of this guidance i.e. through a third party.
- i) **Monitoring** – Please note the changes to the monitoring requirements at Table 6 in Annex E.

5. Financial Issues

5.1 Total amounts available in the Fund

The sums of money which the grantor is allocating to institutions for 2007/08 is as follows:

- £5.103 million is available for the Financial Contingency Fund. This amount includes a **notional** amount of £103k (an additional resource provided in 2003/04) for non-means tested NHS bursary students.
- Institutions will continue to be allowed to use up to 3 per cent of their total allocation or £525 (whichever is the greater) to ensure that the Funds are effectively publicised and administered.
- **A further £1.3m** will be made available - **under the one year only arrangement** - to enable the targeted groups identified by the Graham Review of part-time student funding to receive additional support on a discretionary basis, pending the extension of targeted support on a statutory basis from the 2008/09 Academic Year.

5.2 Payment to institutions

Institutions will be paid the **Financial Contingency Fund** in September.

5.3 Financial conditions and auditing requirements

- a) Institutions must observe the following:
 - the Funds must only be used for the purposes specified in this Guidance;
- b) the Funds must only be made available to eligible students as specified in this Guidance;
- c) any interest gained on the Funds must be either paid to students, as part of the normal allocation of the resources available, used for publicity or administration;
- d) Each institution shall present to the grantor by 31 January audited accounts in respect of the Financial Contingency Fund for the previous academic year and such information as the grantor shall from time to time prescribe, showing how grant was used in the previous academic year. The grantor shall insure that each institution's audited account includes a note showing the receipt, any payments, any repayments and closing balance of the grant for the Financial Contingency Fund. Institutions must identify in their monitoring returns any interest accrued on Financial Contingency Fund. Auditors are required to certify that Funds, and any combined interest earned on them, have been applied in accordance with the terms and conditions of the grant, and this Guidance.

5.4 Carry forward of unspent Funds (for Financial Contingency Fund)

Institutions may carry forward a proportion of their total allocation of Funds at the end of each academic year without reference to the grantor. This is not intended to encourage institutions to under-spend, but to encourage them to plan ahead. Institutions can set aside some Funds in order to help them meet commitments in future years for students to whom they have provided Bursaries, and can also ensure they have sufficient funds to help students over the summer vacation period and at the beginning of the following academic year.

Institutions will be allowed to carry forward up to 10% of the total of their allocations and interest each year without reference to the grantor. However, the grantor will review this periodically to ensure that institutions are making use of the Funds carried forward and are not simply carrying forward an unused surplus each year. Institutions will be able to carry forward any unspent Funds up to 10% of the total of their allocation and interest at the end of 2007/08.

ANNEX A: RESIDENCY REQUIREMENTS

Normal eligibility criteria for FCF support:

*A 'home' student is defined as one who meets the residence conditions for living costs set out in the Student Support Regulations, and includes students from England, Scotland, Wales and N Ireland but not the Channel Islands or the Isle of Man. Where a student is not in receipt of statutory student support, it is for the institution to determine their residency status.

To be eligible for FCFs the student must normally be able to satisfy three residence requirements relating to the residence and immigration status on the first day of the first academic year of their course (for example, for a course starting in the Autumn this date is 1 September). On that date they must:

- Have been ordinarily resident in the United Kingdom and Islands throughout the three year period preceding that date other than wholly or mainly for the purpose of receiving full-time education;
- *Be ordinarily resident in England, Wales, Scotland or Northern Ireland;
- Be settled in the United Kingdom under the terms of the Immigration Act 1971, in other words ordinarily resident here without being subject to any restriction on the period for which he may stay (see paragraphs below for exceptions).

*Students from the Channel Islands and the Isle of Man are ineligible for support.

