

## Financial Contingency Fund Further Education Guidance

**Version 1**

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## Purpose of the funding

1. The purpose of the Financial Contingency Fund (FCF) is to provide financial help to those eligible learners whose access to further education might be inhibited by financial considerations, or who, for whatever reason, including physical or other disability, face financial difficulties.
2. This Guidance takes effect from 1 August 2025 and replaces existing guidance on FCF. Guidance provides information on the purpose of FCF and the administrative arrangements for the funding, and imposes requirements in respect of those arrangements. Further education institutions (FEIs) and Y Ganolfan Dysgu Cymraeg Genedlaethol must comply with the requirements set out in this document when setting their funding policies; assessing individual learner eligibility and need; and making payments.
3. In this Guidance “Institution” refers to an institution within the further education (FE) sector in Wales or Y Ganolfan Dysgu Cymraeg Genedlaethol which is in receipt of funding for the purposes of FCF from Medr.
4. Medr may, at any time, revise, revoke or add to the arrangements set out in this Guidance.

## Priority Groups

5. In determining which individual learners to support, Medr expects Institutions to give priority for help to learners who fall into the following priority groups:
  - i. Learners who need help with childcare costs, especially lone parents. Institutions should consider the [Childcare Offer for Wales](#) before making an award.
  - ii. Learners who will reach the age of 20 before they complete their A levels or other FE programmes and who face particular financial difficulties because their families will cease to receive child benefit and dependency additions in Income Support or Universal Credit for these learners as of their 20<sup>th</sup> birthday.
  - iii. Learners who are carers (providing unpaid support to someone who could not manage without this help); looked after children; children who have been in care, on probation or are otherwise considered at risk.
  - iv. Learners on low or no incomes, including learners who do not qualify for Income Support or Universal Credit, or learners from low or no income families, including those families in receipt of Income Support or Universal Credit and those that have unwaged dependents.
  - v. Learners ordinarily resident in an area with an overall ranking of 190 or less according to the latest Welsh Index of Multiple Deprivation<sup>1</sup>.
6. Institutions are reminded that falling into a priority group is not in itself a basis for making an award from FCF. Nor does falling outside of a priority group mean a learner is not eligible for an award.

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<sup>1</sup> The latest [Welsh Index of Multiple Deprivation](#) was published on 1 May 2019 and will apply from 1 September 2021 to 31 August 2022

## Eligible learners and programmes

7. A learner must be aged 16 or over on 31 August leading up to the academic year and undertaking a full or part-time programme at the Institution (including Welsh for Adults programmes).
8. Learners must also meet the residency conditions in the [Post-16 Funding Framework](#).

## Eligible activity

9. FCF can be used to provide support in the broad categories as outline in the table at paragraph 14 below.
10. Institutions should note these categories are not exhaustive but are intended to indicate the broad range of support which falls under the scope of FCF funding. Where a particular type or category of support is not included in the table at paragraph 14, please contact Medr for clarification.
11. Institutions may use 3% of their total funding allocation or £525, whichever is greater, to ensure FCF is effectively publicised and administered.
12. Medr recognises there will be learners who will not reach out to the Institution for support for a range of reasons. As such, Medr will allow institutions to use up to 10% of their budget flexibly for transport and food on-top of the individual applications to recognise the difficulties and barriers to accessing support.
13. The thirteen FEIs<sup>2</sup> are also in receipt of an allocation for Period Dignity. To ensure best use of funds, once all duties for Period Dignity are met, providers can use any underspend for the purposes in FCF. [Guidance for expending the Period Dignity Grant can be found on our website](#).

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<sup>2</sup> Adult Learning Wales, Bridgend College, Cardiff and Vale College, Coleg Cambria, Coleg Gwent, Coleg Sir Gâr, Coleg y Cymoedd, Gower College Swansea, Grŵp Llandrillo Menai, Grŵp NPTC Group, Pembrokeshire College, St David's Catholic Sixth Form College and The College Merthyr Tydfil.

14.

