

## Performance and Resources Committee Meeting

|                     |   |
|---------------------|---|
| Date of Meeting     | Wednesday 7 March 2018                      |
| Paper Title         | Indicative Funding Allocations for 2018-19  |
| Agenda Item         | 11 (a)                                      |
| Paper Number        | PRC4-J                                      |
| Responsible Officer | Jim Godfrey, Finance and Resources Director |
| Recommended Status  | Disclosable                                 |
| Action              | For Noting                                  |

### 1. Report Purpose

- 1.1. To provide the Performance and Resources Committee with the latest information regarding the indicative funding for 2018-19.

### 2. Recommendations

- 2.1. The Committee is asked to:

- **Note** the Indicative Funding Allocations for 2018-19 issued by the SFC
- **Request** that the Indicative Regional Funding Allocations for 2018-19 are presented to the Board for consideration on 26 March 2018.

### 3. Report

- 3.1. On 27 February 2018, the SFC announced the indicative funding allocations for 2018-19. A copy of the announcement is attached as an annex to this report.
- 3.2. The Executive Director and Finance and Resources Director met with representatives of SFC to discuss the announcement on 26 February 2018. The meeting was beneficial and enabled GCRB to have a better understanding of the background to the SFC decisions.
- 3.3. Work is now underway to examine the implications of the announcement for the Glasgow Region. This can then be incorporated within the final Finance Strategy and Funding Policy for 2018-19.
- 3.4. It is intended that the indicative regional funding allocations for 2018-19 will be presented to the Glasgow Colleges Group on 13 March 2018. Thereafter the indicative regional funding allocation will be provided for consideration by the Board of GCRB on 26 March 2018.

#### **4. Risk Analysis**

**4.1.** One of the key risks facing the Glasgow Region is that “Financial sustainability is jeopardised by a reduction in funding and/or an increase in costs.” The indicative funding announcement contains a number of sources of funding that enable the Region to meet significant costs in 2018-19. For example:

- The indicative funding announcement provides £6.4m to meet the costs of National Bargaining in the Glasgow Region. This reduces the significant risk posed to financial sustainability in 2018-19.
- The provision of £6.2m of capital funding enables the Region to address the items deemed to be ‘very high priority’ within the recent National Condition Survey. This reduces the financial risk associated with meeting the costs of backlog maintenance.

**4.2.** The indicative funding announcement therefore helps to support the financial sustainability of the Glasgow Region in 2018-19.

#### **5. Legal Implications**

**5.1.** There are no legal implications associated with this paper.

#### **6. Resource Implications**

**6.1.** The indicative funding available to the region for 2018-19 is set out in the SFC Announcement of 27 February 2018. Work is taking place to determine the indicative allocation within the Glasgow Region for consideration by the Board of GCRB at its next meeting.

#### **7. Strategic Plan Implications**

**7.1.** The provision of funding for 2018-19 provides the resources necessary to enable delivery of the Regional Outcome Agreement and implementation of the Glasgow Region Strategic Plan for College Education 2017-22.



# SFC Announcement

## Outcome agreement funding for colleges - indicative allocations for 2018-19

Issue date: 27 February 2018

Reference: SFC/AN/06/2018

Summary: Announcement of indicative college outcome agreement funding allocations for academic year 2018-19.

FAO: Principals/Directors and Board Secretaries of Scotland's colleges

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## Outcome agreement funding for colleges – indicative allocations for AY 2018-19

1. I am writing to provide you with initial Scottish Funding Council (SFC) decisions on indicative outcome agreement funding for colleges in academic year (AY) 2018-19.
2. The purpose of providing these indicative allocations is to help colleges plan their provision and for SFC to move towards finalised outcome agreements for AY 2018-19.
3. The indicative allocations set out in this announcement are based on the progress colleges have made towards meeting the targets outlined in their previous outcome agreements. Final funding allocations will reflect, in particular, the extent to which the targets and commitments in draft outcome agreements for AY 2018-19 meet SFC's national aspirations, as identified in our outcome agreement guidance. Should SFC conclude that an outcome agreement is unsatisfactory, we will make the appropriate adjustments to final funding allocations.
4. This approach supports the delivery of SFC's Strategic Plan, and is consistent with our wish to intensify outcome agreements, as detailed in the Minister for Further Education, Higher Education and Science's [Outcome Agreement Guidance letter](#) of 18 October 2017.
5. The indicative funding decisions set out in this announcement are based on the Scottish Government's draft budget (which was approved by the Scottish Parliament on 21 February 2018) and are in line with the Minister for Further Education, Higher Education and Science's most recent [Letter of Guidance](#) to SFC of 30 March 2017.

### Key points

6. The key points in this indicative funding announcement for AY 2018-19 are:
  - Teaching funding has been increased to meet the full identified harmonisation costs of national bargaining – an increase of £34.2 million.
  - An additional £4.2 million has been added to teaching grants for other additional financial pressures – equivalent to a 1% increase.
  - The core student activity (credit) target has increased, but changes to childcare and European Social Fund (ESF) have resulted in a slight decrease to the overall activity target of around 1%.
  - Core student support funding has increased by £3.6 million and a further £5.2 million has been set aside for the implementation of the Scottish Government-commissioned Independent Review of Student Support.
  - Capital funding has increased by £29.3 million.

