

## Board Meeting

Date of Meeting	Monday 27 February 2017
Paper Title	Scottish Government Draft Budget and Indicative Outcome Agreement Funding
Agenda Item	9
Paper Number	BM4-E
Responsible Officer	Robin Ashton, Executive Director
Status	Disclosable
Action	For Decision

### 1. Report Purpose

- 1.1. The purpose of this report is to provide the Committee with a summary of the financial proposals contained within the draft Scottish Budget and the indicative allocations for 2017-18 outcome agreement funding for colleges.

### 2. Recommendations

- 2.1. The Committee is invited to:

- **note** the contents of this report;
- **note** the financial context facing the Scottish Government and the college sector;
- **note** that increase in the allocation for the delivery of college education;
- **note** the indicative outcome agreement funding allocation for the Glasgow College Region;
- **note** the shortfall in funding for the Glasgow College Region in terms of difference between the indicative allocation and that determined by full implementation of the simplified funding model;
- **agree** that the GCRB Executive Director write again to SFC on behalf of GCRB to request they implement a more proportionate method of transitional funding for 2017-18 and request that the SFC specify when they intend to fully implement the new funding method;
- **note** the regional planning schedule for the allocation of assigned college funding; and
- **request** that the GCRB Performance and Resources Committee consider assigned college funding allocations for recommendation to the GCRB Board.

### 3. Scotland's Spending Plans and Draft Budget

- 3.1. The full draft budget is available on the Scottish Government web site: <http://www.gov.scot> or from GCRB on request.
- 3.2. The overall financial context outlined in the draft budget remains extremely challenging and is now more complex as the Scotland Act 2016 has devolved more powers and

responsibilities to the Scottish Government in respect of taxation and borrowing. Members should note that the Budget does not provide any significant level of detail beyond fiscal year 2017/18 therefore the accuracy of the long term financial planning which Audit Scotland now requires will be influenced by the lack of data beyond the forthcoming financial year.

- 3.3.** In very high level terms the total expenditure budget is anticipated to increase, in cash terms, from £30,661m in 2016-17 to £31,457m in 2017-18 (an increase of 2.6%) and then to £32,147m in 2019-20 (4.8% over 3 years). There are increased risks associated with the expected income from the devolved taxation and assumed borrowing of £450m per year by the Scottish Government.
- 3.4.** The budget document places significant emphasis on Education and Skills and priorities this area of spend. In respect of this portfolio the main priorities outlined are:
- early learning and childcare;
  - tackling inequality and economic disadvantage;
  - widening access to further and higher education; and
  - raising standards in the education system.
- 3.5.** The draft budget document commits the Government to maintaining at least 116,000 full time equivalent places in the college sector in 2017/18. It also commits to increases in apprenticeship places.
- 3.6.** The document provides a detailed budget for the Scottish Funding Council (SFC) which allocates significant additional resource to further education in comparison with the 2016/17 budget:

	<b>2015-16 Budget</b>	<b>2016-17 Draft Budget</b>	<b>2016-17 Budget</b>	<b>2017-18 Draft Budget</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<i>College Operational Expenditure</i>	695.7	715.1	721.4	741.3
<i>College Operational Income</i>	(165.4)	(184.8)	(184.8)	(190.0)
<b>Net College Resource</b>	<b>530.3</b>	<b>530.3</b>	<b>536.6</b>	<b>551.3</b>
College NPD expenditure	-	24.4	24.4	29.1
College Depreciation Costs	-	-	30.0	30.0
HE Resource	1,062.5	1,027.2	1,081.3	1,013.9
<i>College Capital Expenditure</i>	45.0	50.0	50.0	70.4
<i>College Capital Receipts</i>	(19.5)	(23.0)	(23.0)	(23.0)
<b>Net College Capital</b>	<b>25.5</b>	<b>27.0</b>	<b>27.0</b>	<b>47.4</b>
SFHEFC Admin	7.9	7.5	7.5	7.5
<b>Total</b>	<b>1,647.2</b>	<b>1,652.1</b>	<b>1,742.5</b>	<b>1,734.8</b>
of which:				
DEL Resource	1,600.7	1,589.4	1,679.8	1,631.9

DEL Capital	46.5	52.7	52.7	92.9
Financial Transactions	-	10.0	10.0	10.0

**3.7.** The overall budget for the college sector operational expenditure is being increased from £536.6m to £551.3m. This amounts to an increase equivalent to 2.7%. This budget provides the core revenue grant to colleges and pays for FE student support costs.

**3.8.** Additionally, the college sector capital allocations are to increase by £20.4m (circa 40%). The allocations for NPD projects have also increased by around £5m.

**3.9.** Members should note that the above comparisons with prior year funding levels do not take account of additional funding provided to the sector in-year in 2016-17.

**3.10.** The HE resource budget has been cut in cash terms by 6% or £67m.

#### **4. Indicative allocations for 2017-18 outcome agreement funding for college regions**

**4.1.** On February 10, 2017 the Scottish Funding Council published its indicative allocations for 2017-18 outcome agreement funding for colleges. This is attached as Annex A.