In the majority of cases LAs or the relevant Scottish, English or Northern Irish administering bodies will have determined the residence criteria. There will be instances, however, where the administrator must make the decision when determining eligibility for FCFs. Guidance on the residence requirements for statutory support can be found at ,Assessing Eligibility chapter in the LA Guidance 2007/08, although, for FCFs purposes, the following differences should be noted:

- Students from Scotland, England and Northern Ireland are eligible for support from FCF, subject to satisfying the other eligibility conditions outlined in this guidance;
- EU students who are eligible only for tuition fee support are **NOT** eligible for support from FCFs. (but see 4.7 and 4.8 on EU students eligible for AFS and Taster Modules).

Administrators should satisfy themselves that they have understood the applicable law and practice when making their assessments.

Additional Fee Support

To ensure consistency with EU students' entitlement to statutory fee loans (FT) and statutory fee grant (PT), EU students would, if they met other eligibility criteria, be eligible for help from AFS. (EU students are not normally eligible for hardship awards from FCF).

Other residence eligibility criteria for statutory student support

It should be noted that students may still be eligible even if they do not satisfy the residence criteria above. These groups are:

- EU nationals.
- Refugees, their spouses/civil partners, children or stepchildren.
- Persons who have been informed by the Home Office that although they do not qualify as a refugee, they have been granted exceptional leave to enter or remain (ELE/ELR) in the UK, or Humanitarian Protection or Discretionary Leave, their spouses/civil partners, children or stepchildren.
- EEA and Swiss migrant workers, their spouses/civil partners and children and stepchildren.
- Nationals of the Republic of Ireland.

Further details of these alternatives for students ordinarily resident in England or Wales on the first day of the course can be found at Assessing Eligibility chapter in the LA Guidance 2007/08).

For further advice on refugees/migrant workers resident in Scotland, England or Northern Ireland on the first day of the course, please contact the Scottish Executive (general enquiries: 08457 741 741), DFES (England, ALF general enquiries: 0845 602 0583) or DELNI (Northern Ireland, general enquiries: 028 9025 7777).

EU students and EEA/Swiss migrant workers

Generally EU students are not eligible for hardship funds from FCF. They may qualify for help for part-time tuition fees for transitional fee protection. They may also qualify for the Additional Fee Support Scheme, if the institution chooses to offer AFS. (However, those who have satisfied the 3-year residence requirement in the UK and Islands before the start of their course may be eligible for the full student support package).

For precise information on how to assess whether an EU or EEA/Swiss migrant worker should be treated as a home student for student finance purposes - see Assessing Eligibility chapter in the LA Guidance 2007/08. Administrators are referred to this in cases where eligibility has not already been recognised by the LA. Eligibility for FCF follows this guidance.

EU students treated as 'home' students

Those students who have lived in the UK or its Islands for the three years before the start of their course may be classed as 'home' students for FCF if the following apply:

- they are an EU national themselves (having an EU national parent is not enough to qualify);
- they have lived in the UK and Islands for the three years before the start of their course; or
- they are living in Wales, Northern Ireland or England at the start of their course (this is 1 September for a course that starts in the autumn).

They may qualify for help with living costs even if their main reason for being in the UK for the previous three years was to receive full-time education. However, to qualify they must also have been 'ordinarily resident' within the European Economic Area (EEA) and Switzerland immediately before the three-year qualifying period in the UK and Islands before the start of the course.

Undergraduates

Administrators will wish fully to satisfy themselves of the eligibility criteria before agreeing short-term loans against the arrival of statutory funding, or before assessing any FCF applications from those who do not get statutory support for other reasons.

Since PGCE students are treated as undergraduates for funding purposes, after three years residence in the UK a PGCE student would be eligible for FCF as a home student, so a student who completed an undergraduate degree in the UK may be eligible.

Postgraduates

Some EU postgraduate students are also eligible for FCF on the same basis as home undergraduate students. Since these students are generally unlikely to be eligible for statutory funding, administrators will have to satisfy themselves in all cases that the student fully meets the residence requirements before making any FCF assessment.