## Scottish Budget

7. The Cabinet Secretary for Finance and the Constitution announced the 'Scottish Budget: Draft Budget 2018-19' on 14 December 2017, stating that the Draft Budget:
  - "...invests around £1.8bn in our colleges and universities – providing a real terms increase in their funding". "This investment funds the teaching, research and innovation that will provide opportunities for our young people, train the workforce of the future and drive our productivity."
  - supports "the expansion (of publicly funded childcare entitlement) by upskilling the early years workforce" and provides "funding for graduate level Early Learning and Childcare courses".
8. The Draft Budget document stated that "through the Scottish Funding Council, we invest around £1.8 billion in Scotland's colleges and universities to fund teaching, research and innovation activities for Scotland's learners. The ambitions of the Enterprise and Skills Review, particularly in relation to skills alignment, innovation, internationalisation and securing an improved learner journey post-15 will be driven by the Council's investment and activity in:
  - Working in partnership with our colleges and universities to improve Scotland's skills base by providing accessible, high quality learning opportunities, with good outcomes for learners which are aligned to industry needs.
  - Enhancing knowledge exchange and delivering impactful research and innovation.
  - Supporting our universities and colleges to work collaboratively in developing international partnerships, to attract international students, and to ensure Scotland has the right skills to secure inward investment.
  - Focusing efforts in growth employment areas, including through the implementation of the STEM strategy and the expansion of the Early Learning and Childcare workforce.
  - Promoting a partnership approach between employers and education, to improve skills alignment and deliver high quality training opportunities to up-skill and re-skill the workforce through the Flexible Workforce Development Fund and other routes.
  - To support an improved, more coherent learner journey post-15 by improving the alignment of our learning and skills system."

9. The Draft Budget document also stated that, in 2018-19, the Scottish Government will:
- “Deliver a real-terms increase in SFC funding, including a real-terms increase in college budgets.
  - Work in partnership with our colleges to provide high quality learning and teaching; improve Scotland’s skills base; enhance knowledge exchange; and maximise the impact of research, innovation and internationalisation in line with the recommendations of the Enterprise and Skills Review.
  - Contribute to the ambitions of the Strategic Board for Enterprise and Skills, and drive improved skills alignment and investment, alongside Skills Development Scotland.
  - Work with the college sector to address gender equality at all levels from course choices to senior staff and boards.
  - Contribute to the implementation of the STEM strategy, in particular increasing participation in STEM study at colleges.
  - Support the expansion of the Early Learning and Childcare workforce.
  - Provide additional investment of over £5 million for initial implementation of the findings of the Independent Review of Student Support.
  - Maintain at least 116,000 full-time equivalent college places, meeting the needs of learners and the economy, raise attainment levels and increase the numbers of students successfully completing courses and achieving qualifications.
  - Continue to develop the Flexible Workforce Development Fund to promote partnership working between colleges and employers to deliver high quality training opportunities to up-skill and re-skill the workforce.”

### **Overall funds available for college sector**

10. The draft Further Education (FE) Resource budget for financial year (FY) 2018-19 was announced as £588.2 million; a £36.9 million (6.7%) increase from FY 2017-18.
11. The draft Net College Capital budget has increased by £29.3 million to £76.7 million. This budget includes a capital funding commitment of £42 million for Forth Valley College’s new estate project.

12. In setting SFC's indicative Academic Year (AY) budget for 2018-19, we span two Financial Years (FYs) 2018-19 and 2019-20. We do not have any information on the Scottish Government's plans for FY 2019-20 and beyond, and as such have planned on the basis of flat cash. On that basis, SFC has set an FE Revenue budget for AY 2018-19 of £599.9 million as shown in Table 1, which represents an increase of £45.9 million (8.3%) compared with AY 2017-18. This is the FY budget converted to an AY budget, taking account of the proportion of the FY 2018-19 budget that is already committed to AY 2017-18.

### **Teaching funding**

13. As set out in Table 2, for AY 2018-19 SFC has increased its core teaching funding grant by £40.1 million, from £414.6 million to £454.7 million; an overall increase of 9.7%.