**4.2.** The SFC publication states that the figures are indicative only and cannot be finalised until the budget bill has been agreed by the Scottish Parliament and until Regional Outcome Agreements are finalised and agreed, which SFC expect to do in April.

**4.3.** Key points within this indicative funding announcement at a national level are:

- Student activity targets remain at the same level as 2016-17 both in terms of the national Credit target and targets for college regions.
- Teaching funding has increased by £10.2 million, an overall increase of 2.5%. SFC have increased teaching grants to all colleges by 1.8%, with 8 college regions (including Glasgow) receiving an additional 1% uplift to phase in the new simplified method of calculating college funding.
- Student support funding has increased by £1.2 million (1.45%) with a further £2 million set aside for in-year redistribution.
- Capital / maintenance funding has increased by £5.2 million compared to the final 2016-17 Outcome Agreement funding allocations announced in May 2016.
- SFC have set aside a strategic fund of £17.2 million to support sector-wide agencies and services. The SFC announcement states that these funds will be used to meet a commitment to provide additional credits to meet a long standing commitment related to the Glasgow Curriculum and Estates Review (estimated at an additional 1,000 Credits).

**4.4.** The table overleaf sets out the allocations made to the Glasgow College Region for 2017-18 in comparison to 2016-17 values.

	2017-18	2016-17	Change	%
Teaching Grant	£81,789,905	£79,548,236	£2,241,669	2.8%
SFC ESF Grant	£7,688,038	£6,682,883	£1,005,155	15.0%
Student Support*	£19,042,922	£18,751,839	£291,083	1.6%
Capital Grant*	£4,573,746	£3,428,852	£1,144,894	33.4%
Total	£113,094,610	£108,411,810	£4,682,801	4.3%

\* Note: comparison of initial, start of year funding levels – in 2016-17 Glasgow received additional funds in-year for both Student Support and Capital.

- 4.5.** The SFC continues to phase in the new simplified method of calculating college funding and the SFC announcement states that the SFC had previously agreed with the sector that no college would see a reduction in funding in the first three years of introducing the new model (with 2017-18 representing year 3). Colleges which would have received additional funds from the full introduction of the new model have received an additional uplift in funding up to an additional 1%. The table below shows that the impact of this approach on the Glasgow College Region budget is that there is now a gap of just over £1 million between what the region should receive under the new simplified model and the current transitional funding.

Final funding allocation 2016-17	£79,548,236
General uplift in teaching grant (1.8%)	£1,431,868
2017-18 allocations after general uplift	£80,980,104
Results from simplified funding model	£82,865,139
Difference between simplified & historic models	£1,885,035
Uplift towards credit funding model	£809,801
2017-18 indicative grant	£81,789,905
Shortfall in funding	£1,075,234

- 4.6** Members should note that in 2016-17, the shortfall between historical and new funding methods for the Glasgow College Region was calculated by the SFC to be £785,103 and that therefore, the gap between the old and new funding methods is widening despite the SFC intention to phase in the new model.
- 4.7** GCRB members will recall that in 2016-17 the GCRB Chair and Executive Director made a number of requests to the SFC to reconsider their decision not to transition fully to the new model, and whilst this was unsuccessful, the SFC Chief Executive re-affirmed the SFC commitment to moving fully to the new Credit based funding model.
- 4.8** In 2016-17, the SFC capped the 'transition' funding at around 50% of the shortfall between the historical and simplified funding models, with Glasgow receiving £392,284. For 2017-18, the SFC have implemented a different approach, providing all regions which have a shortfall to the new model with up to a 1% uplift, which means that some regions received full transition funding whereas Glasgow Region received less than 50%.
- 4.9** Given the increasing funding gap between the old and new models, and the disparity in the allocation of transition funding, it is suggested that the GCRB Executive Director write again to SFC on behalf of GCRB to request they implement a more proportionate method of transitional funding for 2017-18 and request that the SFC specify when they intend to fully implement the new funding method.

## **5 Developing indicative allocations for the assigned colleges**

- 5.1** Members will be aware that as a regional strategic body, a key role of GCRB is to fund the assigned colleges and that whilst GCRB does not yet have fundable body status, demonstrating the capacity to make funding recommendations is a significant element within the assurances required by the Scottish Funding Council (SFC) as conditions for granting GCRB fully operational fundable body status.
- 5.2** Alongside the drafting of a Regional Outcome Agreement for 2016/17, the GCRB executive has been working closely with the colleges to review and develop a regional funding methodology to enable it to administer funds in a fair and transparent manner, based on a robust evidence base, and which responds to regional curriculum changes and needs.
- 5.3** Annex B provides sets out a high level overview of the Regional Outcome Agreement development and actions and timescales to related funding planning cycles, including consideration of college funding allocations by the GCRB Performance and Resources Committee, assigned college boards and the GCRB board.

