

FINANCE AND RESOURCES COMMITTEE

DATE:	25 th April 2022
TITLE OF REPORT:	Indicative Grant in Aid Allocation Reference 32-22
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PURPOSE:	To inform the Committee of the overall budget being allocated by the Scottish Funding Council for the year 2022/23
KEY RECOMMENDATIONS/ DECISIONS:	Committee to note the overall allocation and the implications for the Region and the College in respect of the activity target and the budget for the year
RISK	That the allocation of activity may not meet the requirement of the area and / or that the financial allocation attached to the activity level may not allow the College to produce a balanced budget or allow appropriate investment in staff or infrastructure.
RELEVANT STRATEGIC AIMS:	<ul style="list-style-type: none"> • Highest quality education and support - providing a high-quality environment for staff and students • Sustainable behaviours – environmentally sustainable behaviours.
SUMMARY OF REPORT:	<p>SFC has issued its indicative grant in aid allocation for the year ahead and whilst there may be minor changes to ring fenced allocations, it is unlikely that there will be changes to the activity targets of the funding attached to those targets.</p> <p>Attached is an analysis of the sector budget, split by allocation line and it can be seen that there are decreases in many areas. Activity has dropped by 62,567 credits and whilst there has been an uplift in price per core credit, this is a one-off measure which only delays a serious funding issue for the sector by a year. Student support funds have been decreased but this reflects prior year underspends.</p> <p>It should be noted that allocations to ring-fenced initiatives such as Mental health and Digital learning support have been deleted from 2022/23 funding and this will affect all colleges as these funds are split based on activity. It should also be noted that Backlog Maintenance is allocated according to a historic survey and SLC's allocation falls from £500k to £30k in 2022/23.</p> <p>There will now be discussions within the Region as to the split of the allocation. Also attached is a summary of the 2021/22 split and a comparison to the 2022/23 indicative Regional allocation. The main figures to note are the decrease in “Teaching and formulaic allocation” of £1,486,242 and the decrease in activity of 6,218 credits (3.34%).</p>

College sector - overall budget				Finance and Resources Committee		
						April 2022
Financial Year 2022/23						Ref. 32-22
Revenue funding	AY 2021-22	AY 2022-23	Movement	AY 2021-22	AY 2022-23	Movement
	£'000	£'000	£'000	Credits	Credits	Credits
Teaching						
Core Teaching & fee waiver funding	512,028	512,028	0	1,732,390	1,703,316	(29,074)
Additional funding to provide 1% uplift	0	805	805			0
New Foundation Apprenticeship starts	0	6,878	6,878		30,348	30,348
Continuing Foundation Apprenticeships	0	1,879	1,879			0
Sub Total	512,028	521,590	9,562	1,732,390	1,733,664	1,274
						0
Deferred students	10,000	0	(10,000)	33,487	0	(33,487)
Foundation Apprenticeships	8,800	0	(8,800)	30,354	0	(30,354)
Mental Health	4,400	0	(4,400)		0	0
Digital Learning	5,000	0	(5,000)		0	0
Total Teaching (excl. ESF)	540,227	521,590	(18,637)	1,796,231	1,733,664	(62,567)
Student support						
Core Student Support funding	140,597	135,000	(5,597)			
Student Support Contingency	3,770	2,000	(1,770)			
Total Student Support	144,367	137,000	(7,367)			
Other funding						
Flexible Workforce Development Fund (TBC)	17,000	17,000	0			
Young Persons Guarantee (TBC)	10,000	10,000	0			
Other top-sliced programmes (funding for JISC, APUC, CDN and "strategic interventions" aligned to SFC and SG priorities such as widening access)	21,227	10,750	(10,477)			
Total Other Funding	61,403	37,750	(10,477)			
Total Revenue funding (includes ring-fenced amounts shown below)	732,822	696,340	(36,482)			
SG ring-fenced funds						
Flexible Workforce Development Fund (TBC)	11,000	11,000	0			
Young Persons Guarantee (TBC)	10,000	10,000	0			
Total SFC Revenue funding excluding ring-fenced funds	711,822	675,340	(36,482)			
Credit Target	FY 2021-22	FY 2022-23	Movement			
	Credits	Credits	Credits			
Core credits	1,686,054	1,732,390	46,336			
FA Students	0	30,348	30,348			
Additional credits to provide 1% uplift	0	2,705	2,705			
Effective cost of living uplift	0	(31,779)	(31,779)			
ESF credits	46,336	0	(46,336)			
Total Baseline Credit	1,732,390	1,733,664	1,274			
Foundation Apprentices	30,354	0	(30,354)		Funding removed	
Deferral activity	33,487	0	(33,487)		Funding removed	
Total Credit Target	1,796,231	1,733,664	(62,567)			
Price per core credit	£ 295.56	£ 300.86	£ 5.30		Purely down to one off £9m	
Capital funding	FY 2021-22	FY 2022-23	Movement			
	£'000	£'000	£'000			
Maintenance funding						
Backlog & Lifecycle Maintenance	29,400	31,200	1,800			
Project funding						
Fife College (Dunfermline Learning Community Campus)	4,300	38,500	34,200			
Digital poverty	0	2,900	2,900			
Total Capital funding	33,700	72,600	38,900			
College NPD expenditure (top sliced capital build projects)	29,300	29,300	0			