### **National bargaining costs**

14. The costs of the harmonisation related to national bargaining, down to individual institution level, are taken from information collated and provided by Colleges Scotland (and validated by SFC). The teaching uplift that SFC is providing in AY 2018-19 will be sufficient to fully meet the agreed and estimated costs of the national bargaining settlement for that year. The figures provided by Colleges Scotland demonstrate that the national bargaining costs in AY 2018-19 will be £32 million higher than in AY 2017-18, but to fully fund the agreed settlement, a further £2.1 million is required for changes to annual leave for lecturing staff and additional annual leave for support staff for which no additional funding was provided in AY 2017-18. (This is shown in Table 2.)
15. The uplift for national bargaining amounts to 8.3% overall. However, the uplifts for individual colleges/regions range from 4.2% at West College Scotland to 19.6% for the Highlands & Islands region (although there are some very specific additional costs for some very small colleges).
16. In AY 2018-19 we are providing an uplift to all college/region teaching allocations to ensure that there are sufficient funds to meet the full cost of national bargaining (pay and terms of conditions). This means that not all colleges/regions need or have received the same increase. Over time, SFC intends to return to a simplified 'price x volume' model. We have compared college/region funds calculated through the model with the uplift needed to secure the national bargaining costs, and the difference equates to an institutional element which we are funding in AY 2018-19.
17. This 'institutional element' will be gradually reduced over time once the transition to the harmonised terms and conditions is fully implemented.

This eventual reduction for some colleges will be offset, at least partially, by an increase in the unit price for teaching funding.

18. It remains a condition of this additional funding that colleges are party to the recent agreement between colleges and EIS-FELA or are mirroring the national bargaining agreement for lecturing and support staff pay and conditions. Where a college has not agreed to pay staff in line with the national bargaining agreement, we will withhold this funding.

### **Additional uplift to teaching grant**

19. Colleges are also facing other financial pressures, which are not fully addressed by the uplift for national bargaining costs. SFC has, therefore, provided an additional increase to teaching grants of 1%, at a cost of £4.2 million. This is shown in Table 2.

### **Rural and Remoteness review**

20. Following SFC's consultation on rurality funding, we have increased the Rural and Remoteness premium for the colleges that are now categorised as rural and remote; an increase of £1 million, as shown in Table 2. This is based on our view of the longer term sustainability of colleges and prioritising small colleges with less opportunity for efficiencies and supporting dispersed campuses across the region.
21. This indicative allocation of the additional £1 million will be subject to discussion and agreement on outcomes with colleges / regions. Subject to satisfactory conclusion they will be confirmed in our final funding allocations.
22. For those institutions (Dundee & Angus and SRUC) which are no longer categorised as 'rural and remote' under our new definition, SFC will continue to provide a sustainable level of funding in order to protect their dispersed provision. This will be an institutional element that we will provide through the outcome agreement process. We intend to discuss and agree, with both institutions, the outcomes we expect in return for this resource.

### **English for Speakers of Other Languages**

23. As previously communicated, SFC has transferred £1.5 million of English for Speakers of Other Languages (ESOL) funding from Strategic funds to core Teaching grant, as shown in Table 2. This was a small top-up grant for ESOL to be delivered by college and Community Planning Partnerships (CPPs). SFC still expects colleges to work with CPPs and we will monitor all ESOL activity through our outcome agreement process.



## AY 2018-19 student activity targets

24. The Scottish Government has reaffirmed its commitment to maintain 116,000 Full-time Equivalent (FTE) student places. SFC uses its demographic model to inform the decision of the allocation of places to colleges/regions and we have updated that model to take account of the increased priority for older learners and part-time study. Our demographic model always worked in partnership with other indicators such as historic performance against activity targets.
25. For AY 2018-19, SFC has set the sector core student activity target at 1.7 million credits. Table 3 shows the original core activity target for AY 2017-18 and any in-year redistribution of college activity, which we have taken as our starting point for AY 2018-19.

## Early Learning and Childcare workforce

26. The Scottish Government Draft Budget states that SFC should "*support the expansion of the Early Learning and Childcare (ELC) workforce*". In AY 2017-18 SFC received additional funds, over and above its core budget, to provide additional college (and university) places. For AY 2018-19, SFC is expected to fund this activity at colleges as a priority from its own core funds and there will be no additional funding provided by the Scottish Government for this purpose.
27. In AY 2017-18 colleges were expected to deliver over 11,213 additional credits. SFC has been working with colleagues in the Scottish Government Early Years Education Division and, to meet their target output for trained ELC professionals, we will require an increase in childcare activity in AY 2018-19, to deliver an additional 28,267 credits (on top of baseline), as shown in Table 3A.

## European Social Funding

28. SFC funding for European Social Fund (ESF) projects for colleges in Lowlands & Uplands Scotland (LUPS) will remain at c.£8 million for 2018-19. The '*Youth Employment Initiative*' (YEI) closes at the end of AY 2017-18. From AY 2018-19 therefore, subject to Scottish Government approval to extend SFC's participation in the '*Developing Scotland's Workforce*' (DSW) programme from AY 2018-19, all ESF for colleges in LUPS will come through DSW, which focuses on higher level (Higher National) activity. All colleges are eligible, including those previously operating under the YEI.
29. The overall 2018-19 ESF budget for colleges in LUPS, including ESF match-funding, will total £13.1 million; a decrease of c.£6.6 million from 2017-18 due to the lower ESF match-funding contribution under DSW (40%), compared with YEI (66%).

