



Scottish Funding Council  
Comhairle Maoinachaidh na h-Alba

## **Additional capital funding to support economic recovery FY 2020-21**

# **SFC Announcement**

Issue Date: 4 August 2020

## Additional capital funding to support economic recovery in FY 2020-21

Issue date: 4 August 2020

Reference: SFC/AN/11/2020

Summary: Announcement of additional capital funding for colleges and universities in Financial Year 2020-21 to support economic recovery.

FAO: Principals / Finance Directors of Scotland's colleges and universities

Further information: **Contact:** Lorna MacDonald  
**Job title:** Director of Finance  
**Department:** Finance  
**Tel:** 0131 313 6690  
**Email:** [lornamacdonald@sfc.ac.uk](mailto:lornamacdonald@sfc.ac.uk)



Scottish Funding Council  
Comhairle Maoinachaidh na h-Alba

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD  
T 0131 313 6500  
F 0131 313 6501  
[www.sfc.ac.uk](http://www.sfc.ac.uk)

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## **Additional capital funding to support economic recovery in FY 2020-21**

### **Summary**

1. I am writing to announce the allocation of additional capital funding for colleges and universities in Financial Year (FY) 2020-21 to support economic recovery.

### **Scottish Government investment in 'Return to Work'**

2. On 16 June 2020 the Cabinet Secretary for Finance announced a £230 million 'Return to Work' (RTW) package of investment, to recycle into the economy funds which had not been deployed during the COVID-19 lockdown. This investment is intended to reduce the potential economic harm arising from the response to the pandemic and to bolster the remaining pipeline of 2020-21 construction activity. The primary focus of the investment is to boost the construction sector as recovery gets underway.
3. Colleges and universities will receive £10 million of this package of investment, which is the focus of this announcement. Individual college and university allocations are set out in the Annex.

### **Purpose of funding**

4. This investment provides an opportunity to make an additional supportive contribution to the maintenance of college and university estates, and to build on what is already provided via SFC capital grant and financial transaction funding.
5. Funding can be used by colleges and universities to support a range of capital projects, which may have been put on hold as a result of the COVID-19 pandemic and the initial lockdown.
6. SFC expects institutions to reassess their capital spend plans with the aim of prioritising maintenance and construction activities to ensure the provision of core business in Academic Year (AY) 2020-21 and beyond.

### ***Scope of eligible activity***

7. To comply with the aims of this support package, institutions will have to use this additional funding to deliver activities during this current FY 2020-21 which meet the following two criteria: (i) estate maintenance and (ii) construction sector stimulus; with due consideration being given to wellbeing and health and safety needs.
8. Campus maintenance continues to be necessary across both sectors; however some of the most immediate work will need to focus on public areas and

thoroughfares (excluding student accommodation), which see significant footfall on an almost daily basis. It is these areas that SFC expects to be prioritised by institutions.

### **Distribution of funding**

9. The funding will be distributed utilising SFC's capital maintenance grant allocation methodology, which is a formulaic approach, based on high priority backlog maintenance/share of student activity targets (for colleges) and teaching grant allocations (for universities). Individual allocations are set out in the Annex.

### **Payment**

10. SFC will pay the allocated funding to universities and non-incorporated colleges in one lump sum in September 2020.
11. Incorporated colleges/Regional Strategic Boards should drawdown this funding from September 2020 via their monthly cashflow returns as required.

### **Conditions of grant**

12. As conditions of grant this funding:
  - Must only be used for the purpose(s) for which it is being allocated. (SFC retains the right to audit relevant institutional documentation to satisfy itself that this is the case and the institution undertakes that it will provide such assistance as SFC reasonably requires.)
  - Must only be used for capital expenditure (not revenue expenditure) and cannot be used to support spend on student accommodation. This is due to the complexities around student accommodation including the mix of private and institution-owned, the varying amount and use of student accommodation provided by the sectors/different institutions, and the limited funding available.
  - Is for Financial Year (FY) 2020-21 and must be expended by the end of March 2021.
13. Failure to meet the requirements of this funding and the above conditions of grant may result in the recovery of funding.

### **Reporting requirements**

14. Institutions should inform SFC by 31 December 2020 confirming that their allocation of funding will be deployed on eligible projects during this

FY 2020-21. If funding cannot be utilised for the purposes that SFC considers to be eligible works within this FY, SFC will make arrangements to reallocate any unused funds.

15. Institutions must provide a written report following the end of FY 2020-21 on how their funding allocation has been utilised. Reports must be received by SFC by 30 April 2021 and should be sent to [finance@sfc.ac.uk](mailto:finance@sfc.ac.uk).

**Further information**

16. For more information, please contact Rufus Logan, Assistant Director – Capital & Climate Change, tel: 0131 313 6672, email: [rlogan@sfc.ac.uk](mailto:rlogan@sfc.ac.uk).



**Lorna MacDonald**  
Director of Finance