

SFC Grant-in-aid letter

1. The Scottish Government is due to provide the Scottish Funding Council (SFC) with a Budget Allocation and Monitoring Letter for Financial Year (FY) 2022-23. As at 31 May, the Scottish Government has provided a draft of that letter, which is provided for information at Annex 1. This sets out SFC's detailed budget for FY 2022-23 analysed in terms of HM Treasury's classification and reporting requirements.
2. The draft letter sets out SFC's grant-in-aid of **£1,946.6m** for FY 2022-23, comprising:
 - **Resource** budget of **£1,501.8m**;
 - **Capital** budget of **£422.7m**; and
 - **Financial Transactions** budget of **£22.1m**.
3. The draft letter also sets out a **Depreciation** budget of **£27.2m**, which is "non-cash" so does not form part of grant-in-aid.
4. The Scottish Government will provide a final copy of the Budget Allocation and Monitoring Letter over the Summer and there will be subsequent updates at Autumn and Spring Budget Revisions to reflect changes to the SFC budget and grant-in-aid. We will update the Committee of these events at these times.

Recommendation

5. The Finance Committee is invited **to note** the SFC's draft budget and grant-in-aid allocation for FY 2022-23.

Publication

6. This paper will be published on the website but Appendix 1 is withheld from publication under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

Further information

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