30. Indicative ESF funding is set out in Table 2 and additional ESF activity (credit) targets are shown in Table 3. The additional ESF credit targets are for HN-level activity and, therefore, SFC has not allocated any additional ESF student support funding. Childcare costs arising from the additional ESF activity will be met through core student support (childcare) budgets. As shown Tables 2 and 3, the reduction in AY 2018-19 (compared with AY 2017-18) in college teaching funding for ESF is £1.1 million. Indicative ESF activity targets for AY 2018-19 have reduced by c.11,000 credits.
31. The above excludes University of the Highlands and Islands (UHI)-partner colleges in the Highlands & Islands (H&I) region which, under a separate DSW operation for the H&I transition region, will receive SFC funding from HE strategic funds.

### **Flexible Workforce Development Fund**

32. The Flexible Workforce Development Fund (FWDF) was set up in AY 2017-18 as a pilot programme to provide employers with flexible workforce development training opportunities, to support inclusive growth through up-skilling and re-skilling employees. This was in response to feedback from the Scottish Government's consultation on the introduction of the UK Government Apprenticeship Levy.
33. The FWDF will continue in AY 2018-19 and, in line with AY 2017-18, SFC has set aside £6 million from its core budget and we expect an additional £4 million will be transferred in-year to maintain a total budget of £10 million for AY 2018-19.
34. SFC will review the success of the pilot year and this will inform the operation and guidance we set out for the continuation of this programme in AY 2018-19. We will also consider the individual FWDF allocations to colleges / regions as part of the review process.

### **College/university articulation places**

35. Streamlining the learner journey by encouraging articulation between colleges and universities remains a priority for SFC. This was further emphasised in a letter to the Chair of SFC, dated 18 October 2017, which set out the Minister's expectations that "SFC, alongside universities and colleges, closely monitors the expansion of articulation to ensure it continues to support disadvantaged learners to progress to degree level study. Where this is not achieved my expectation is, in line with the recommendation, that a proportion of articulation places will be prioritised for disadvantaged learners".
36. To support this priority area, SFC has reviewed the additional articulation places (associate students) scheme. The scheme has proved successful in increasing

the number of articulating students and – with some minor exceptions – the additional places have been filled. We are, therefore, proposing no change to the additional articulation places scheme for AY 2018-19 (and AY 2019-20), subject to satisfactory outcome agreement targets with the universities that receive these places. Colleges (and universities) should continue with current arrangements to meet the priorities set out by the Minister to expand articulation and ensure it continues to support disadvantaged learners to progress to degree level study.

37. As discussed and emphasised in previous SFC guidance, we expect 75% of funding for those years in which activity is delivered in colleges to be transferred from universities to colleges. SFC will continue to monitor the transfer and impact of this funding and, subject to budget availability, will continue these arrangements.

### **Student support**

38. For AY 2018-19 SFC has provided an inflationary (GDP) increase of 1.5% to the student support bursary, childcare rates and discretionary fund. In AY 2017-18 the core student support funding totalled £107.4 million. The cost of this inflationary uplift is £1.6 million.
39. The amount of student support needed by colleges in any year is always difficult to predict and in AY 2017-18 we set aside an additional £2 million for the in-year redistribution. These funds were not needed for the in-year redistribution in AY 2017-18. However, given the change of profile for ESF students, SFC would need to fund more FE students from core funding for AY 2018-19. Therefore, we have included the additional £2 million to our initial allocation bringing the total student support allocation for AY 2018-19 to £111 million. Individual allocations are based on colleges' actual student support spend in AY 2016-17, as shown in Table 4.
40. SFC has also ring-fenced £5.2 million for the implementation of the Independent Review of Student Support, commissioned by the Scottish Government.

### **Strategic funds**

41. The indicative AY 2018-19 budget for strategic projects and grants has provisionally been set at £14.9 million, which will allow SFC to meet all current strategic funding commitments. This is primarily the AY 2017-18 strategic fund budget, adjusted by £1.45 million for ESOL (see paragraph 23).
42. There has also been an adjustment for Lanarkshire region which received an additional uplift of £750k to their Access and Inclusion Premium from strategic

funds in AY 2017-18. For AY 2018-19 we have included this uplift in core teaching but this will be subject to the delivery of satisfactory outcomes.

## Capital

43. There are three distinct elements to the Council’s policy objective to support capital investment in the college sector:
- Meeting the ongoing lifecycle maintenance needs which are essentially the core estate needs, year-on-year, of the sector.
  - Tackling the very high priority estates needs identified in the recently completed sector condition survey.
  - Continuing to develop and refine an evaluation framework to allow SFC to identify and prioritise major capital projects for campus replacement or refurbishment.
44. The total Capital funding budget for colleges in FY 2018-19 is £76.7 million; an increase of £29.3 million from FY 2017-18. In addition there is £5.8 million available from project slippage in FY 2017-18, giving an overall total for FY 2018-19 of £82.5 million.
45. Taking into account estate project funding commitments, including £42 million for Forth Valley College’s new campus project, this increased budget will be used as shown below:

| <b>College Capital FY 2018-19</b>   | <b>£M</b>   |
|---|-------------|
| Lifecycle maintenance   | 12.5        |
| Very high priority backlog maintenance (as informed by the sector condition survey) | 26.9        |
| Forth Valley College – new Falkirk Campus project                                   | 42.0        |
| New College Lanarkshire – loan repayment  | 1.1         |
| <b>Total</b>  | <b>82.5</b> |

### *Lifecycle maintenance*

46. Funding for college lifecycle maintenance represents SFC’s contribution to the sector’s core estate needs as the year-on-year costs of running the college estate. We have allocated £12.5 million in FY 2018-19 for college lifecycle costs. Funding has been allocated in proportion to activity (credit) targets, as a proxy for the size of a college’s estate.