Accession of New EU States

From 1st May 2004 the following countries joined the European Community:

Cyprus
Czech Republic
Estonia
Hungary
Latvia
Lithuania
Malta
Poland
Slovakia
Slovenia

Further details can be found at LA Guidance, assessing eligibility guidance chapter 2007/08.

ANNEX B

ADVICE ON ISSUING SHORT-TERM LOANS FROM THE FINANCIAL CONTINGENCY FUND

Institutions will need to make some checks before making a Financial Contingency Fund payment to these students. A suggested checklist is below:

- full name, contact address, telephone number and proof of identity;
- student is registered or enrolled on a designated course;
- student has applied for a loan (or at least requested an application form from the LA);
- if student has changed course since original application, that he has informed LA;
- basic eligibility (see below).

If these checks suggest a payment should be made, the student should be asked to sign a declaration of eligibility, if their eligibility as a home student has not already been established by the LA. Some wording is suggested here:

I certify that, to the best of my knowledge, I meet the following conditions: please tick the relevant boxes.

Either

- There are no restrictions on my stay and I am therefore “settled” within the United Kingdom (UK) (i.e. have the Right of Abode in the UK or have Indefinite Leave to Enter/Remain (ILE/R) in the UK).

Or

- I have been recognised by the UK Government as a Refugee and have Full Refugee Status/ILE/R as a result.
- I have Exceptional Leave to Enter/Remain in the UK (ELE/R) Humanitarian Protection (HR) or Discretionary Leave (DL).
- I am the child/spouse of an EEA Migrant Worker or Swiss Migrant Worker.

*‘settled’ – on the first academic year of your course.

Plus

- I have been ‘ordinarily resident’ within the United Kingdom or Islands for three years immediately before the start of my course. (*Anyone with ELE/R or HP/DL or anyone recognised by the UK Government as a Refugee should have maintained ‘Ordinary Residence’ from the date this status was granted*).
- None of this time was wholly or mainly for the purposes of receiving full-time education or if it was I was resident in the EEA immediately prior to this three-year period.

- The loan is being made because of a delay, or for a stop-gap loan for childcare costs, and not because I have not received my loan because I owe money to the SLC for non-repayment of a previous student loan.

And

- I confirm that I am registered and in attendance on the course described in the application for support from the Financial Contingency Fund.

If a student gives inconsistent information, or if the institution is aware of contradictory evidence, it should not make a payment. In these circumstances, the student could be asked, for example, to return later, to allow time for further checks, for example with the LA, to be made. Where necessary, institutions could make a very small payment to tide such students over until the date of the next interview.

Institutions should also ask the student to sign a declaration that they will repay the loan. Some recommended wording is below. This gives institutions the flexibility to pursue the non-repayment of loans if a student leaves the course or does not receive a student loan:

“I acknowledge receipt of cash/cheque/(other....) of [£] from [name of institution]. I hereby promise to repay this amount in full:

- within 10 days of receiving the first instalment of my main student loan;
- at the end of the academic year, or
- when I leave the course, whichever is the earlier.“

ANNEX C:

Form of words for students to give to their JobCentre Plus Office or Local Authority Housing Benefit Office

[Name of student] has received a payment of [£ amount] from the Financial Contingency Fund provided by the Government.

Delete as appropriate:

- (i) It is a single payment.
- (ii) It is part of a series of [*number of payments*] payments which will be made during the period [*enter period*].
- (iii) The payment is a short-term loan which is repayable when the student receives the first instalment of the student loan.

To the best of my knowledge the student has not applied for this payment to meet every day living costs.