## **6 Risk Analysis**

- 6.1** The funding allocations considered within this paper are intended to support delivery of the Glasgow ROA. Since the ROA represents the region's strategic aspirations, the risks are those contained in GCRB's risk register. The allocation of ROA funding is of particular relevance to the following GCRB identified risks:
  - if Scottish Government and SFC are unable to allocate adequate resources for the college sector and Glasgow respectively, it might not be possible to sign the Regional Outcome Agreement and its delivery will be put in jeopardy;
  - if there is breakdown in performance in the assigned colleges (including academic quality management arrangements and financial sustainability), the Regional Outcome Agreement targets may not be achieved;
  - if there is a material shortfall in the quality of facilities, student success will be reduced; and
  - if there are insufficient non-advanced student support funds, students will be unable to take up places offered and activity targets will not be met.

## **7 Legal Implications**

- 7.1** No legal implications are identified.

## **8 Financial Implications**

- 8.1** Colleges face severe financial challenges, particularly in light of wage increase related cost pressures. Whilst, the overall teaching grant allocation contains an uplift in recognition of these, further resources may be required to fully meet commitments made as part of national bargaining.

**8.2** The region's financial position is reported to each meeting of the Performance and Resources Committee, and this includes assigned college financial monitoring and forecasting reports.

**9 Regional Outcome Agreement Implications**

**9.1** Securing financial sustainability across the three colleges is a necessary foundation for delivery of the Regional Outcome Agreement.

# SFC Announcement

## Outcome agreement funding for colleges - indicative allocations for 2017-18

Issue date: 10 February 2017

Reference: SFC/AN/02/2017

Summary: Announcement of indicative college outcome agreement funding allocations for academic year 2017-18.

FAO: Principals, board secretaries and directors of Scotland's colleges.

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## Outcome agreement funding for colleges - indicative allocations for AY 2017-18

### Purpose

1. I am writing to provide you with the Scottish Funding Council's initial decisions on funding Outcome Agreements for academic year (AY) 2017-18. The figures are indicative only and cannot be finalised until the budget bill has been agreed by the Scottish Parliament and we have finalised and agreed your Outcome Agreement, which we expect to be in April. The purpose of providing these indicative figures is to help you plan your provision and for us to move towards your finalised Outcome Agreement for AY 2017-18.
2. The decisions on funding are in line with the Minister for Further Education, Higher Education and Science's Letter of Guidance of [29 September 2016](#). They support the Scottish Funding Council's (SFC) Strategic Plan, in particular the extent to which the achievements in the emerging draft Outcome Agreements meet our national aspirations identified in our outcome agreement guidance.

### Key points

3. The key points in this indicative funding announcement for AY 2017-18 are:
  - Student activity targets remain at the same level as AY 2016-17.
  - Teaching funding has increased by £10.2 million, an overall increase of 2.5%.
  - Student support funding has increased by £1.2 million (1.45%).
  - Capital / maintenance funding has increased by £5.2 million compared to the final AY 2016-17 Outcome Agreement funding allocations announced in May 2016.

### Overall available funds for the college sector

4. The Cabinet Secretary for Finance and the Constitution announced the 'Scottish Budget: Draft Budget 2017-18' on 15 December 2016. The Further Education (FE) Resource budget for financial year 2017-18 was announced as £551.3 million, an increase of £8.8 million (1.6%) from the FY 2016-17 budget of £542.5 million (which includes an in-year uplift of £12.2 million which has been embedded).

<b>Draft Budget 2017-18</b>	<i>£ million</i>
Net College Resource	551.3
Net College Capital	47.4

5. The draft Budget document stated that in 2017-18 the Scottish Government will *"increase our investment in our college sector to ensure that it continues to add*



*real value to our economy and offer opportunities to adults of all ages*". The Scottish Government also re-stated its commitment to *"maintain at least 116,000 full-time equivalent college places"*.

6. The draft Budget document also stated that the Scottish Government will *"provide capital funding to both the college and university sectors to support research and infrastructure investment"*. The capital budget for colleges for FY 2017-18 is £47.4 million, with £21.5 million earmarked for the Forth Valley College new build project.
7. In setting our indicative Academic Year (AY) budget for 2017-18, we span two Financial Years (FYs), 2017-18 and 2018-19. We do not have any information on the Scottish Government plans for the financial years beyond 2017-18, and as such have planned on the basis of flat cash for future financial years. **We have set a Revenue budget for AY 2017-18 of £554 million** (Table 1). This is the available revenue grant set out above (in paragraph 4) converted to an AY budget, taking account of the proportion of the FY 2017-18 budget committed to AY 2016-17.
8. The budget is indicative and cannot be finalised until the Budget Bill has been agreed by the Scottish Parliament.

