

FINANCE AND RESOURCES COMMITTEE

DATE:	25 th April 2022
TITLE OF REPORT:	Indicative Grant in Aid Allocation Reference 32-22
AUTHOR AND CONTACT DETAILS	Keith McAllister keith.mcallister@slc.ac.uk
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:	Highest quality education and support - providing a high-quality environment for staff and students Sustainable behaviours - environmentally sustainable behaviours
SUMMARY OF REPORT:	• Sustainable behaviours – environmentally sustainable behaviours. 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. 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. 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. 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%).

College sector - overall budget				Finar	nce and Resour	es 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			(
New Foundation Apprenticeship starts	0	6,878	6,878		30,348	30,348
Continuing Foundation Apprenticeships	0	1,879	1,879			(
Sub Total	512,028	521,590	9,562	1,732,390	1,733,664	1,274
						(
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	(
Digital Learning	5,000	0	(5,000)		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		0			
Other top-sliced programmes (funding for JISC, APUC, CDN and "strategic	24 227	10.750	(10.477)			
interventions" aligned to SFC and SG priorities such as widening access)	21,227	10,750	, , ,			
Total Other Funding Total Revenue funding	61,403	37,750	(10,477)			
(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					
Effective cost of living uplift	0		(31,779)			
ESF credits	46,336		, , , , ,			
Total Baseline Credit	1,732,390		` ' '			
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Foundation Apprentices	30 354	n	(30.354)		vcu	
Foundation Apprentices Deferral activity	30,354		` ' '	Funding remo	wed	
Deferral activity	33,487	0	(33,487)	Funding remo	ved	
					ved	
Deferral activity Total Credit Target	33,487 1,796,231	0 1,733,664	(33,487) (62,567)	Funding remo		
Deferral activity Total Credit Target	33,487	0 1,733,664	(33,487) (62,567)	Funding remo	o one off £9m	
Deferral activity Total Credit Target	33,487 1,796,231	0 1,733,664	(33,487) (62,567)	Funding remo		
Deferral activity Total Credit Target Price per core credit	33,487 1,796,231 £ 295.56	0 1,733,664 £ 300.86	(33,487) (62,567) £ 5.30	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding	33,487 1,796,231 £ 295.56 FY 2021-22	0 1,733,664 £ 300.86 FY 2022-23	(33,487) (62,567) £ 5.30 Movement	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding	33,487 1,796,231 £ 295.56 FY 2021-22	0 1,733,664 £ 300.86 FY 2022-23 £'000	(33,487) (62,567) £ 5.30 Movement £'000	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding Backlog & Lifecycle Maintenance	33,487 1,796,231 £ 295.56 FY 2021-22 £'000	0 1,733,664 £ 300.86 FY 2022-23 £'000	(33,487) (62,567) £ 5.30 Movement £'000	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding Backlog & Lifecycle Maintenance Project funding	33,487 1,796,231 £ 295.56 FY 2021-22 £'000	0 1,733,664 £ 300.86 FY 2022-23 £'000	(33,487) (62,567) £ 5.30 Movement £'000	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding Backlog & Lifecycle Maintenance Project funding Fife College (Dunfermline Learning Community Campus)	33,487 1,796,231 £ 295.56 FY 2021-22 £'000	fy 2022-23 £'000 31,200	(33,487) (62,567) £ 5.30 Movement £'000 1,800	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding Backlog & Lifecycle Maintenance Project funding Fife College (Dunfermline Learning Community Campus) Digital poverty	33,487 1,796,231 £ 295.56 FY 2021-22 £'000 29,400 4,300	f 300.86 FY 2022-23 f'000 31,200 38,500 2,900	(33,487) (62,567) £ 5.30 Movement £'000 1,800 34,200 2,900	Funding remo		
Deferral activity Total Credit Target Price per core credit Capital funding Maintenance funding Backlog & Lifecycle Maintenance Project funding	33,487 1,796,231 £ 295.56 FY 2021-22 £'000	fy 2022-23 £'000 31,200	(33,487) (62,567) £ 5.30 Movement £'000 1,800	Funding remo		

Comparison of Lanarkshire Regional Funding Distribution	Final Distribution 2021/22							
						Allo	Indicative cation 2022/23	Movement
	Lanarkshire	NCL	SLC	NCL	SLC			
	Allocation	Allocation	Allocation	%	%			
Core Teaching Allocations								
Core teaching funding	£44,062,608	£32,544,343	£11,518,265	73.9%	26.1%	'	,	
Access & Inclusion premium	£4,364,018	£3,216,499	£1,147,519	73.7%	26.3%			
Access & Inclusion Premium Supplement	£750,000	£746,497	£3,503	99.5%	0.5%			
Cost pressure uplift	£1,133,728	£826,632	£307,096	72.9%	27.1%			
ESF teaching funding	£1,867,298	£961,386	£905,912	51.5%	48.5%			
Total Teaching Funding	£52,177,652	£38,295,357	£13,882,295	73.39%	26.61%	£	52,489,387	
Additional funding for Foundation Apprenticeships	£423,166	£311,894	£111,272	73.7%	26.3%	£	210,041	
Additional funding for deferred student places (TBC)	£979,915	£722,246	£257,669	73.7%	26.3%	£	-	
Total funding for teaching and learning AY								
2021/22	£53,580,733	£39,329,497	£14,251,236	73.4%	26.6%	£	52,699,428	£(881,305)
Capital and other ring-fenced formulaic allocations								
Lifecycle capital and estates maintenance	£1,270,000	£925,992	£344,008	72.9%	27.1%	£	1,349,454	£79,454
Additional funding for Mental Health support	£461,036	£336,154	£124,882	72.9%	27.1%	£	-	£(461,036)
Capital for Digital Provision	£523,904	£381,993	£141,911	72.9%	27.1%	£	300,549	£(223,355)
Capital and other ring-fenced formulaic								
allocations	£2,254,940	£1,644,139	£610,801	72.9%	27.1%	£	1,650,003	£(604,937)
Teaching and formulaic allocation	£55,835,673	£40,973,636	£14,862,037			£	54,349,431	£(1,486,242)
Funds allocated to colleges directly by SFC								
High priority backlog maintenance	£1,752,000	£1,174,010	£577,990	67.0%	33.0%	£	1,859,338	£107,338
Total funding allocation for the Year	£57,587,673	£42,147,646	£15,440,027	73.19%	26.81%		£56,208,769	£(1,378,904)
Movement								
Activity Targets								
Core Credits	175,049	129,020	46,029	73.70%	26.30%	1	179,303	4,254
Other credits	4,814	3,548	1,266	73.70%	26.30%	_	814	(4,000)
	179,863	132,568	47,295	73.70%	26.30%	1	180,117	254
ESF Credits Total Credits	6,472	3,332	3,140	51.49%	48.51%	1	0	(6,472)
	186,335	135,900	50,435	72.93%	27.07%	-	180,117	(6,218)
Decrease in activity in the Region								-3.34%