------(signed)

on behalf of [stamp or other identification of institution]

Annex D

Summary of Financial Contingency Funds: Comparison of 2004/05 to 2005/06

2004/05

Allocation: £5,103,000

	Assistance with disability costs	Fees	Books & Equipment	Accommodation	Childcare	Transport	Utility costs	Other including personal overdrafts	Bursary	Total
Expenditure	156,612	1,515	351,946	910,304	197,407	283,218	632,253	2,323,134	239,110	5,095,499
%	3.07	0.03	6.91	17.86	3.87	5.56	12.41	45.59	4.69	100
Awards made	515	6	772	1,399	275	607	966	3,022	378	7,940
%	6.49	0.08	9.72	17.62	3.46	7.64	12.17	38.06	4.76	100

Numbers applied for funds	9,083
Numbers allocated funds (PG)	499
Numbers allocated funds (UG)	6,985
Numbers allocated funds (FE)	89
Total numbers allocated	7,573
Numbers refused assistance	1,510

2005/06

Allocation: £5,103,000

	Assistance with disability costs	Fees	Books & Equipment	Accommodation	Childcare	Transport	Utility costs	Other including personal overdrafts	Bursary	Total
Expenditure	156,471	847	373,390	856,822	244,229	262,248	550,868	2,381,797	291,692	5,118,364
%	3.06	0.02	7.3	16.74	4.77	5.12	10.76	46.53	5.7	100
Awards made	576	4	828	1,111	320	613	776	2,963	466	7,657
%	7.52	0.05	10.81	14.51	4.18	8.01	10.13	38.7	6.09	100

Numbers applied for funds	8,289
Numbers allocated funds (PG)	493
Numbers allocated funds (UG)	6,472
Numbers allocated funds (FE)	83
Total numbers allocated	7,048
Numbers refused assistance	1,241

Note:

Awards made exceed numbers of students to whom funding was allocated as students can be made awards under more.

than one category

TABLE 1: REASONS FOR GRANT PAYMENTS

Student Numbers

	Undergraduate			Postgraduate			FE			Total		Grand Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	
Disability	510	25	535	21	7	28	12	1	13	543	33	576
Fee Remission	0	1	1	1	2	3	0	0	0	1	3	4
Books and Equipment	627	47	674	33	65	98	50	6	56	710	118	828
Accommodation	988	9	997	79	7	86	28	0	28	1,095	16	1,111
Childcare	264	21	285	18	9	27	5	3	8	287	33	320
Transport	486	41	527	43	24	67	18	1	19	547	66	613
Utility costs	732	22	754	16	1	17	5	0	5	753	23	776
Other or unspecified	2,768	39	2,807	137	17	154	2	0	2	2,907	56	2,963
Bursary	394	21	415	47	4	51	0	0	0	441	25	466
Total	6,769	226	6,995	395	136	531	120	11	131	7,284	373	7,657

Cont.

Expenditure

	Undergraduate			Postgraduate			FE			Total		Grand Total
	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	Total	Full time	Part time	
	£	£	£	£	£	£	£	£	£	£	£	£
Disability	129,178	6,175	135,353	11,570	5,650	17,220	3,148	750	3898	143,896	12,575	156,471
Fee Remission	0	397	397	50	400	450	0	0	0	50	797	847
Books and Equipment	273,815	19,545	293,360	19,220	30,250	49,470	27,960	2,600	30560	320,995	52,395	373,390
Accommodation	724,020	7,010	731,030	69,614	3,000	72,614	53,178	0	53177.5	846,812	10,010	856,822
Childcare	188,866	6,950	195,816	16,400	10,138	26,538	17,091	4,784	21875	222,357	21,872	244,229
Transport	217,555	14,943	232,498	17,160	7,240	24,400	5,200	150	5350	239,915	22,333	262,248
Utility costs	519,092	10,056	529,148	14,175	350	14,525	7,195	0	7195	540,462	10,406	550,868
Other or unspecified	2,229,060	26,892	2,255,952	116,840	7,055	123,895	1,950	0	1950	2,347,850	33,947	2,381,797
Bursary	233,692	5,250	238,942	50,950	1,800	52,750	0	0	0	284,642	7,050	291,692
Total	4,515,278	97,218	4,612,496	315,979	65,883	381,862	115,722	8,284	124,006	4,946,979	171,385	5,118,364