### **Guidance and policy priorities**

9. In her Letter of Guidance of 29 September 2016, the Minister for Further Education, Higher Education and Science reiterated the Scottish Government's high-level strategic objectives:
  - Highly efficient and effective regional structures for colleges, including structures in multi-college regions.
  - High-quality, effective learning.
  - Access to education for people from the widest range of backgrounds, including implementation of the recommendations of the Commission on Widening Access.
  - Learning which prepares people well for the world of work and successful long-term careers, and which prioritises provision that meets known skills gaps in the economy, for example in STEM subjects, and in doing so supports our ambitions for economic growth.
  - Leading the college contribution to implementing the Developing the Young Workforce strategy.
  - Address the underrepresentation of women on the governing bodies of colleges and universities and at senior levels, and gender balance among student intakes for some key subjects, including STEM subjects.

## **Flexible Workforce Development Fund**

10. Since 2012-13 SFC has transferred £6 million per year to Skills Development Scotland (SDS) which has been used to fund the colleges' activity as part of the Employability Fund. Although we do not yet have specific details, we understand that this will be used for a Flexible Workforce Development Fund. We have therefore ring-fenced this funding and will come back with further details on the allocation of this funding following further discussion with Scottish Government.

## **AY 2016-17 student activity targets**

11. In response to the guidance from the Minister, we have kept the sector student activity target at the same level as AY 2016-17 at 1.69 million credits. Table 2 shows the original activity target for AY 2016-17 and any in-year redistribution of college activity. We have taken the AY 2016-17 activity target after any adjustments as our starting point for AY 2017-18.
12. We have used our demographic model as well as our knowledge of colleges' capacity to deliver and have made no changes to activity targets for AY 2017-18.
13. We have removed the rural grant from Fife College to reflect their withdrawal from the Elmwood Campus. Rural funding for Fife College was reduced by £175,000 in 2016-17. We are reducing the Fife College grant by a further £175,000 in 2017-18. SRUC will receive the whole rural premium of £350,000 in AY 2017-18 as it will incur the full cost of running the Elmwood campus.
14. We expect to allocate additional childcare places as part of the Scottish Government's manifesto commitment, but have no firm figures to date. We will confirm the position in the final funding announcement. Our understanding at this point is that there will be additional funding provided by the Scottish Government for this.

## **Teaching funding**

15. Overall, for AY 2017-18 we have increased teaching funding by £10.2 million, from £403.2 million to £413.4 million, an overall increase of 2.5%. We have increased teaching grants to all colleges by 1.8% at a cost of around £7.3 million (Fife College's increase is 1.2% due to the removal of rural grant funding, as outlined above - see paragraph 13).
16. SFC continues to phase in the new simplified method of calculating college funding. We previously agreed with the sector that no college would see a reduction in funding in the first three years of introducing the new model. Colleges that would have received additional funds from the full introduction of

the new model have received an additional uplift in funding up to an additional 1%, at a cost of around £2.3 million. These colleges / regions are:

- Dundee & Angus College.
- Edinburgh College.
- Forth Valley College.
- Glasgow College Region.
- Highland & Islands College Region.
- North East Scotland College.
- SRUC.
- West Lothian College.

17. We will work with the college sector to fully implement the new funding model. Through the Outcome Agreement process we will take account of the current position of each college to manage the change.
18. In addition to the change in rural premium for Fife and SRUC, we have made a further adjustment for Lanarkshire College Region. In 2012-13 Motherwell College agreed to a 'stretch target' of 3,000 WSUMS. They were the only college to agree to provide this additional activity funded from within their existing core teaching grant and the Region has continued to fund this additional activity to date. We are fully funding this activity from AY 2017-18.
19. Table 2 shows the changes in colleges' teaching grant from AY 2016-17 to AY 2017-18. This shows a range of increases in teaching grants. Six colleges receive the standard uplift of 1.8%, and four college/regions receive an uplift of 2.8% to reflect the transition to the new funding model. There are three college/regions where we have been able to fully implement the new model at a cost of less than the full 1%. The other college/regions outwith this range are as a result of changes noted above (Fife College, SRUC and Lanarkshire College Region).

### ***University articulation places***

20. Streamlining the learner journey by encouraging greater numbers of students using articulation routes between colleges and universities remains a priority for SFC. Between AY's 2013-14 and 2017-18, SFC allocated an additional 4,416 FTE funded places to universities for the purpose of articulation. Universities in receipt of articulation places now have four cohorts of places for articulating students, with the investment scheme having started in AY 2013-14. These places must be used by universities for articulating students in association with colleges. As set out in SFC's Articulation Guidance:

“The SFC will allocate the funding for the additional places to the university. The university must pass on 75 per cent of this funding to the college to teach the students on the HN part of the programme. The 25 per cent retained by the university will be used for quality assurance of the degree programme, aligning curriculum to achieve ease of transition, and providing support for associate students.”

21. For these additional articulation places delivered in colleges, universities should return students eligible for funding up to the number of FTE places funded by SFC through the Early Statistics Return. For any places delivered in colleges above the number of associate student places funded by SFC, colleges should return the associated credits to SFC through their Further Education Statistics (FES) returns, and this activity will count towards their core credit targets.
22. SFC plans to review the success of this articulation scheme for 2018-19 once we have final data for the full four years it has been in operation.