### ***Very high priority backlog maintenance***

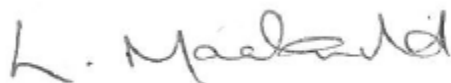
47. SFC is providing £26.9 million for very high priority backlog maintenance in FY 2018-19, as informed by the sector estate condition survey. Through the outcome agreement process we will ensure that each college / region uses these funds to address their very urgent needs.
48. Sector-wide indicative capital funding allocations for both lifecycle maintenance and high priority backlog maintenance are shown in Table 5.

### **Indicative funding tables for AY 2018-19**

49. We have attached the following tables:
  - Table 1 – College sector – overall indicative budget.
  - Table 2 – Indicative funding allocations.
  - Table 3 – Indicative credit targets.
  - Table 3A – Indicative childcare credit targets.
  - Table 4 – Indicative student support funding allocations.
  - Table 5 – Indicative capital funding (FY 2018-19).

### **Further Information**

50. SFC will confirm AY 2018-19 funding allocations and provide further information in our Final Outcome Agreement Funding announcement in May 2018.
51. 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 AY 2018-19**

| <b>Revenue funding</b>  | <b>AY 2018-19<br/>£000</b> |
|---|----------------------------|
| Core Teaching & fee waiver funding                                      | 413,972                    |
| National Bargaining Costs   | 34,158                     |
| Additional Financial Pressures  | 4,154                      |
| Rural & Remoteness uplift   | 1,000                      |
| ESOL transfer from Strategic funds                                      | 1,455                      |
| <b>Total Teaching</b>   | <b>454,739</b>             |
| <b>Core Student Support</b>   | <b>111,041</b>             |
| Student Support Review  | 5,200                      |
| SFC contribution to ESF programme activity                              | 8,000                      |
| Flexible Workforce Development Fund                                     | 10,000                     |
| Strategic funds   | 14,881                     |
| <b>Total Revenue funding (includes ring-fenced amounts shown below)</b> | <b>603,861</b>             |

| <b>SG Ring-Fenced Funds</b>                           |       |
|---|-------|
| Flexible Workforce Development Fund - to be confirmed | 4,000 |

|   |                |
|---|----------------|
| <b>Total SFC excluding ring-fenced grants</b> | <b>599,861</b> |
|---|----------------|

|                           |              |
|---------------------------|--------------|
| <b>ESF Teaching Grant</b> | <b>5,135</b> |
|---------------------------|--------------|

| <b>Capital funding</b>   | <b>FY 2018-19<br/>£000</b> |
|--|----------------------------|
| <b>College Lifecycle Maintenance</b>                               | <b>12,500</b>              |
| <b>Condition Survey: Very High Priority Backlog Maintenance</b>    | <b>26,900</b>              |
| <b>Project Funds</b>   |                            |
| Forth Valley College: new Falkirk Campus                           | 42,000                     |
| New College Lanarkshire: loan repayment (former Coatbridge Campus) | 1,100                      |
| <b>Total Capital projects</b>                                      | <b>43,100</b>              |
| <b>Total Capital funding</b>                                       | <b>82,500</b>              |
| <i>Total SG Funding for Capital</i>                                | <i>76,700</i>              |
| <i>Slippage from FY 2017-18</i>                                    | <i>5,800</i>               |

|                                |               |
|--------------------------------|---------------|
| <b>College NPD expenditure</b> | <b>29,300</b> |
|--------------------------------|---------------|