Type of provision	Description of provision
<b>Assistance with Disability costs</b>	Institutions may make payments for the purpose of helping disabled eligible learners and eligible learners with disabled dependents. This includes, but is not limited to, payments in respect of reasonable costs associated with the disability. Where the Institution has made a purchase of equipment for an eligible disabled learner, that equipment should remain the property of the Institution, unless that equipment is tailored to meet the individual needs of the learner. The Additional Learning Support fund should be considered before making an award under FCF.
<b>Books</b>	Institutions may purchase essential books for learners required for their learning programme. Any materials purchased by an Institution with FCF should usually remain the property of the Institution.
<b>Equipment</b>	<p>Institutions may purchase essential equipment for learners required for their learning programme. This should not be for materials provided to all learners as part of the programme. Any equipment purchased by an Institution with FCF should usually remain the property of the Institution.</p> <p>Large items of equipment bought for the use of individual learners should remain the property of the Institution</p>
<b>Accommodation</b>	Institutions may contribute towards the costs of accommodation fees for eligible learners who have to travel to attend college or have a residential requirement as part of their study, for example, contributions towards hostel fees. Institutions may also support eligible learners who are estranged from their families and need support to live independently while the college supports them to find appropriate accommodation and access benefits.
<b>Childcare</b>	Institutions may support learners with costs associated with childcare. Institutions should consider the Childcare Offer for Wales before making an award.
<b>Transport (including bulk purchase)</b>	Institutions may use the funding to support learners with the costs associated with transport. This can include bulk purchase arrangements, specific conditions for bulk purchase arrangements can be found at paragraphs 15 to 17 below.

Type of provision	Description of provision
<b>Disabled Transport</b>	Institutions may use the funding to support learners who incur increased costs due to requiring specialist transport due to their disability.
<b>Stationery</b>	Institutions may purchase stationery for learners. This should be in addition to any stationery made available to all learners.
<b>Exam Fees</b>	Institutions may use FCF to meet the cost of awarding body examination fees, if these are usually the responsibility of the individual learner on the programme of learning.
<b>Registration Fees</b>	Institutions may use FCF to cover the cost of registration fees, if the fees are usually the responsibility of the individual learner on the programme of learning.
<b>Field Trips</b>	Institutions may use FCF to support learners with the costs of field trips essential to their programme of learning.
<b>Food</b>	Institutions may use FCF to tackle the rising issue of food poverty.
<b>Disclosure Barring Checks</b>	If learners require Disclosure Barring Checks to complete their programme of study Institutions can support them with the cost of the service.
<b>Grants and Loans</b>	Institutions may provide funding in the form of grants or short-term loans. It is for the Institution to determine the amount of grant or short-term loan to be awarded to eligible learners.
<b>Tuition fees and course-related costs</b>	FCF must not be used to meet the cost of tuition fees for any learner, except in cases where a part-time eligible learner undertakes a higher education taster module of between 10% and 50% of a full-time higher education course. Institutions also have discretion to provide funding to eligible learners undertaking higher education taster modules which are less than 10% of a full-time higher education course or less than 12 credits and otherwise fulfil the Institutions eligibility criteria for taster module support.

## Bulk purchase arrangements

14. Institutions may make bulk purchase arrangements with local transport companies and provide equipment or services at a lower cost for eligible learners who would otherwise need support from FCF.
15. FCF may be used to subsidise existing bulk purchase arrangements financed by the Institutions own funds. However, this should not be considered the main source of funding for these arrangements. Individual learner needs must be considered in the first instance for the expenditure of FCF.
16. Where an Institution enters into a bulk purchase arrangement, a clear audit trail must be maintained which clearly identifies the learner beneficiaries and the amount of FCF allocated. The records must also demonstrate the majority of learners facing financial hardship and who, without such support, would have difficulty accessing learning.

## Ineligible activity

17. FCF must not be used to meet the cost of tuition fees, except in accordance with the table at paragraph 14 above.
18. Institutions must not use FCF to support means-tested entitlement schemes (e.g. entitlement grant/bursary schemes).
19. FCF must not be used to provide group or communal facilities, or to make adaptations to buildings.
20. Institutions may use the funding to provide transport services, however, such services must not involve capital costs, such as the purchase of a vehicle.
21. Fines and deposits fall outside the scope of the funding. Examples include fines for the late return of library books or other disciplinary fines; deposits on lockers, ID cards, keys, library cards and equipment which are fully refundable except in cases of damage or theft.