### **Student support**

23. For AY 2017-18 we have increased the student support bursary, childcare rates and discretionary fund by the GDP inflation figure of 1.45%. In AY 2016-17 we had set aside an additional £3.2 million for in-year student support funds, however because funds were recovered from colleges from previous years we did not need to allocate any of the £3.2 million for this purpose. The cost of the inflation uplift for AY 2017-18 is £1.2 million and we have therefore set aside the remaining £2.0 million for in-year redistribution. The amount of student support needed by colleges in any year is difficult to predict and we believe it is prudent to set aside funds for the in-year redistribution. If these funds are not used in-year, they will be released for other priorities.
24. We have allocated student support funds on the same basis as last year, i.e. student support funding in AY 2017-18 is based on the percentage share of demand for student support in AY 2016-17 (Table 3).

## Strategic funds

25. We have set aside a Strategic fund of £17.2 million. This is around £1.7 million more than last year and covers all ongoing commitments. These commitments include support for sector-wide agencies and services, for example the Joint Information Systems Committee (JISC), College Development Network, additional English for Speakers of Other Languages (ESOL) activity, Advanced Procurement for Universities and Colleges (APUC) and the Education Scotland Service Level Agreement.
26. Our ongoing commitments include giving further consideration to providing additional credits to meet a long standing commitment related to the Glasgow Curriculum and Estates Review, and a commitment to carry out a sector-wide estates condition survey.

## European Social Funding (ESF)

27. The ESF budget for colleges in 2017-18 will total £19.7 million; an increase of just under £1 million from 2016-17. (This excludes UHI-partner colleges in the Highlands & Islands transitional region). SFC's ongoing annual contribution of up to £8 million attracts almost £12 million in ESF match-funding. ESF funding and activity targets for AY 2017-18 are set out in Table 4.

## College capital

28. The overall Capital funding budget for FY 2017-18 is £47.4 million; an increase of £20.4 million on the initial £27 million capital budget for FY 2016-17 (which was subsequently increased in-year by one-off allocations totalling £15 million).
29. This increase allows for a sector Capital / maintenance grant of £20.8 million (which is a £5.2 million increase compared to the final AY 2016-17 Outcome Agreement funding allocations announced on 9 May 2016) as well as meeting a range of other specific commitments set out below:

<b>College Capital FY 2017-18</b>	<i>£ million</i>
Forth Valley College - Falkirk Campus	£21.5
Fife College non-NPD costs	£3.8
New College Lanarkshire - loan repayment	£1.1
City of Glasgow College non-NPD costs	£0.2
College Capital / Maintenance grant (sector)	£20.8
<b>Total</b>	<b>£47.4</b>

30. Capital maintenance funding continues to be allocated on the basis of core activity targets (Table 5). In future this may be allocated on a different basis, i.e. one that is more reflective of actual need, but this will be informed by the planned college estate condition survey and consultation with the sector.

## Funding tables

31. We have attached the following tables for AY 2017-18:

- Table 1 - College sector - overall indicative budget.
- Table 2 - Credit targets and indicative funding.
- Table 3 - Indicative student support allocations.
- Table 4 - ESF and additional activity targets.
- Table 5 - Indicative capital infrastructure / maintenance funding.

## Further Information

32. Please contact Lorna MacDonald, Director of Finance, tel: 0131 313 6690, email: [lornamacdonald@sfc.ac.uk](mailto:lornamacdonald@sfc.ac.uk) or Martin Smith, Chief Funding & Information Officer, tel: 0131 313 6528, email: [msmith@sfc.ac.uk](mailto:msmith@sfc.ac.uk).



**Lorna MacDonald**  
Director of Finance

Table 1: College sector - Overall indicative budget for 2017-18

<b>Revenue funding</b>	<b>AY 2017-18</b> <i>£000</i>
Core teaching & fee waiver	413,374
Ring-fenced for Flexible Workforce Development	6,000
Core student support	107,430
Student support for in-year redistribution	2,000
<b>Total student support</b>	<b>109,430</b>
SFC contribution to ESF programme activity	8,000
Strategic funds	17,165
<b>Overall total revenue funding</b>	<b>553,969</b>

<b>Capital funding</b>	<b>FY 2017-18</b> <i>£000</i>
Capital/maintenance	20,800
Forth Valley College: new Falkirk campus	21,500
Fife College: non-NPD costs	3,800
New College Lanarkshire: loan repayment	1,100
City of Glasgow College: non-NPD costs	200
<b>Total capital projects</b>	<b>26,600</b>
<b>Total capital funding</b>	<b>47,400</b>