Table 2: Indicative funding allocations for AY 2018-19

| College/Region                      | Final core teaching funding allocation (excluding Childcare) 2017-18 | Additional Childcare funding 2017-18 | Indicative core teaching funding (including Childcare) 2018-19 | Funding for National Bargaining (unfunded in 2017-18) | Funding for National Bargaining costs 2018-19 | Total funding for National Bargaining costs 2018-19 | Additional financial pressures | Additional Rural & Remoteness funding | ESOL transfer from Strategic funds | Indicative core teaching funding allocation 2018-19 | Funding percentage change from 2017-18 |
|-------------------------------------|--|--------------------------------------|--|---|---|---|--------------------------------|---------------------------------------|------------------------------------|---|--|
|                                     | £  | £                                    | £  | £   | £   | £   | £                              | £                                     | £                                  | £   | %                                      |
| Ayrshire College                    | 32,755,755   | 158,199                              | <b>32,740,573</b>  | 0   | 1,978,002                                     | 1,978,002   | 329,140                        | 0                                     | 104,834                            | <b>35,152,549</b>                                   | 7.3%                                   |
| Borders College                     | 7,486,353  | 41,280                               | <b>7,487,980</b>   | 26,548  | 628,748                                       | 655,296   | 75,276                         | 200,000                               | 21,004                             | <b>8,439,556</b>                                    | 12.7%                                  |
| Dumfries & Galloway College         | 8,768,703  | 37,947                               | <b>8,760,259</b>   | 48,711  | 611,765                                       | 660,475   | 88,067                         | 200,000                               | 25,191                             | <b>9,733,992</b>                                    | 11.0%                                  |
| Dundee & Angus College <sup>1</sup> | 24,736,432   | 88,971                               | <b>24,694,630</b>  | 149,664   | 1,857,699                                     | 2,007,362   | 248,254                        | 0                                     | 89,997                             | <b>27,040,244</b>                                   | 9.3%                                   |
| Edinburgh College                   | 41,108,102   | 242,554                              | <b>41,132,833</b>  | 341,088   | 2,245,075                                     | 2,586,163   | 413,507                        | 0                                     | 155,372                            | <b>44,287,875</b>                                   | 7.7%                                   |
| Fife College                        | 31,339,583   | 164,609                              | <b>31,338,237</b>  | 168,991   | 2,443,038                                     | 2,612,029   | 315,042                        | 0                                     | 110,765                            | <b>34,376,073</b>                                   | 9.7%                                   |
| Forth Valley College                | 20,601,276   | 93,842                               | <b>20,586,102</b>  | 0   | 1,169,430                                     | 1,169,430   | 206,951                        | 0                                     | 71,807                             | <b>22,034,291</b>                                   | 7.0%                                   |
| Glasgow Region                      | 81,739,015   | 137,174                              | <b>81,444,890</b>  | 255,018   | 6,184,795                                     | 6,439,812   | 818,762                        | 0                                     | 322,352                            | <b>89,025,816</b>                                   | 8.9%                                   |
| Highlands & Islands Region          | 36,190,387   | 0                                    | <b>35,999,747</b>  | 568,957   | 6,509,039                                     | 7,077,996   | 361,904                        | 400,000                               | 92,147                             | <b>43,931,793</b>                                   | 21.4%                                  |
| Lanarkshire Region <sup>3</sup>     | 41,263,512   | 230,503                              | <b>41,279,388</b>  | 255,652   | 3,210,276                                     | 3,465,928   | 407,440                        | 0                                     | 153,482                            | <b>45,306,238</b>                                   | 9.8%                                   |
| Newbattle Abbey College             | 692,028  | 0                                    | <b>688,383</b>   | 12,873  | 148,382                                       | 161,256   | 6,920                          | 0                                     | 0                                  | <b>856,559</b>                                      | 23.8%                                  |
| North East Scotland College         | 30,025,591   | 142,558                              | <b>30,009,232</b>  | 163,875   | 1,489,916                                     | 1,653,792   | 301,681                        | 200,000                               | 114,261                            | <b>32,278,967</b>                                   | 7.5%                                   |
| Sabhal Mòr Ostaig                   | 655,029  | 0                                    | <b>651,579</b>   | 41,216  | 1,086,116                                     | 1,127,332   | 6,550                          | 0                                     | 0                                  | <b>1,785,461</b>                                    | 172.6%                                 |
| SRUC <sup>2</sup>                   | 8,980,193  | 0                                    | <b>8,932,888</b>   | 0   | 0   | 0   | 89,802                         | 0                                     | 18,989                             | <b>9,041,679</b>                                    | 0.7%                                   |
| West College Scotland               | 38,471,104   | 179,480                              | <b>38,446,984</b>  | 0   | 1,615,775                                     | 1,615,775   | 386,506                        | 0                                     | 138,423                            | <b>40,587,689</b>                                   | 5.5%                                   |
| West Lothian College                | 9,760,675  | 69,228                               | <b>9,778,122</b>   | 79,828  | 867,722                                       | 947,551   | 98,299                         | 0                                     | 36,377                             | <b>10,860,348</b>                                   | 11.3%                                  |
| Scotland                            | 414,573,741  | 1,586,345                            | <b>413,971,828</b>   | 2,112,422   | 32,045,778                                    | 34,158,200  | 4,154,101                      | 1,000,000                             | 1,455,000                          | <b>454,739,128</b>                                  | 9.7%                                   |

