



SFC Announcement

In-year transfer of credit activity targets for AY 2018-19

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Summary: Announcement of in-year transfer of credit activity targets and funding allocations in the college sector for academic year 2018-19.

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

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In-year transfer of credit activity targets and funding allocations for AY 2018-19

1. I am writing to you to update you regarding our process for in-year transfer of credit activity targets and funding allocations for academic year (AY) 2018-19.
2. In our initial letter dated 20 December 2018 to College Principals / Directors, we provided an overview of the consultation regarding the in-year redistribution/'early warning' system of activity targets and funding for AY 2018-19. This system was created to provide a strategic and transparent process to reallocate activity should a college / college region indicate mid-year that it does not expect to achieve its credit target by the end of the academic year. This will enable other colleges / college regions with additional capacity and targeted proposals which address specific SFC and Scottish Government ambitions to undertake this additional activity. This will also ensure that the college sector meets the Scottish Government's annual c.116,000 Full-time Equivalent (FTE) target.
3. In this letter we also set out a detailed process for the in-year redistribution/'early warning' system for AY 2018-19. In summary, colleges / college regions were to inform SFC by 24 January 2019 whether or not they expected to meet their credit activity target, whether they are in a position to deliver additional credit activity, and detail any potential shortfall. North East Scotland College and Lanarkshire Region indicated that they would not meet their credit activity. All other colleges / regions indicated that they would meet their credit activity. Five colleges (Dundee and Angus College, Borders College, Dumfries and Galloway College, Glasgow Region, and West Lothian College) indicated that they have additional capacity to deliver additional activity.
4. It was also agreed through the consultation with the sector that SFC would facilitate discussions between colleges / college regions to confirm any in-year adjustments to activity targets and that an element of funding would be retained by the college giving up this activity. Over the past few weeks, SFC has facilitated discussions with colleges / regions looking to increase and reduce their credit activity targets. All five colleges / regions that indicated they had capacity to deliver additional credits have been allocated some of this additional activity. This was based on proposals from all five colleges / regions in the following areas:
 - Upskilling and reskilling redundant staff upon the closure of two big employers in the area.
 - Upskilling the existing workforce to meet employers needs.
 - Running additional targeted 'Future Talent' sessions with senior phase pupils.

- To deliver IT core skills to the non-modern apprenticeship SVQ students to improve their digital skills.
- To deliver a summer school programme to improve retention and attainment for students.

5. The outcome of these discussions is detailed in the following table below:

College/Region	Credits
North East Scotland College	- 3,000
Lanarkshire Region	- 1,000
Dundee and Angus College	+ 1,500
Borders College	+ 300
Dumfries and Galloway College	+ 350
Glasgow Region	+ 1,300
West Lothian College	+ 550

6. North East Scotland College will be reducing their activity by 3,000 credits and Lanarkshire Region will be reducing their activity by 1,000 credits. Through negotiations and discussions with institutions, it was agreed that both North East Scotland College and Lanarkshire Region will retain a proportion of funding for this activity, with the remainder being reallocated to the receiving institutions. Based on the credit price for these institutions relinquishing activity, this provided c.£616,000 for reallocation. SFC then set a standard credit price of £154.04 for reallocation based on available funding. This settlement was discussed and agreed by SFC and all institutions involved with this process.
7. The outcome for the in-year transfer of credit activity targets and funding has been reflected in the revised tables, which has been provided as a supplemental annex to this paper.
8. As discussed in our previous letter and discussions throughout the consultation process, this in-year transfer of credit activity targets and funding is only in relation to core credits for AY 2018-19. Any additional future year's transfers or permanent transfers will require further discussions and negotiations.
9. All additional funding and activity remains bound to the associated terms and conditions of grant, as detailed in the [Conditions of College Outcome Agreement Funding](#) (Annex A from the Colleges Final Funding Announcement 2018-19).

Further information

10. For further information, please contact Martin Smith, Chief Funding and Information Officer, Tel: 0131 313 6528, email: msmith@sfc.ac.uk.