



# SFC Announcement

National Bargaining Funding for AY 2018-19

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Summary: Announcement of an adjustment to the funding to meet the costs of national bargaining and additional funding to support the job evaluation process costs in AY 2018-19.

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

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## **National bargaining funding for AY 2018-19**

### **Purpose**

1. I am writing to announce an adjustment to the funding to meet the costs of national bargaining and additional funding to support the job evaluation process costs for colleges in relation to Academic Year (AY) 2018-19. The adjustment is necessary as a result of clarification provided by Colleges Scotland on full time equivalents (FTEs) and promoted posts.

### **Background**

2. SFC published 'Outcome agreement funding for colleges – final allocations for 2018-19' on 18 May 2018 ([SFC/AN/09/2018](#)). This publication announced teaching funding of £454.7 million which was subsequently revised to £454.9 million (see note 1 in table 1), including £34.2 million to meet the costs of national bargaining harmonisation / job evaluation costs in colleges.
3. The costs of national bargaining harmonisation / job evaluation, down to individual institution level, are taken from information collated and provided by Colleges Scotland (and validated by SFC). The information was based on estimated costs which have been revised slightly reflecting changes in staff FTEs prior to the start of the Academic Year and confirmed salaries.

### **Re-allocation of funds**

4. The Scottish Government has provided SFC with funds to ensure that all colleges are funded for their national bargaining harmonisation / job evaluation costs and this will be fully implemented in AY 2019-20. Taking account of the revised staff FTEs and salaries results in a need for a reallocation of the funding across the college sector.
5. The costs of national bargaining were split between funds for support staff and middle management job evaluation (£10.9 million) and other staff harmonisation (£23.2 million). The support staff and middle management costs are currently estimated, as the process of job evaluation is not complete. These funds are being held back until there is greater clarity on how they should be allocated across the sector. The funds held back are detailed in Table 2.
6. Table 1 attached provides a breakdown of the figures as at May 2018. The table then sets out adjustments we need to make based on the revised staff FTE and salary data.
7. Table 1 shows that some colleges need to receive additional funds for national bargaining harmonisation costs, which amount to an additional £595,519. In

contrast, some colleges should have their national bargaining harmonisation funds reduced. The net result is a reduction of £1,220,366.

8. We need to ensure that all colleges receive sufficient funds to meet the cost of the national bargaining harmonisation. However, we also need to ensure that any in-year reductions to funding are manageable. We will therefore:
  - Adjust in-year AY 2018-19 by recovering 50% of the over allocation, which amounts to £907,942.
  - We will use these recovered funds to pay out the full amount of £595,519 to colleges / regions that did not receive sufficient funds to meet the costs in AY 2018-19.
  - We will then recover the other 50% of the over allocation totalling £907,942 in AY 2019-20.

### **Support staff job evaluation**

9. There are adjustments to the funds for support staff job evaluation of £353,317 which are included in the revised total teaching grant. These funds will not be allocated until the job evaluation process has been completed. The funds held back are detailed in Table 2.
10. In order to take forward the job evaluation process there are additional funds being allocated to each college / region, amounting to £687,055. This is the first tranche of funds to support this activity. These funds will be released in March 2019.

### **The revised core teaching grant**

11. The revised core teaching grant for AY 2018-19, set out in the table 1, is therefore the final teaching grant as announced in May, adjusted by:
  - An increase, if appropriate, for the additional costs related to national bargaining harmonisation.
  - A decrease, if appropriate, which represents 50% of the national bargaining harmonisation funds to be returned.
  - An adjustment for support staff job evaluation, which is budgeted for within the overall total, but will not be allocated until the process concludes.
  - An additional element for each college / region to support the job evaluation process costs.

### **Adjustment to budgets**

12. These updated budgets will be reflected in incorporated colleges' monthly cash-flow pro-forma in March 2019. Table 2 details the changes to budgets in AY 2018-19.

### **Non-incorporated colleges**

13. We have set out in the tables the amounts for funding national bargaining harmonisation / job evaluation for non-incorporated colleges. We are in the process of confirming all elements of the additional national bargaining-related costs being incurred by these colleges are in line with the funding awarded.
14. Sabhal Mòr Ostaig, Newbattle Abbey College, Argyll College, Orkney College, Shetland College and West Highland College do not submit cash-flow pro-formas. Where these colleges are to receive additional funds, payments will be adjusted in March 2019. Should any recovery of funding be confirmed this will be actioned as outlined in paragraph 8 above.

### **Further information**

15. Please contact Lorna MacDonald, Director of Finance, for further information, tel: 0131 313 6690, email: [lornamacdonald@sfc.ac.uk](mailto:lornamacdonald@sfc.ac.uk).



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