Indicative funding allocations including European Social Funding (ESF) a

| ESF teaching (credit) funding 2017-18 | ESF teaching (credit) funding 2018-19 | Total teaching funding including ESF 2017-18 | Total teaching funding including ESF 2018-19 |
|---------------------------------------|---------------------------------------|--|--|
| £                                     | £                                     | £  | £  |
| 306,939                               | <b>223,293</b>                        | 33,220,893                                   | <b>35,375,842</b>                            |
| 150,285                               | <b>134,524</b>                        | 7,677,918                                    | <b>8,574,079</b>                             |
| 0                                     | <b>0</b>                              | 8,806,650                                    | <b>9,733,992</b>                             |
| 1,222,965                             | <b>1,154,055</b>                      | 26,048,368                                   | <b>28,194,299</b>                            |
| 476,300                               | <b>348,082</b>                        | 41,826,956                                   | <b>44,635,957</b>                            |
| 716,813                               | <b>628,510</b>                        | 32,221,005                                   | <b>35,004,583</b>                            |
| 535,267                               | <b>478,510</b>                        | 21,230,385                                   | <b>22,512,801</b>                            |
| 4,815,398                             | <b>4,566,278</b>                      | 86,691,587                                   | <b>93,592,094</b>                            |
| 298,104                               | <b>0</b>                              | 36,488,491                                   | <b>43,931,793</b>                            |
| 3,044,009                             | <b>3,155,524</b>                      | 44,538,024                                   | <b>48,461,762</b>                            |
| 0                                     | <b>0</b>                              | 692,028                                      | <b>856,559</b>                               |
| 716,847                               | <b>624,285</b>                        | 30,884,996                                   | <b>32,903,252</b>                            |
| 0                                     | <b>0</b>                              | 655,029                                      | <b>1,785,461</b>                             |
| 0                                     | <b>0</b>                              | 8,980,193                                    | <b>9,041,679</b>                             |
| 1,732,847                             | <b>1,626,517</b>                      | 40,383,431                                   | <b>42,214,206</b>                            |
| 224,639                               | <b>195,279</b>                        | 10,054,542                                   | <b>11,055,628</b>                            |
| 14,240,413                            | <b>13,134,857</b>                     | 430,400,496                                  | <b>467,873,985</b>                           |

**Table 3: Indicative credit targets for AY 2018-19**

| College/Region                          | Final core credit targets (excluding Childcare) 2017-18 | ESF activity targets 2017-18 | Total activity targets 2017-18 |  | Indicative core credit targets (including Childcare) 2018-19 | Indicative ESF activity targets 2018-19 | Total activity target 2018-19 |
|---|---|------------------------------|--------------------------------|--|--|---|-------------------------------|
|   | <i>Credits</i>  | <i>Credits</i>               | <i>Credits</i>                 |  | <i>Credits</i>   | <i>Credits</i>                          | <i>Credits</i>                |
| Ayrshire College                        | 124,252   | 1,255                        | 125,507                        |  | 124,710  | 871                                     | <b>125,581</b>                |
| Borders College                         | 24,521  | 574                          | 25,095                         |  | 24,682   | 478                                     | <b>25,160</b>                 |
| Dumfries & Galloway College             | 30,067  | 0                            | 30,067                         |  | 30,176   | 0                                       | <b>30,176</b>                 |
| Dundee & Angus College                  | 103,232   | 5,101                        | 108,333                        |  | 103,314  | 4,494                                   | <b>107,807</b>                |
| Edinburgh College                       | 184,028   | 2,000                        | 186,028                        |  | 184,764  | 1,357                                   | <b>186,121</b>                |
| Fife College                            | 129,760   | 3,005                        | 132,765                        |  | 130,234  | 2,451                                   | <b>132,685</b>                |
| Forth Valley College                    | 83,984  | 2,230                        | 86,214                         |  | 84,201   | 1,816                                   | <b>86,018</b>                 |
| Glasgow Region                          | 369,574   | 20,383                       | 389,957                        |  | 368,592  | 17,554                                  | <b>386,145</b>                |
| Highlands & Islands Region <sup>1</sup> | 110,967   | 1,200                        | 112,167                        |  | 110,382  | 0                                       | <b>110,382</b>                |
| Lanarkshire Region                      | 170,967   | 14,766                       | 185,733                        |  | 171,687  | 12,169                                  | <b>183,856</b>                |
| Newbattle Abbey College                 | 926   | 0                            | 926                            |  | 921  | 0                                       | <b>921</b>                    |
| North East Scotland College             | 134,118   | 3,035                        | 137,153                        |  | 134,414  | 2,460                                   | <b>136,873</b>                |
| Sabhal Mòr Ostaig                       | 803   | 0                            | 803                            |  | 799  | 0                                       | <b>799</b>                    |
| SRUC <sup>2</sup>                       | 22,867  | 0                            | 22,867                         |  | 22,747   | 0                                       | <b>22,747</b>                 |
| West College Scotland                   | 159,025   | 7,086                        | 166,111                        |  | 159,449  | 6,368                                   | <b>165,817</b>                |
| West Lothian College                    | 42,527  | 972                          | 43,499                         |  | 42,790   | 786                                     | <b>43,575</b>                 |
| <b>Scotland</b>                         | <b>1,691,618</b>  | <b>61,607</b>                | <b>1,753,225</b>               |  | <b>1,693,861</b>   | <b>50,804</b>                           | <b>1,744,665</b>              |

