



Scottish Funding Council

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Circular

Indicative college sector financial decisions for academic year 2012-13

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This circular announces the Scottish Funding Council's indicative financial decisions for Scotland's colleges for academic year 2012-13.

FAO: Principals and directors of Scotland's colleges

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Indicative college sector financial decisions for academic year 2012-13

- 1 This letter provides colleges with an indicative breakdown of the overall college budget and indicative allocations to regions for academic year (AY) 2012-13, in line with the Cabinet Secretary's guidance to the Council of 25 January 2012
http://www.sfc.ac.uk/about_the_council/letterofguidance/letterofguidance.aspx, his prior letter to College Principals on 11 January 2012 and his letter of 1 February to the Council confirming the regions and the colleges that should fall within them. This announcement describes how the college sector should deliver 96% of the current baseline level of student activity. Coupled with the Scottish Government's proposed arrangement involving Skills Development Scotland, this should allow the college sector to be able to maintain total teaching activity at the current 2011-12 baseline level.
- 2 Once the Scottish Parliament has passed the financial year 2012-13 budget bill and we receive a formal offer of grant from the Scottish Government, we will finalise these indicative allocations in a subsequent announcement.

Overall resources

- 3 The overall budget for the college sector for AY 2012-13 is as set out in the attached table 1. The baseline from which this budget has been developed is described in circular SFC/35/2010 *Indicative main grants to colleges and universities for academic year 2011-12*, published on 21 December 2010.
- 4 We have set aside European Social Funding (ESF) match funding of £8.4 million. For AY 2012-13 this will be allocated separately, using a method similar to that adopted for AY 2011-12. We will provide additional details on the ESF funding allocations and target group, reflecting the priority attached to the delivery of the *Opportunities for All* guarantee.

Resources for teaching

- 5 The Cabinet Secretary has asked the Council to ensure that no college sees a fall in their teaching grant for AY 2012-13 of more than 8.5%. We have reduced every college's base teaching and fee waiver grant by 8.4%. The teaching and fee waiver grant for each region is set out in table 2.

Student number targets

- 6 The Cabinet Secretary has asked the Council to ensure that the college sector accommodates 96% of the current 2011-12 baseline target. The remaining 4% of college places should be secured through the introduction of a scheme between Skills Development Scotland and colleges.
- 7 In order to achieve the 96% student number target, the Council is planning that, initially, each college's WSUMs target for AY 2012-13 will be set at 93% of the previous year's baseline. This 93% will be increased by 3% of WSUMs across the sector as a whole through the targeted use of £8 million of funding brought forward from subsequent years and additional targeted efficiencies. How that 3% should be achieved is described in the following two paragraphs. These measures taken together should ensure that the college sector's WSUMS target for 2012-13 will be at least 2,109,958 WSUMs (96% of the baseline).

Funding brought forward

- 8 The overall budget includes £8 million of teaching funding which has been brought forward from the last two years of the spending review period. In the future we intend to allocate places to regions on the basis of need. The Council wishes to make initial progress in regions where the gap between need and current provision is greatest. The Council has identified that there are six regions (Ayrshire, Borders, Central, Dumfries and Galloway, Highlands & Islands and Lanarkshire) where there could be the most significant gap between need and current provision. We will seek to agree extra WSUMs targets for these regions together with a share of the £8 million funding. We expect to secure at least 2% of the total sector WSUMs with this additional funding. The position of West Lothian College will be determined once its place in the regional structure has been agreed.

Additional productivity

- 9 The Council will be seeking to negotiate extra WSUMs targets with a number of colleges where additional productivity can be expected, for example because of the colleges' scale or where investment from the Scottish Government's change fund or the Council's strategic funds could be expected to deliver early efficiencies. We would expect these colleges, collectively, to provide around 1% of the total sector WSUMs above the initial targets shown in this letter through increased productivity.

Student support funding

- 10 In line with our guidance from the Cabinet Secretary, we are maintaining student support at the 2011-12 baseline level. We will therefore allocate a total of £84.2 million in AY 2012-13 using the same distribution method as in 2011-12. We have set out each region's allocation of total student support in table 2.