TABLE 2: STUDENT DETAILS (including payments made as loans)

Level	Mode	Number of applications	Number of successful applications			Number in receipt of ALG	Payments made (£)
			Under 21	21-24	25+		
Undergraduate	F/T	7,285	2,217	2,172	1,890	1,114	4,556,949
	P/T	248	6	33	154	57	97,518
Postgraduate	F/T	488	0	182	197	N/A	319,799
	P/T	166	1	24	89	N/A	68,133
F/E	F/T	93	56	3	16	18	116,723
	P/T	9	0	0	8	1	7,284
<i>Total</i>		8,289	2,280	2,414	2,354	1,190	5,166,406

TABLE 3: TOTAL FCFs DISTRIBUTED BY NUMBER AND AMOUNT

	Numbers of students	Amount (£)
Under £100	155	23,944
£100 - £999	4,936	2,384,968
£1,000 - £3,499	1,862	2,613,414
£3,500 and over	29	109,957
<i>Totals</i>	6,982	5,132,283

TABLE 4: REASON FOR REFUSAL

Reason	Numbers
Insufficient evidence for financial hardship	892
Did not meet institution's priority for use of funds	121
Student in receipt of support from other sources	39
Institution's FCF allocation exhausted	10
Other	177
<i>Total</i>	1,239

TABLE 5: LOANS FOR REPAYMENT

	Number Successful	Paid Out (£)	Repaid within year (£)	Repaid from previous year (£)	Outstanding within year (£)
Loans to students whose loan cheques from the SLC is delayed	436	106,284	62,954	2,886	43,330
Other loans	84	32,352	10,169	15,885	21,993
<i>Total</i>	520	138,636	73,123	18,771	65,323

TABLE 6: FINANCIAL DATA

			£	Notes
Add	i	Funds allocated in 2005/06	5,103,000	
Add	ii	Funds brought forward from 2004/05	320,125	
Add	iii	Plus interest earned	61,927	
Less	iv	Funds distributed	5,184,292	
Less	v	Less expenditure on administration and publicity	135,967	Up to 2.5% of the total allocation or £500 (whichever is greater)
Add	vi	Loans repaid	85,718	
		Total Funds Remaining	250,511	
		Funds to carry forward	235,596	No greater than 10% of the total income (i +ii + iii)
		Fund to be returned to HEFCW	17,211	

ANNEX E

2007/08 Monitoring Requirements

Each Institution is asked to provide the grantor with a commentary on the use of the Financial Contingency Fund. This information will be used to assist in evaluating the performance of the Funds and to inform future decisions on the purpose of the Funds.

In table 1: The **number of students** to whom assistance from FCFs was given – **including payments made as grants and loans** - with total amounts disbursed for the following categories of students:

- a) Undergraduates.
- b) Postgraduates.
- c) FE students.

Also record details of full-time and part-time, including the amount given within each of the categories of support. (**Do not** include applications for additional one year funding see table 6).

In table 2: Student details including **numbers of applications** made and the numbers to whom assistance was given – **including payments made as grants and loans**. Broken down by age, numbers in receipt of an ALG and amounts paid from FCFs. (**Do not** include applications for additional one year funding see table 6).

In table 3: The number of applications and total amount of FCFs, **including grants and loans**, disbursed during the academic year, by payment band. (**Do not** include applications for additional one year funding see table 6).

In table 4: The number of students whose application for assistance from FCFs was refused and reasons for refusal. (**Do not** include applications for additional one year funding see table 6).

In table 5: The amount of Funds distributed to students in the form of loans for repayment, and whether this was paid as an emergency short-term loan for students with no other support at the beginning of term who did not have a loan cheque, or for other reasons.

Also:

- Amount repaid within year.
- Amount repaid from previous year.
- Amount outstanding.

In table 6: The **number of applications** made and the number of successful applications for Additional one year funding for targeted support for part-time students and the amount distributed (see 4.24).