## Determination of payments

22. Institutions must determine their own eligibility criteria and procedures for considering applications and making payments to eligible learners, subject to this and any other guidance from Medr.
23. Institutions must have written policies explaining their operational arrangements for awarding FCF. These should be made widely available to all stakeholders.
24. Applications for FCF must be evaluated by Institutions on a case-by-case basis in accordance with their written policies for the allocation of funding. In each case, Institutions must assess a learner's application based on the evidence provided by the learner and their individual circumstances. A learner should be

notified of whether their application for funding has been successful or not within four weeks of receipt of that application by the Institution.

25. When considering applications, Institutions must take account of the learner's financial circumstances and the availability of support from other sources, such as; the [Education Maintenance Allowance](#); [Welsh Government Learning Grant](#) Further Education scheme or other equivalent Government funded schemes; the Welsh Government's [Childcare Offer for Wales](#); or Welfare Benefits including; Income Support, Universal Credit, and support provided by the learner's local authority. Some learners may not qualify for the support from the list above, however, may still face financial hardship and would therefore be eligible for support through FCF.
26. Institutions are reminded FCF is intended to provide support for individual learners in cases where a need is established and should not be used as a marketing tool. Institutions should be mindful of the support offered by local authorities and neighbouring institutions and should ensure FCF is not used to offer incentives intended to attract learners from other institutions.
27. In determining and making payments to learners, Institutions should have regard to any Code of Practice issued from time to time by the [Equality and Human Rights Commission](#) in respect of requirements imposed by Chapter 2 of Part 6 of the [Equality Act 2010](#).

### Payments to learners

28. Institutions must deal with learners' payments promptly bearing in mind the purpose of FCF and circumstances which give rise to financial hardship.
29. Institutions must not commit to any year-on-year awards to learners.
30. Whilst payments from FCF can be agreed in principle prior to the start of the academic year, they should **not** be paid until the learner has started their programme of study.
31. Institutions may make payments to eligible learners either in a lump sum or by instalments.

### Payments to learners in respect of equipment and materials

32. An eligible learner may make an application for funding in respect of essential equipment and/or materials they have purchased in order to participate in course-related activities. If the learner's application is successful, an Institution may reimburse the costs incurred by the learner in purchasing the equipment and/or materials in full or in part.
33. Medr advises Institutions should purchase the equipment on behalf of learners and provide them with the equipment as this does not have an effect on other benefits.



## Payments during periods where study is suspended

34. An Institution may make payments to eligible learners who have suspended their studies due to health, caring reasons, pregnancy, or for any other circumstances the Institution deems appropriate, provided the Institution is satisfied the learner has not withdrawn from or abandoned the course and the learner intends to return to the course.

## Appeals

35. Institutions must have a published appeals procedure in place for cases where learners have applied unsuccessfully for FCF support. This procedure should be clear, and learners must be informed of their right to appeal. Decisions on eligibility and awards rest with the Institution responsible for administering FCF. It is for Institutions to consider each case and resolve appeals in accordance with their published procedure.
36. Institutions should consider including learner representation in their decision-making process.

## Advice to learners

### General

37. The provision of financial advice to a learner is a key part of ensuring the effective use of FCF.
38. Institutions should ensure learners seeking help from FCF are advised any payments received could have implications for their entitlement to benefits, particularly Income Support and Universal Credit. Institutions should advise learners who are asylum seekers to make the Home Office aware of any funding to be received to ensure asylum financial support is unaffected.

### The Childcare Offer for Wales

39. The Childcare Offer for Wales provides 30 hours of government-funded early education and childcare to eligible parents of 3 and 4 year-olds for 48 weeks in a 52 week period.
40. During school terms this is comprised of a minimum of 10 hours early education (delivered through Foundation Learning) and additional hours of funded childcare. For the holiday weeks available under the Offer, parents can access 30 hours of funded childcare.
41. From September 2022, the Childcare Offer for Wales has been extended to parents in education and training.