Strategic funding

- 11 Strategic funding includes funding for JISC/Scotland's Colleges/Education Scotland and includes a budget to support strategic change in the sector. The Council intends to use this funding in coordination with the Scottish Government's *College Transformation Fund* to support strategic changes such as mergers and federations which improve the efficiency and coherence of college provision.

Capital

- 12 The Cabinet Secretary's letter to College Principals of 11 January 2012 asked the Council to maintain, in cash terms, its capital maintenance allocations to colleges at 2011-12 levels. We have set aside £18.7 million for college capital maintenance for FY 2012-13, the same level as was allocated in FY 2011-12. The allocation for each region is set-out in table 2.

Individual college indicative allocations within regions

- 13 We have set out in tables 3 to 6, individual college indicative allocations, within the regional groups, for teaching and fee waiver, WSUMs targets, student support and capital maintenance.

Next steps

- 14 This letter provides information on which colleges can plan for their finances and student number targets for AY 2012-13. It is subject to the process of confirming the Council's budget.
- 15 As set out in the joint consultation *College Regionalisation: Proposals for Implementing Putting Learners at the Centre*, the Council plans to negotiate outcome agreements and we will therefore contact colleges shortly to begin the negotiation process and to discuss the use of funding brought forward and additional productivity.

Further information

- 16 If you would like further information, please contact: Riona Bell (Director of Finance and Corporate Resources, Tel: 0131 313 6690; email: rbell@sfc.ac.uk) or Martin Smith (Deputy Director of Finance & Corporate Resources, Tel: 0131 313 6528; email: msmith@sfc.ac.uk) or Richard Adams (Head of College Funding, Tel: 0131 313 6512; email: radams@sfc.ac.uk).

**Table 1: College sector - Overall budget for academic year 2012-13
(excluding capital)**

	2012-13 budget (£'000)
General funding	
Teaching and fee waiver	379,537
Funds brought forward	8,000
Sub Total	387,537
European Social Fund match funding	8,400
APUC	1,000
Total	396,937
Student support	
Bursary	69,353
Further education discretionary fund and childcare fund	14,884
Total	84,237
TOTAL GENERAL FUNDS	481,174
Strategic funding	
Strategic funds	18,411
TOTAL STRATEGIC FUNDS	18,411
OVERALL TOTAL	499,585

Table 2: College sector - allocations and targets for AY 2012-13

Region	Teaching and fee waiver allocations for 2012-13 (£)	Base WSUMs target for 2012-13 *	Student Support allocation for 2012-13 (£)	Capital maintenance allocation for 2012-13 (£)
Aberdeen and Aberdeenshire	29,746,487	167,041	7,069,593	1,441,627
Ayrshire	27,536,312	148,428	7,376,284	1,312,132
Borders	6,232,961	31,524	1,679,486	308,788
Central	17,971,134	102,381	2,885,214	870,893
Dumfries and Galloway	7,364,668	36,310	1,843,367	346,385
Edinburgh and Lothians	43,328,831	241,571	8,615,745	2,094,335
Fife	31,198,853	169,249	7,268,986	1,487,443
Glasgow	76,664,835	424,370	15,725,551	3,910,699
Highlands and Islands	29,784,533	135,666	6,469,046	1,539,010
Lanarkshire	32,749,675	176,894	7,459,420	1,645,021
Land Based	7,234,035	35,814	1,606,134	436,782
Tayside	23,914,179	128,869	5,633,324	1,139,619
West	37,623,906	205,104	8,820,430	1,768,969
West Lothian College **	7,102,465	39,412	1,519,091	373,504
Newbattle Abbey College	474,746	772	246,000	0
Sabhal Mòr Ostaig	608,971	616	19,326	0
WSUMs to be achieved through regional targets and efficiencies		65,937		
Funds brought forward	8,000,000			
Total	387,536,591	2,109,958	84,236,996	18,675,208

* Individual college WSUMs targets will be confirmed later in the year, once regional negotiations have been completed. In this process, these targets will be increased from these base figures for a number of colleges.

** The Cabinet Secretary has not yet reached a conclusion on West Lothian College. He has asked the Council to facilitate early discussions with relevant parties, and identify the optimal regional solution for this college.