Table 2: Credit targets and indicative funding allocations 2017-18

College/Region	Final core credit targets 2016-17 <i>credits</i>	Indicative core credit targets 2017-18 <i>credits</i>	Final funding allocation 2016-17 £	Agreed adjustments for 2017-18 £	General uplift in teaching grant (1.8%) £	2017-18 allocations after general uplift and agreed adjustments £	Results from simplified funding model £	Difference between simplified & historic models £	Uplift towards credit funding model £	2017-18 indicative grants £	% change from 2016-17 %
Ayrshire College	124,252	<b>124,252</b>	32,257,055		580,627	32,837,682	31,721,610	-1,116,071		<b>32,837,682</b>	1.8%
Borders College	24,521	<b>24,521</b>	7,359,726		132,475	7,492,201	7,464,158	-28,043		<b>7,492,201</b>	1.8%
Dumfries & Galloway College	30,067	<b>30,067</b>	8,591,317		154,644	8,745,960	8,374,928	-371,032		<b>8,745,960</b>	1.8%
Dundee & Angus College	103,232	<b>103,232</b>	24,285,355		437,136	24,722,492	24,840,001	117,509	117,509	<b>24,840,001</b>	2.3%
Edinburgh College	184,028	<b>184,028</b>	40,162,091		722,918	40,885,009	41,497,475	612,466	408,850	<b>41,293,859</b>	2.8%
Fife College	129,760	<b>129,760</b>	30,689,346	* -175,000	549,258	31,063,604	30,814,602	-249,003		<b>31,063,604</b>	1.2%
Forth Valley College	83,984	<b>83,984</b>	20,142,485		362,565	20,505,050	21,022,982	517,932	205,050	<b>20,710,100</b>	2.8%
Glasgow Region	368,574	<b>368,574</b>	79,548,236		1,431,868	80,980,104	82,865,139	1,885,035	809,801	<b>81,789,905</b>	2.8%
Highlands & Islands Region	110,967	<b>110,967</b>	34,384,121		618,914	35,003,035	35,298,291	295,255	295,255	<b>35,298,291</b>	2.7%
Lanarkshire Region	170,967	<b>170,967</b>	39,417,850	** 507,091	718,649	40,643,589	40,473,358	-170,232		<b>40,643,589</b>	3.1%
Newbattle Abbey College	926	<b>926</b>	679,623		12,233	691,856	691,856	0		<b>691,856</b>	1.8%
North East Scotland College	134,118	<b>134,118</b>	29,231,871		526,174	29,758,044	30,632,455	874,410	297,580	<b>30,055,625</b>	2.8%
Sabhal Mòr Ostaig	803	<b>803</b>	635,686		11,442	647,128	647,128	0		<b>647,128</b>	1.8%
SRUC	22,867	<b>22,867</b>	8,384,067	* 350,000	157,213	8,891,280	9,145,990	254,709	88,913	<b>8,980,193</b>	7.1%
West College Scotland	159,025	<b>159,025</b>	37,860,432		681,488	38,541,920	38,081,536	-460,384		<b>38,541,920</b>	1.8%
West Lothian College	42,527	<b>42,527</b>	9,535,639		171,642	9,707,281	9,741,588	34,308	34,308	<b>9,741,588</b>	2.2%
Scotland	1,690,618	<b>1,690,618</b>	403,164,900	682,091	7,269,246	411,116,237	413,313,096	2,196,859	2,257,266	<b>413,373,504</b>	2.5%