<sup>1</sup> - Colleges in the Highlands & Islands transitional region 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 4: Indicative Student Support funding allocations AY 2018-19**

| College / Region            | student support spend 2016-17 | Core student support funding 2017-18 | Percentage share of student support spend 2016-17 | Total student support funding 2018-19 <sup>1</sup> |
|-----------------------------|-------------------------------|--------------------------------------|---|--|
|                             | £                             | £                                    | %   | £  |
| Ayrshire College            | 9,488,544                     | 10,029,447                           | 8.7%  | <b>9,642,142</b>                                   |
| Borders College             | 1,641,570                     | 1,986,515                            | 1.5%  | <b>1,668,143</b>                                   |
| Dumfries & Galloway College | 1,758,682                     | 2,030,532                            | 1.6%  | <b>1,787,151</b>                                   |
| Dundee & Angus College      | 7,526,576                     | 6,894,874                            | 6.9%  | <b>7,648,414</b>                                   |
| Edinburgh College           | 9,095,918                     | 10,165,335                           | 8.3%  | <b>9,243,160</b>                                   |
| Fife College                | 7,584,276                     | 8,801,090                            | 6.9%  | <b>7,707,048</b>                                   |
| Forth Valley College        | 3,747,025                     | 3,984,072                            | 3.4%  | <b>3,807,681</b>                                   |
| Glasgow Region              | 21,806,506                    | 19,042,922                           | 20.0%   | <b>22,159,503</b>                                  |
| Highlands & Islands Region  | 8,420,103                     | 8,588,398                            | 7.7%  | <b>8,556,405</b>                                   |
| Lanarkshire Region          | 13,560,772                    | 12,140,441                           | 12.4%   | <b>13,780,289</b>                                  |
| Newbattle Abbey College     | 218,147                       | 242,916                              | 0.2%  | <b>221,678</b>                                     |
| North East Scotland College | 7,787,748                     | 8,171,312                            | 7.1%  | <b>7,913,814</b>                                   |
| Sabhal Mòr Ostaig           | 0                             | 23,071                               | 0.0%  | <b>0</b>   |
| SRUC                        | 2,184,565                     | 2,105,400                            | 2.0%  | <b>2,219,928</b>                                   |
| West College Scotland       | 11,388,127                    | 10,213,005                           | 10.4%   | <b>11,572,474</b>                                  |
| West Lothian College        | 3,064,021                     | 3,010,670                            | 2.8%  | <b>3,113,620</b>                                   |
| <b>Scotland</b>             | <b>109,272,580</b>            | <b>107,430,000</b>                   | <b>100.0%</b>                                     | <b>111,041,450</b>                                 |

<sup>1</sup> - As in previous years, there will be a planned in-year redistribution in 2018-19. In 2017-18, £4,178,499 was provided for the in-year redistribution.

**Table 5: Indicative capital funding for FY 2018-19**

| College/Region                       | FY 2018-19<br>indicative capital for<br>lifecycle maintenance<br>based on share<br>of volume target | FY 2018-19<br>indicative capital<br>based on gross<br>very high priority<br>backlog maintenance | Total indicative<br>capital funding<br>based on<br>lifecycle & high priority<br>backlog maintenance<br>(college estate survey)<br>for FY 2018-19 |
|--------------------------------------|---|---|--|
|                                      | £   | £   | £  |
| Ayrshire College                     | 932,882   | 2,764,749   | <b>3,697,631</b>   |
| Borders College                      | 184,632   | 76,494  | <b>261,126</b>   |
| Dumfries & Galloway College          | 225,727   | 155,301   | <b>381,028</b>   |
| Dundee & Angus College               | 772,831   | 1,235,693   | <b>2,008,524</b>   |
| Edinburgh College                    | 1,382,113   | 2,673,397   | <b>4,055,511</b>   |
| Fife College                         | 974,204   | 1,693,221   | <b>2,667,425</b>   |
| Forth Valley College                 | 629,862   | 56,245  | <b>686,107</b>   |
| Glasgow Region                       | 2,757,223   | 3,494,799   | <b>6,252,022</b>   |
| Highlands & Islands Region           | 825,708   | 3,844,150   | <b>4,669,858</b>   |
| Lanarkshire Region                   | 1,284,292   | 6,180,455   | <b>7,464,747</b>   |
| Newbattle Abbey College <sup>1</sup> | 0   | 97,316  | <b>97,316</b>  |
| North East Scotland College          | 1,005,473   | 1,464,603   | <b>2,470,076</b>   |
| Sabhal Mòr Ostaig <sup>1</sup>       | 0   | 120,257   | <b>120,257</b>   |
| SRUC                                 | 170,154   | 0   | <b>170,154</b>   |
| West College Scotland                | 1,192,748   | 3,003,981   | <b>4,196,729</b>   |
| West Lothian College <sup>2</sup>    | 162,150   | 34,579  | <b>196,728</b>   |
| <b>Scotland</b>                      | <b>12,500,000</b>   | <b>26,895,240</b>   | <b>39,395,240</b>  |

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

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