In table 7: Details of carry-over calculation including funds used for administration/publicity (if not possible to apportion separately record all against Financial Contingency Fund).

In table 8: Arrangements made for improving targeting of FCFs to students in real need.

**FINANCIAL CONTINGENCY FUNDS MONITORING INFORMATION: 2006/07
ACADEMIC YEAR**

Please complete this form and return to Statistical Directorate by 31 January 2008 for inclusion in summary by the end of February 2008.

Institution	
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Table 1: Reason for Payment (including payments made as grants and loans)

a) Undergraduate students					
Categories of support	Numbers of successful F/T	£	Numbers of successful P/T	£	Total Amount of support
Assistance with Disability costs					
Taster Module (see 4.8)					
Books & Equipment					
Accommodation					
Childcare					
Transport					
Utility costs					
Other or unspecified hardship					
Bursary scheme					
Additional Fee Support (see 4.7)					
Totals					
b) Postgraduate students					
Categories of support	Numbers of successful F/T	£	Numbers of successful P/T	£	Total Amount of support
Assistance with Disability costs					
Taster Module (see 4.8)					
Books & Equipment					
Accommodation					
Childcare					
Transport					
Utility costs					
Other or unspecified hardship					
Bursary scheme					
Additional Fee Support (see 4.7)					
Totals					

c) FE students					
Categories of support	Numbers of successful F/T	£	Numbers of successful P/T	£	Total Amount of support
Assistance with Disability costs					
Taster Module (see 4.8)					
Books & Equipment					
Accommodation					
Childcare					
Transport					
Utility costs					
Other or unspecified hardship					
Bursary scheme					
Additional Fee Support (see 4.7)					
Totals					

Table 2: Student details (including payments made as grants and loans)

Level	Mode	Number of applications	Number of successful applications			Numbers in receipt of an ALG	Payments made (£)
			Under 21	21-24	25+		
Under-graduate	F/T						
	P/T						
Post-graduate	F/T						
	P/T						
FE	F/T						
	P/T						
Totals							

Table 3: Total FCFs distributed by number and amount including payments made as grants and loans)

	Number of awards	Amount (£)
Under £100		
£100 - £999		
£1,000 - £3,499		
£3,500 and over		
Totals		

Table 4: Reason for Refusal and numbers (do not include applications for additional one year funding see table 6)

Reason	Numbers
Insufficient evidence for financial hardship	
Did not meet institution's priority for use of funds	
Student in receipt of support from other sources	
Institution's FCF allocation exhausted	
Other	
Totals	

Table 5: Loans for repayment

	Number successful	Paid out (£)	Repaid within year (£)	Repaid from previous year (£)	Out-standing within year (£)
Loans to students whose loan cheques from the SLC is delayed					
Other loans					
Totals					

Table 6: Additional One Year Funding for part-time students (see 4.24)

Grant	Number of applications	Number of awards	Total Amount
Adult Dependants Grant			
Childcare Grant			
Parental Learning Allowance			
Totals			

Table 7: Financial Data

Add	i	Funds allocated in 2006/07 (excluding additional one year funding)	£	
Add	ii	Funds allocated for additional one year funding for targeted support	£	
Add	iii	Plus funds brought forward	£	
Add	iv	Plus interest earned	£	
Less	v	Less funds distributed (plus loans but excluding funds for additional one year funding for targeted support)	£	
Less	vi	Less funds distributed in relation to additional one year funding for targeted support (table 6)	£	
Less	vii	Less expenditure on admin & publicity	£	Up to 3% of total allocation or £500 (whichever is the greater)
Add	viii	Plus loans repaid	£	
	ix	Total funds remaining	£	
	x	Funds to carry forward	£	No greater than 10% of the total income (i + ii + iii)
	xi	Funds to be returned to DELLS	£	

Table 7. Arrangements for improving targeting of FCFs to students in real need.