42. Parents in education must be enrolled on a course of at least 10 weeks in duration to be eligible for the Childcare Offer for Wales as well as meeting other eligibility requirements.
43. The Childcare Offer for Wales does not take precedence over other support, including FCF. Parents should be given advice and guidance to help them make informed choices about their options.
44. As the Childcare Offer for Wales only provides 30 hours of childcare per week, FCF may be used to cover additional hours parents may need along with other childcare-related costs not covered by the Offer.
45. Whilst the risk of dual funding is low, checks should be put in place to ensure hours covered by the Childcare Offer for Wales are not included in any claims made by parents for FCF support.
46. Learners who may be eligible for the Childcare Offer for Wales, or who are interested in finding out more should be referred to the [Family Information Service](#). They will be able to advise parents about the Childcare Offer for Wales, their eligibility and other support that may be available to them.

## **Asylum Seekers**

47. Asylum seekers have no recourse to a specified list of “public funds”. However, FCF is not considered to be a “public fund”. The Welsh Government produces guidance for organisations in Wales<sup>3</sup> to better understand the concept of Public Funds. Asylum seekers who are destitute can apply to the Home Office for suitable housing and money for essentials, but they are not eligible for statutory student support or support from other sources such as the Education Maintenance Allowance or Welsh Government Learning Grant Schemes.
48. Provided an asylum seeker meets the eligibility conditions referred to in paragraphs 7 and 8 above, Institutions may provide in-kind support such as books, equipment, childcare or a travel pass.
49. The provision of equipment should be accompanied by a letter explaining it has been provided by the Institution.
50. Institutions should avoid giving large payments into bank accounts to an asylum seeker unless they are an unaccompanied asylum-seeking child.
51. Unaccompanied asylum-seeking children do not receive cash support from the Home Office and are the responsibility of the local authority. They are treated as looked-after children and would fall into the priority groups at paragraph 5, iii, above, where they have a financial need.
52. When asylum-seeking children reach legal adulthood at age 18, Institutions must consider their immigration status. Where the asylum claim is decided in their

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<sup>3</sup> [No recourse to public funds \(NRPF\): guidance](#)

favour, the local authority must provide them with the same support and services as they do care leavers. As such, they continue to be eligible for support.

53. Asylum seekers refused asylum or determined to have an inadmissible claim but granted support under Section 4 of the [Immigration and Asylum Act 1999](#) remain eligible for FCF support. Where a learner is in receipt of Section 4 support, the Institution should satisfy itself the learner is not due to be removed from the UK in the near future. Institutions should not make enquiries to the Home Office to establish their view.

### **Ukrainian nationals**

54. Ukrainian nationals supported through one of the UK Government Ukraine Visa Schemes will be immediately eligible for post-16 funding and will be exempt from the normal three-year residency requirements. This eligibility extends to FCF support. Other immigration categories are also exempt in meeting the three-year residency requirements, please see the list included in the [Post-16 Funding Framework](#).

### **Payments to Institutions**

55. Funding will be paid to Institutions in three instalments in August, December and April.

### **Monitoring Requirements**

56. Institutions in receipt of FCF must submit an end of year report by the last Friday in November after the end of the academic year. Report templates will be issued by Medr for completion ahead of the submission deadline.
57. Any unspent FCF, including any interest accrued by the Institution, identified in the end of year report will be reclaimed in full by Medr.

### **Accountability**

58. The Chief Executive Officer (or equivalent) of the Institution is responsible for:
- i. Advising the Governing Body of the Institution of its responsibilities under FCF.
  - ii. Ensuring the uses to which the Institution puts its funding allocation are consistent with the purpose of FCF and the terms and conditions of this guidance are complied with.
  - iii. Taking those measures which Medr may from time to time require to ensure a system of financial controls and managements are in place to enable the Institution to fulfil its financial obligations.

59. Institutions must have regard to the advice in the [Financial Memorandum](#)<sup>4</sup> between Medr and further education institutions and follow the audit arrangements contained in the Financial Memorandum.
60. Institutions must also make information in respect of their audited accounts available to Medr upon their request.

### Contact Details

61. For any queries relating to the content of this Guidance, please contact Medr at [InvestmentandPerformance@medr.cymru](mailto:InvestmentandPerformance@medr.cymru).

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<sup>4</sup> Welsh Governments regulatory role was transferred to Medr with effect 1 August 2024. The existing framework will remain in place until Medr's own framework is in operation.

# Medr

Y Comisiwn Addysg Drydyddol ac Ymchwil  
Commission for Tertiary Education and Research

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