Table 3: College sector - teaching and fee waiver grant for AY 2012-13

Region	College	Teaching and fee waiver allocations for 2012-13 (£)
Aberdeen and Aberdeenshire	Aberdeen College	22,875,569
	Banff & Buchan College	6,870,918
Ayrshire	Ayr College	8,849,455
	James Watt College (Kilwinning)	9,808,261
	Kilmarnock College	8,878,596
Borders	Borders College	6,232,961
Central	Forth Valley College	17,971,134
Dumfries and Galloway	Dumfries & Galloway College	7,364,668
Edinburgh and Lothians	Edinburgh's Telford College	18,696,799
	Jewel & Esk College	10,415,114
	Stevenson College	14,216,918
Fife	Adam Smith College	20,037,000
	Carnegie College	8,890,651
	Elmwood College (non land-based provision)	2,271,203
Glasgow	Annie'sland College	7,999,863
	Cardonald College	11,830,939
	City of Glasgow College	27,480,001
	John Wheatley College	6,471,073
	Langside College	8,644,757
	North Glasgow College	7,538,318
Highlands and Islands	Stow College	6,699,884
	Inverness College	7,074,154
	Lewis Castle College	2,161,858
	Moray College	4,804,481
	Perth College	5,897,379
	North Highland College	7,111,207
	Orkney College	1,259,874
Shetland College of Further Education	1,475,580	
Lanarkshire	Coatbridge College	6,675,630
	Cumbernauld College	5,691,660
	Motherwell College	14,339,888
	South Lanarkshire College	6,042,496
Land Based	The Barony College	1,985,127
	Elmwood College (land-based provision)	2,821,180
	Oatridge College	2,427,728
Tayside	Angus College	6,954,842
	Dundee College	16,959,337
West	Clydebank College	9,457,617
	James Watt College (Inverclyde)	15,149,146
	Reid Kerr College	13,017,143
	West Lothian College*	7,102,465
	Newbattle Abbey College	474,746
	Sabhal Mòr Ostaig	608,971
Sub Total		379,536,591
Funds brought forward		8,000,000
Total		387,536,591

* The Cabinet Secretary has not yet reached a conclusion on West Lothian College. He has asked the Council to facilitate early discussions with relevant parties, and identify the optimal regional solution for this college.

Table 4: College sector - College WSUM targets for AY 2012-13

Region	College	Base WSUMs target for 2012-13 *
Aberdeen and Aberdeenshire	Aberdeen College	132,672
	Banff & Buchan College	34,369
Ayrshire	Ayr College	49,041
	James Watt College (Kilwinning)	52,728
	Kilmarnock College	46,659
Borders	Borders College	31,524
Central	Forth Valley College	102,381
Dumfries and Galloway	Dumfries & Galloway College	36,310
Edinburgh and Lothians	Edinburgh's Telford College	104,581
	Jewel & Esk College	58,260
	Stevenson College	78,731
Fife	Adam Smith College	108,784
	Carnegie College	48,896
	Elmwood College (non land-based provision)	11,569
Glasgow	Anniesland College	42,622
	Cardonald College	64,444
	City of Glasgow College	157,932
	John Wheatley College	31,320
	Langside College	45,992
	North Glasgow College	42,235
Highlands and Islands	Stow College	39,825
	Inverness College	36,172
	Lews Castle College	7,962
	Moray College	23,416
	Perth College	29,598
	North Highland College	28,877
	Orkney College	4,518
Shetland College of Further Education	5,122	
Lanarkshire	Coatbridge College	34,370
	Cumbernauld College	30,467
	Motherwell College	77,665
	South Lanarkshire College	34,391
Land Based	The Barony College	9,222
	Elmwood College (land-based provision)	14,371
	Oatridge College	12,222
Tayside	Angus College	35,492
	Dundee College	93,377
West	Clydebank College	51,095
	James Watt College (Inverclyde)	81,440
	Reid Kerr College	72,569
	West Lothian College**	39,412
	Newbattle Abbey College	772
	Sabhal Mòr Ostaig	616
Sub Total		2,044,021
WSUMs to be achieved through regional targets and efficiencies		65,937
Total		2,109,958

* Individual college WSUMs targets will be confirmed later in the year, once regional negotiations have been completed. In this process, these targets will be increased from these base figures for a number of colleges.