\* agreed transfer of rural premium from Fife College to SRUC

\*\* payment for 2012-13 WSUMs that was previously unfunded



Table 3: Indicative Student Support funding allocations 2017-18

College / Region	2016-17 allocation £	2016-17 ESF student support £	2016-17 in-year redistribution £	Total adjusted 2016-17 allocation £	Student support (including ESF), adjusted for increase in volume for, 2017-18 <sup>1</sup> £	% share of student support %	Total student support 2017-18 £	ESF student support 2017-18 £	Core student support 2017-18 £
Ayrshire College	10,364,291	306,939		<b>10,671,230</b>	10,671,230	9.2%	10,336,386	306,939	<b>10,029,447</b>
Borders College	2,051,169	9,320		<b>2,060,490</b>	2,060,490	1.8%	1,995,835	9,320	<b>1,986,515</b>
Dumfries & Galloway College	2,096,310	0		<b>2,096,310</b>	2,096,310	1.8%	2,030,532	0	<b>2,030,532</b>
Dundee & Angus College	6,920,676	75,452	200,000	<b>7,196,128</b>	7,196,128	6.2%	6,970,327	75,452	<b>6,894,874</b>
Edinburgh College	10,495,590	29,409		<b>10,524,999</b>	10,524,999	9.0%	10,194,744	29,409	<b>10,165,335</b>
Fife College	8,787,654	44,921	300,000	<b>9,132,575</b>	9,132,575	7.8%	8,846,011	44,921	<b>8,801,090</b>
Forth Valley College	3,551,830	21,469	562,000	<b>4,135,299</b>	4,135,299	3.5%	4,005,541	21,469	<b>3,984,072</b>
Glasgow Region	18,751,839	2,611,347	1,114,867	<b>22,478,053</b>	22,625,509	19.4%	21,915,562	2,872,640	<b>19,042,922</b>
Highlands & Islands Region	8,368,358	192,000	504,478	<b>9,064,836</b>	9,064,836	7.8%	8,780,398	192,000	<b>8,588,398</b>
Lanarkshire Region	12,295,906	958,135	401,350	<b>13,655,391</b>	13,655,391	11.7%	13,226,909	1,086,468	<b>12,140,441</b>
Newbattle Abbey College	247,785	0	3,000	<b>250,785</b>	250,785	0.2%	242,916	0	<b>242,916</b>
North East Scotland College	7,287,638	44,468	1,149,821	<b>8,481,927</b>	8,481,927	7.3%	8,215,780	44,468	<b>8,171,312</b>
Sabhal Mòr Ostaig	23,818	0		<b>23,818</b>	23,818	0.0%	23,071	0	<b>23,071</b>
SRUC	1,868,603	0	305,000	<b>2,173,603</b>	2,173,603	1.9%	2,105,400	0	<b>2,105,400</b>
West College Scotland	10,317,910	742,649	250,000	<b>11,310,559</b>	11,310,559	9.7%	10,955,654	742,649	<b>10,213,005</b>
West Lothian College	2,800,655	14,086	308,000	<b>3,122,742</b>	3,122,742	2.7%	3,024,756	14,086	<b>3,010,670</b>
<b>Scotland</b>	<b>106,230,033</b>	<b>5,050,195</b>	<b>5,098,516</b>	<b>116,378,744</b>	<b>116,526,201</b>		<b>112,869,821</b>	<b>5,439,821</b>	<b>107,430,000</b>

<sup>1</sup>An adjustment has been made to Glasgow Region's student support due to an increase in their total ESF volume (see Table 4).

Table 4: European Social Funding (ESF) and additional activity targets 2017-18

College/Region	2017-18 ESF activity target <i>credits</i>	2017-18 ESF Teaching (credit) funding <i>£</i>	2017-18 ESF Student Support <i>£</i>	Total ESF funding 2017-18 <i>£</i>
Ayrshire College	1,255	306,939	306,939	<b>613,878</b>
Borders College	574	150,285	9,320	<b>159,605</b>
Dumfries & Galloway College	0	0	0	<b>0</b>
Dundee & Angus College	5,101	1,222,965	75,452	<b>1,298,417</b>
Edinburgh College	2,000	476,300	29,409	<b>505,709</b>
Fife College	3,005	716,813	44,921	<b>761,734</b>
Forth Valley College	2,230	535,267	21,469	<b>556,736</b>
Glasgow Region	20,383	4,815,398	2,872,640	<b>7,688,038</b>
Highlands & Islands Region (for Perth College) <sup>1</sup>	1,200	298,104	192,000	<b>490,104</b>
Lanarkshire Region	14,766	3,044,009	1,086,468	<b>4,130,477</b>
Newbattle Abbey College	0	0	0	<b>0</b>
North East Scotland College	3,035	716,847	44,468	<b>761,315</b>
Sabhal Mòr Ostaig	0	0	0	<b>0</b>
SRUC	-	-	-	<b>-</b>
West College Scotland	7,086	1,732,847	742,649	<b>2,475,496</b>
West Lothian College	972	224,639	14,086	<b>238,725</b>
<b>OVERALL TOTAL</b>	<b>61,607</b>	<b>14,240,413</b>	<b>5,439,821</b>	<b>19,680,234</b>

<sup>1</sup> - Colleges in the Highlands & Islands transitional region (excluding Perth) will be allocated ESF activity / funding through a separate HE grant to the University of the Highlands & Islands (UHI).

<sup>2</sup> - SRUC will be allocated ESF activity / funding through HE funding.

Table 5: Capital funding 2017-18

Institution/Region	Final core credit targets 2016-17	% share of volume target	2017-18 Indicative capital grant based on share of volume target £
Ayrshire College	124,252	7.4%	<b>1,541,880</b>
Borders College	24,521	1.5%	<b>304,288</b>
Dumfries and Galloway College	30,067	1.8%	<b>373,114</b>
Dundee and Angus College	103,232	6.1%	<b>1,281,037</b>
Edinburgh College	184,028	10.9%	<b>2,283,659</b>
Fife College	129,760	7.7%	<b>1,610,231</b>
Forth Valley College	83,984	5.0%	<b>1,042,183</b>
Glasgow Region	368,574	21.8%	<b>4,573,746</b>
Highlands & Islands Region	110,967	6.6%	<b>1,377,023</b>
Lanarkshire Region	170,967	10.1%	<b>2,121,581</b>
Newbattle Abbey College <sup>1</sup>			<b>0</b>
North East Scotland College	134,118	7.9%	<b>1,664,311</b>
Sabhal Mòr Ostaig <sup>1</sup>			<b>0</b>
SRUC	22,867	1.4%	<b>283,763</b>
West College Scotland	159,025	9.4%	<b>1,973,389</b>
West Lothian College <sup>2</sup>	42,527	2.5%	<b>369,795</b>
<b>Scotland</b>	<b>1,688,889</b>		<b>20,800,000</b>

