



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Call for information
Reference: SFC/CI/01/2023
Issue date: 03/02/2023

College mid-year financial forecast return (MYR) 2022-23



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ISSUE DATE:	03 February 2023
REFERENCE:	SFC/CI/01/2023
SUMMARY:	This Call for Information requests colleges / Regional Strategic Bodies to provide an updated financial forecast return for Academic Year 2022-23.
FAO:	Principals, Finance Directors and Board Secretaries of Scotland's Regional Colleges, non-assigned non-incorporated colleges, Regional Strategic Bodies; and the general public.
FURTHER INFORMATION:	CONTACT: Andrew Millar / Wilma MacDonald JOB TITLE: Assistant Director / Senior Financial Analyst DIRECTORATE: Finance TEL: 0131 313 6538 / 0131 313 6565 EMAIL: amillar@sfc.ac.uk / wmacdonald@sfc.ac.uk

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College mid-year financial forecast return (MYR) 2022-23

Purpose

1. This Call for Information requests colleges / Regional Strategic Bodies to provide an updated financial forecast return for Academic Year 2022-23.
2. Regional colleges, Regional Strategic Bodies (RSBs), and non-assigned non-incorporated colleges should send their returns to the Scottish Funding Council (SFC) no later than 31 March 2023. Earlier returns are encouraged where this is possible.
3. For all multi-college regions, individual returns will be required from the RSB for each of the assigned colleges by 31 March 2023.

Mid-year financial forecast return

4. The financial forecast return (FFR) is an established part of SFC's financial health monitoring framework. Financial projections are a key source of information in enabling SFC to monitor and assess the medium-term financial planning and health of institutions. The FFR submitted by institutions in September 2022 included forecasts for 2022-23 to 2026-27.
5. The mid-year return (MYR) enables SFC to obtain a meaningful revised forecast of institutions' financial position in terms of income and expenditure, adjusted operating position, balance sheet and liquidity part way through the current academic year. It also draws comparisons with the previous 2022-23 forecast provided in the September 2022 FFR.

Guidance and format of the mid-year financial forecast return

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 SFC website. The return follows the same format as the September 2022 FFR.
7. Finance Directors will receive an individual spreadsheet which we have pre-populated with the 2022-23 forecast from the 2022 FFR. Institutions are required to complete the 2022-23 MYR figures. For assigned colleges, we will send the pre-populated return to the RSB.
8. Where a variance between the FFR and the revised MYR forecast is significant (variance +/- 5% or over 2% of total expenditure), explanations must be included on the spreadsheet and in the accompanying financial commentary. As with previous forecast exercises, we may come back to institutions with queries and requests for further details following our analysis of the forecast information.

Information requested

9. Please email an electronic copy of the return in Excel format, along with a financial commentary and any relevant recent papers presented to your Governing Body, to isg-returns@sfc.ac.uk by **31 March 2023**.

Further information

10. Please contact Andrew Millar, Assistant Director, Finance (tel: 0131 313 6538; email: amillar@sfc.ac.uk) or Wilma MacDonald, Senior Financial Analyst, Finance (tel: 0131 313 6565; email: wmacdonald@sfc.ac.uk) to discuss any aspect of this communication.



Ursula Lodge CPFA

Deputy Director, Institutional Sustainability & Capital

Annex A

Guidance for completion

Structure of the MYR

1. The MYR takes the form of an excel spreadsheet which has ten sheets.
2. Nine of the sheets require input by the institution. We suggest the order of completion is:
 - (i) Capital expenditure
 - (ii) Income
 - (iii) Expenditure
 - (iv) SoCIE
 - (v) Adjusted operating result' (all institutions) & 'Cash budget for priorities (incorporated colleges only)
 - (vi) Balance Sheet
 - (vii) Liquidity analysis
 - (viii) Cashflow
 - (ix) Declaration

Sheets not requiring completion

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

Completion of the MYR

Input of financial forecast figures

4. The sheets in the spreadsheet contain blue highlighted boxes for the input of the updated forecast figures. Please note that only whole numbers should be input into the spreadsheet. It is very important that you do not link the spreadsheet to another document or add additional columns or rows in any of the sheets in the workbook.
5. If the movement in an item on last year's results or on the September 2022 FFR forecast

is of a significant amount (variance +/- 5% or over 2% of total expenditure), please provide details of the reason for the variance in the explanation column.

Financial commentary

6. Please note that a commentary is required on the financial forecast to cover the context in which the forecast has been prepared and enable a proper understanding of key aspects of the financial forecast. The commentary should cover any significant variances from the original FFR, including any changes in the assumptions, and provide details of the key risks identified when preparing the forecast.
7. You should also provide copies of recent papers presented to your institution's Governing Body relating to the revised forecast if they cover the areas highlighted above.
8. As with previous forecast exercises, we may come back to institutions with queries and requests for further details following our analysis of the forecast information.