



SFC Call for information

Mid-year financial forecast return (MYR) for further education colleges 2018-19

Issue date: 1 February 2019

Reference: SFC/CI/01/2019

Summary: This Call for Information requests colleges to provide an updated financial forecast return for the academic year 2018-19. The return should be sent to the Scottish Funding Council (SFC) by 29 March 2019.

FAO: Principals, Finance Directors and Board Secretaries of Scotland's colleges and Regional Strategic Bodies

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Mid-year financial forecast return (MYR) for further education colleges 2018-19

Purpose

1. This Call for Information requests colleges to provide an updated financial forecast return for the academic year 2018-19. The return should be sent to the Scottish Funding Council (SFC) by 29 March 2019.
2. Returns for the assigned colleges in the three multi-college regions should be submitted to the appropriate Regional Strategic Body (RSB). The RSB will submit the returns to SFC. Any queries will be directed through RSBs.

Mid-year return

3. The financial forecast return (FFR), is already an established part of SFC's financial health monitoring framework. Colleges submitted their 2018 FFRs in September 2018, showing the forecast outturn for 2017-18 and financial outlook over the next five academic years up to 2022-23.
4. SFC wrote to colleges on 1 August 2018 to confirm that resource returns will no longer be required. We advised that instead, to enable continued monitoring of the forecast outturn for the current academic year, a mid-year financial forecast return (MYR) will be required.
5. The MYR will enable SFC to obtain a meaningful revised forecast of colleges' financial position in terms of income and expenditure, adjusted operating position, balance sheet and liquidity part way through the current academic year and draw comparisons with the original forecasts (FFR) provided at the end of September 2018.

Guidance and format of the mid-year financial forecast update

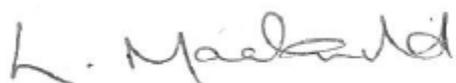
6. Guidance for completion of the return can be found in [Annex A](#). A blank copy of the spreadsheet is published along with this Call for Information on our website. The return follows the same format as the September 2018 FFR although the number of data entry sheets has been reduced.
7. Colleges are required to complete both the 2018-19 FFR figures as per the September FFR (or adjusted return following SFC queries) and the updated MYR figures for 2018-19.
8. Where a variance between the FFR and the revised forecasts (MYR) is significant, explanations must be included on the spreadsheet. As with previous forecast exercises, we may come back to colleges with queries and requests for further details following our analysis of the forecast information.

Information requested

9. Please email both a signed copy in PDF format and an electronic copy of the return in Excel format to SFC by 29 March 2019.
10. Electronic copies of the return should be sent to isg-returns@sfc.ac.uk.

Further information

11. Please contact Wilma MacDonald, Senior Financial Analyst, Finance (Tel: 0131 313 6565; email: wmacdonald@sfc.ac.uk) or Ann Robertson, Senior Financial Analyst, Finance (Tel: 0131 313 6689; email arobertson@sfc.ac.uk) to discuss any aspect of this letter.

A handwritten signature in black ink that reads "L. MacDonald". The signature is written in a cursive style with a large initial "L" and a clear surname.

Lorna MacDonald
Director of Finance

Guidance for completion

Structure of the MYR

1. The MYR takes the form of an excel spreadsheet which has six sheets. A copy of the spreadsheet is published on our website along with this Call for Information.
2. Five of the sheets require input by the college. We suggest the order of completion is:
 - (i) 'Capital expenditure'.
 - (ii) 'SoCIE'.
 - (iii) 'Adjusted operating result' (all colleges) & 'Cash budget for priorities' (incorporated colleges only)
 - (iv) 'Balance Sheet'.
 - (v) 'Declaration'.

Completion of the MYR

Input of financial forecast figures and comparatives

3. The sheets in the spreadsheet contain blue highlighted boxes for the input of the original and updated forecast figures.
4. Please note that only whole numbers can be input into the return. Please do not link the spreadsheet to another document or change the formatting in the spreadsheet.
5. Please enter explanations in the commentary column for any significant variances.
6. Colleges should also provide details in the commentary column to enable a proper understanding of key aspects of the financial forecast and any changes to the assumptions made in the FFR.

Sheets not requiring completion

7. The Summary sheet does not require to be completed. This summarises various key figures from the spreadsheet and is calculated automatically.

Declaration

8. The 'Declaration' sheet should be signed and dated by the Principal.