<sup>1</sup>Newbattle Abbey College and Sabhal Mòr Ostaig do not receive capital / maintenance funding

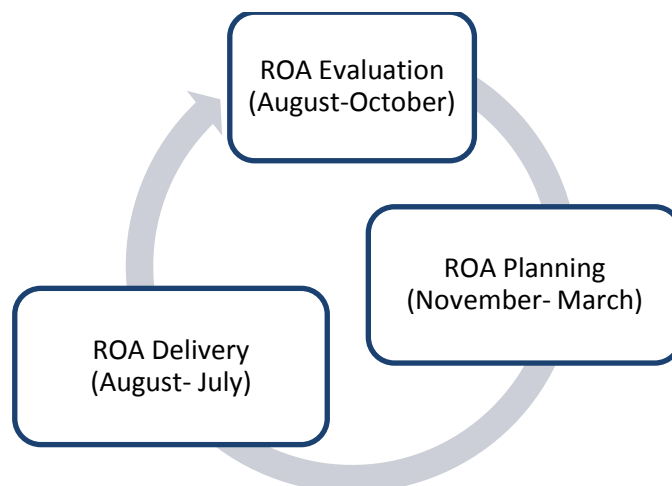
<sup>2</sup>West Lothian College's Capital funding is adjusted to reflect the repayment of a loan.

## Glasgow Regional Outcome Agreement (ROA) and Funding Planning Cycles

### Regional Outcome Agreement Cycle

The diagram below sets out a high level overview of the Regional Outcome Agreement process.

#### ROA Development and Delivery Cycle



This cycle of activity supports the region to collectively and continually review information on regional needs and allow this to impact on regional and individual college annual curriculum delivery planning processes.

In terms of planning for delivery, a dual process of regional and individual college planning allows assigned colleges to collaborate and define their contribution to the Regional Outcome Agreement, and the 2017-18 Glasgow Regional Outcome Agreement seeks to prioritise curriculum activity which:

- Meets the needs of employers
- Widens access and increases the pool of labour
- Enhances progression routes and pathways
- Provides more flexible provision

### Funding Allocation Cycle

In terms of aligning funding allocations to regional curriculum delivery aims, a similar process of evaluation, planning and delivery has been undertaken on the regional funding methodology. The funding approaches developed seek to meet the following underpinning principles:

- Evidence based and transparent
- Responds to regional curriculum needs
- Respects and values assigned college contributions
- Supports continued financial sustainability

The table overleaf sets out in more detail, actions and timescales related to ROA and funding planning cycles.

<b>Timescale</b>	<b>ROA Planning Cycle</b>	<b>Funding Planning Cycle</b>
<b>August – October</b>	Review by GCRB and assigned college executive of previous year's ROA delivery through regional operational group meetings	Review by GCRB and assigned college executive of regional funding model through regional operational group meetings
<b>October</b>	SFC ROA guidance published	
<b>October-December</b>	Planning by GCRB and assigned college executive of next year's Regional Outcome Agreement, including college curriculum plans through regional operational group meetings	Development of planned approaches to funding aligned to curriculum delivery plans and review of performance of previous year's ROA delivery and assessment of impact of any changes to funding through regional operational group meetings
<b>Late November/early December</b>	Submission of draft ROA to GCRB Performance and Resources Committee and assigned college boards	Reporting of planned approaches to funding aligned to curriculum delivery plans to GCRB Performance and Resources Committee and assigned college boards
<b>Mid-December</b>	Submission of draft ROA to GCRB board	Reporting of planned approaches to funding aligned to curriculum delivery plans to GCRB Board
<b>End December</b>	Submission of draft ROA to SFC and stakeholders	
<b>January - February</b>	Further redrafting of ROA by GCRB and assigned college executive in light of SFC/stakeholder feedback	
<b>February</b>	SFC announce Glasgow Region Credit allocation	SFC announce Glasgow Region funding allocation
<b>February</b>	Redrafting of ROA curriculum plans in light of SFC Credit allocation by GCRB and assigned college executive through meetings of GCRB/college executive	Draft college funding allocations developed by GCRB and assigned college executive based on planned approaches to funding through meetings of GCRB/college executive
<b>Late February</b>	1:1 meetings of GCRB Executive Director and college Principal to discuss draft college ROA commitments	1:1 meetings of GCRB Executive Director and college Principal to discuss draft college funding allocation
<b>Early - mid March</b>	Submission of draft ROA to GCRB Performance and Resources Committee and assigned college boards	Submission of finalised college funding allocations to GCRB Performance and Resources Committee and assigned college boards
<b>Late March</b>	Submission of draft ROA to GCRB Board	Submission of finalised college funding allocations to GCRB board
<b>End March</b>	Submission of draft ROA to SFC	