** The Cabinet Secretary has not yet reached a conclusion on West Lothian College. He has asked the Council to facilitate early discussions with relevant parties, and identify the optimal regional solution for this college.

Table 5: College sector - student support allocations for AY 2012-13

Region	College	Student Support allocation for 2012-13 (£)
Aberdeen and Aberdeenshire	Aberdeen College	5,319,477
	Banff & Buchan College	1,750,116
Ayrshire	Ayr College	2,313,288
	James Watt College (Kilwinning)	2,262,108
	Kilmarnock College	2,800,888
Borders	Borders College	1,679,486
Central	Forth Valley College	2,885,214
Dumfries and Galloway	Dumfries & Galloway College	1,843,367
Edinburgh and Lothians	Edinburgh's Telford College	3,523,014
	Jewel & Esk College	1,776,142
	Stevenson College	3,316,590
Fife	Adam Smith College	4,681,789
	Carnegie College	2,074,918
	Elmwood College (non land-based provision)	512,279
Glasgow	Anniesland College	1,707,025
	Cardonald College	3,341,245
	City of Glasgow College	4,825,484
	John Wheatley College	1,237,386
	Langside College	1,804,238
	North Glasgow College	1,351,852
Highlands and Islands	Stow College	1,458,322
	Inverness College	1,737,759
	Lews Castle College	231,140
	Moray College	1,529,898
	Perth College	1,526,197
	North Highland College	1,307,600
	Orkney College	49,322
Shetland College of Further Education	87,130	
Lanarkshire	Coatbridge College	1,444,051
	Cumbernauld College	1,291,893
	Motherwell College	3,772,685
	South Lanarkshire College	950,790
Land Based	The Barony College	405,391
	Elmwood College (land-based provision)	636,328
	Oatridge College	564,414
Tayside	Angus College	1,887,109
	Dundee College	3,746,215
West	Clydebank College	2,108,932
	James Watt College (Inverclyde)	3,493,892
	Reid Kerr College	3,217,607
	West Lothian College*	1,519,091
	Newbattle Abbey College	246,000
	Sabhal Mòr Ostaig	19,326
Total		84,236,996

* The Cabinet Secretary has not yet reached a conclusion on West Lothian College. He has asked the Council to facilitate early discussions with relevant parties, and identify the optimal regional solution for this college.

Table 6: College sector - capital maintenance allocations for FY 2012-13

Region	College	2012-13 allocation (£)
Aberdeen and Aberdeenshire	Aberdeen College	1,110,651
	Banff & Buchan College	330,976
Ayrshire	Ayr College	449,314
	James Watt College (Kilwinning)	432,610
	Kilmarnock College	430,208
Borders	Borders College	308,788
Central	Forth Valley College	870,893
Dumfries and Galloway	Dumfries & Galloway College	346,385
Edinburgh and Lothians	Edinburgh's Telford College	888,151
	Jewel & Esk College	522,043
	Stevenson College	684,141
Fife	Adam Smith College	921,434
	Carnegie College	448,082
	Elmwood College (non land-based provision)	117,927
Glasgow	Anniesland College	398,774
	Cardonald College	571,350
	City of Glasgow College	1,433,615
	John Wheatley College	309,404
	Langside College	425,277
	North Glasgow College	395,693
	Stow College	376,586
Highlands and Islands	Inverness College	345,152
	Lews Castle College	123,885
	Moray College	245,305
	Perth College	293,380
	North Highland College	332,825
	Orkney College	96,766
	Shetland College of Further Education	101,697
Lanarkshire	Coatbridge College	333,442
	Cumbernauld College	302,625
	Motherwell College	675,512
	South Lanarkshire College	333,442
Land Based	The Barony College	133,130
	Elmwood College (land-based provision)	146,484
	Oatridge College	157,168
Tayside	Angus College	339,605
	Dundee College	800,014
West	Clydebank College	465,339
	James Watt College (Inverclyde)	668,179
	Reid Kerr College	635,450
	West Lothian College*	373,504
	Newbattle Abbey College	0
	Sabhal Mòr Ostaig	0
Total		18,675,208

* The Cabinet Secretary has not yet reached a conclusion on West Lothian College. He has asked the Council to facilitate early discussions with relevant parties, and identify the optimal regional solution for this college.

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