



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Call for information

Reference: SFC/CI/01/2026

Issue date: 10/02/2026

Quarter 1 Financial Update for Higher Education Institutions 2025-26



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ISSUE DATE: 10 February 2026

REFERENCE: SFC/CI/01/2026

DEADLINE: 27 February 2026

SUMMARY: This Call for Information requests institutions to provide an updated financial forecast return for Academic Year 2025-26 based on Q1 student recruitment data.

FAO: Principals, Finance Directors and Board Secretaries of Scotland's universities; and the general public.

FURTHER INFORMATION:

CONTACT: ISG Returns

DIRECTORATE: Finance

TEL: 0131 313 6500

EMAIL: isg-returns@sfc.ac.uk

Commented [HR1]: Misaligned with 'Principals' - can comms fix?

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Quarter One Financial Update for Higher Education Institutions 2025-26

Purpose

1. This Call for Information requests institutions to provide an updated financial forecast return for Academic Year 2025-26 based on the Q1 student recruitment data. The return should be sent to the Scottish Funding Council (SFC) by **27 February 2026**. Earlier returns are encouraged where this is possible.

Quarter One Financial Update

2. The Quarter One Financial Update (Q1FU) enables SFC to obtain a meaningful revised forecast of institution's financial position in terms of income and expenditure, underlying operating position, balance sheet and liquidity part way through the current academic year 2025-26. It also draws comparisons with the original forecasts (SPF) provided in June 2025.
3. The return should reflect the financial impact of the Q1 student recruitment data.
4. This return replaces the Financial Forecast update (FFU) which was previously required by the end of March each year. An earlier return will allow SFC to see the impact of the student recruitment data on financial sustainability at an earlier point in the Academic Year. The collection of this return was discussed with and agreed by the Scottish Universities Finance Directors Group (SUFDG).
5. In future years, the deadline for this return will be 31 January.

Guidance and format of the Quarter One Financial 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 the SFC website. The return follows broadly the same format as the June 2025 SPF.
7. Each institution will receive a pre-populated spreadsheet return when this Call for Information is published. SFC has pre-populated the 2025 SPF figures for 2025-26 and institutions are required to complete the Q1FU figures for 2025-26. Although most of the return is pre-populated for the SPF 2025 figures, there are three new sheets in the workbook that will require you to insert the figures that would have been relevant for the SPF 2025 – the 'SOCIE Additional info' sheet, the 'International student data' sheet and the 'EBITDA' sheet.
8. Where a variance between the SPF and the revised forecast (Q1FU) 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.

Important changes in the return

9. There are three changes to our information request for this and for all future financial monitoring returns.

SOCIE Additional Information

10. A new sheet labeled 'SOCIE Additional Information' has been inserted. This asks institutions to provide:
 - A breakdown of their assumed savings in three categories: staff, non-staff and undefined;
 - Detail any information on budget contingencies; and
 - Exceptional one-off income and expenditure events to allow for flexibility in the Adjusted Operating Position (AOP).

Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)

11. For this, and all future returns, we have included a sheet entitled 'EBITDA'. This includes a calculation that follows the definition provided by the British Universities Finance Directors Group (BUFDG).
12. BUFDG states that EBITDA is a metric that has no formal status, nor is it defined in accounting standards or part of the prime financial statements. However, SFC is aware that some institutions use EBITDA for their own internal financial health monitoring, and some may have banking covenants based on EBITDA. For this reason, we have included the EBITDA calculation in our financial returns.
13. This calculation doesn't pull information from elsewhere in the return. The table requires you to input your own information under each of the headings as appropriate for the 2025 SPF and Q1FU 2025-26 position.
14. Included in the 'Summary' sheet is an additional indicator which provides EBITDA as a percentage of total income.

International student data

15. The 'International student data' worksheet collects data on international student recruitment and has been brought into line with the SPF 2025 format. You are required

to complete the yellow cells in the sheet with figures for 2025-26 at Quarter 1 and the original forecast figures should be completed to allow a comparison of original forecast against the Quarter 1 revised forecast position.

Information requested

16. 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 **27 February 2026**.
17. We understand that this return may not fit into your Governing Body timetable, as it is a new return. Therefore, the 'Declaration' sheet includes a box to complete with the date of the Governing Body meeting that will consider this return. If this date is outside the return deadline date, you should provide the return as a draft and then follow up after the meeting with any revised version if necessary and any Governing Body papers relating to the return.

Further information

18. Please contact Finance, tel: 0131 313 6500, email: isg-returns@sfc.ac.uk, to discuss any aspect of this letter.

Ursula Lodge CPFA

Deputy Director, Institutional Financial Health

Annex A

Guidance for completion

Structure of the Quarter One Financial Update

1. The Q1 Financial Update takes the form of an excel spreadsheet which has thirteen sheets.
2. Twelve of the sheets require input by the institution. We suggest the order of completion is:
 - (i) 'Income'.
 - (ii) 'Expenditure'.
 - (iii) 'SoCIE'.
 - (iv) 'Cashflow'.
 - (v) 'Balance Sheet' and 'BS Additional info' (these two sheets should be completed together, as various inputs on each drive figures on the other).
 - (vi) 'International student data'
 - (vii) 'Assumptions'.
 - (viii) 'Borrowing covenants'.
 - (ix) 'SOCIE Additional Info'.
 - (x) 'EBITDA'.
 - (xi) 'Declaration'.

Sheets not requiring completion

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

Completion of the Quarter One Financial Update

Input of financial forecast figures and comparatives

4. The sheets in the spreadsheet contain yellow highlighted boxes for the input of the

required forecast figures. 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 (variance +/- 5% or over 2% of total expenditure).

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 differences from the original SPF, 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.
8. As with previous forecast exercises, we are likely to come back to institutions with queries and requests for further details following our analysis of the forecast information.