

Strategic Plan Forecast (SPF) for Higher Education Institutions (HEIs) 2025–26 to 2027–28



Strategic Plan Forecast (SPF) for Higher Education Institutions (HEIs) 2025–26 to 2027–28

| | |
|----------------------|--|
| Issue Date: | 8 June 2026 |
| Reference: | SFC/CI/04/2026 |
| Deadline: | 30 June 2026 |
| Summary: | This Call for Information requests universities to complete a Strategic Plan Forecast for the period 2025–26 to 2027–28. |
| FAO: | Principals, Finance Directors and Board Secretaries of Scotland’s universities; and the general public. |
| Further Information: | EMAIL: isg-returns@sfc.ac.uk |

Table of Contents

| | |
|---|----------|
| Purpose..... | 4 |
| Strategic Plan Forecast | 4 |
| Important changes in the return | 4 |
| International Student Data | 4 |
| Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA)..... | 4 |
| SOCIE Additional Information | 5 |
| Guidance and format of the SPF return | 5 |
| Information requested | 6 |
| Deadline..... | 6 |
| Further information..... | 6 |
| Annex A: Guidance for Completion | 7 |
| Structure of the SPF..... | 7 |
| Completion of the SPF | 7 |
| Assumptions..... | 7 |
| Input of financial forecast figures and comparatives | 8 |
| Scottish Funding Council grants | 8 |
| Sheets not requiring completion | 8 |
| Commentary..... | 8 |
| Introduction..... | 9 |
| SFC recurrent grant | 9 |
| Changes in tuition fee income and other income..... | 9 |
| Changes in staff and non-staff costs | 9 |
| Underlying operating position | 10 |
| Cash position | 10 |
| Borrowing..... | 10 |
| Risk management..... | 10 |
| Any other information..... | 10 |

Strategic Plan Forecast (SPF) for Higher Education Institutions (HEIs) 2025–26 to 2027–28

Purpose

1. This Call for Information requests universities to complete a financial forecast for the period 2025-26 to 2027-28. The return should be sent to the Scottish Funding Council (SFC) by **30 June 2026**.

Strategic Plan Forecast

2. The Strategic Plan Forecast (SPF) is an established part of SFC's financial health monitoring framework.
3. The return builds on financial information already provided by universities, including the Quarter 1 Financial Update (Q1FU), and will enable SFC to provide advice on the financial health of the university sector to both the Scottish and UK Governments.

Important changes in the return

4. There are three changes to our information request for the SPF return. These changes were implemented in the Quarter One Financial Update (Q1FU) return and will be included in the SPF and all future financial returns.

International Student Data

5. Once again, the template requires you to provide information on the number of international students from each country studying at your university split into undergraduate and postgraduate. It also requires data on transnational education and global online activity.
6. Along with an update on the current Academic Year, we are asking universities to provide the actual figures for 2024-25, including for the top five countries.
7. Commentary is required on assumptions, any caveats on the information provided and international strategy for future years including estimates of future markets and associated risks.

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

8. As with the Q1FU return, we have included a sheet entitled 'EBITDA'. This includes a calculation that follows the definition provided by the British Universities Finance

Directors Group (BUFDG).¹

9. We have linked most of the cells in the EBITDA calculation sheet to the other sheets in the return. Only two require manual completion.
10. SFC appreciates that some universities have their own method of calculation, but for the purpose of SFC financial returns, please adhere to the calculation specified in the EBITDA sheet as this will allow for better comparison across the sector.
11. Included in the 'Summary' sheet is an additional indicator providing EBITDA as a percentage of total income.

SOCIE Additional Information

12. In line with the Q1FU return, a new sheet labelled 'SOCIE Additional Information' has been inserted. This asks universities to provide:
 - A breakdown of their assumed savings in three categories: staff, non-staff and undefined. Please provide brief commentary on savings, particularly if your university is forecasting undefined savings.
 - Information on any budget contingencies.
 - Exceptional one-off information and expenditure events to allow for flexibility in the Adjusted Operating Position (AOP).

Guidance and format of the SPF return

13. Universities must complete both the actual figures for 2024-25 and forecast figures for the following three years.
14. Guidance for completion of the return can be found in [Annex A](#) below. A blank copy of the spreadsheet is published along with this Call for Information on our website.
15. Please note that the guidance in [Annex A](#) requests a commentary on the financial forecasts which should cover the context in which the forecasts have been prepared. The commentary should also capture your additional scenario planning, working through a range of assumptions and options that help you and us understand the trade-offs involved, and choices you could make, to reach an optimal position for your university. Please provide copies of recent papers presented to your university's Governing Body. These should capture the scenario planning undertaken along with mitigating actions and key milestones in the decision-making process for addressing adverse variances.
16. Please enter explanations for significant variances on the spreadsheet. As with previous

¹ [BUFDG – EBITDA for HE](#) [.docx]

forecast returns, we may come back to universities with queries and requests for further details following our analysis of the forecast information.

17. If any sections of the return are incomplete, insufficiently detailed, or errors are identified, we will contact universities to provide an updated return. For example, if the breakdown of cash and cash equivalents on the 'BS Additional Info' tab doesn't match the figure per the balance sheet, universities will be asked to provide update information.

Information requested

18. Please provide the following information:
 - An electronic copy of the return in Excel format and a financial commentary.
 - Recent papers presented to your Governing Body, which should include details of any additional planning scenarios that have been considered by the university's Governing Body.
 - If the schedule of Governing Body meetings makes it difficult to achieve this deadline, please provide a draft return, the date of the Governing Body meeting and the proposed date for the return submission.
19. It is important that returns are submitted to SFC by the deadline to allow SFC to monitor universities' financial health and report to the SFC Finance Committee in the required timescales.

Deadline

20. Electronic copies of the return and supporting documents should be sent to: isg-returns@sfc.ac.uk by **30 June 2026**.

Further information

21. Please contact Institutional Financial Health, tel: 0131 313 6500; email: isg-returns@sfc.ac.uk to discuss any aspect of this letter.

Annex A: Guidance for Completion

Structure of the SPF

22. The SPF takes the form of an excel spreadsheet which has fourteen sheets. A copy of the spreadsheet is published on our website along with this Call for Information.
23. Thirteen of the sheets require input by the university. 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. 'Pension assumptions'.
 - ix. 'Borrowing covenants'.
 - x. 'Socie Additional Info'.
 - xi. 'EBITDA'.
 - xii. 'Declaration'.

Completion of the SPF

Assumptions

24. To enable forecasts for all HEIs to be viewed on a consistent basis, SFC grant for 2026-27 should be in accordance with final funding allocations confirmed on 3 June 2026 – [University Final Funding Allocations 2026-27](#). For this financial return, universities should assume flat cash funding for 2027-28. However, you should note that this is a planning assumption and no decision has been made concerning funding beyond 31 July 2027.
25. Assumptions for international fee income should take account of local circumstances and be based on the latest available information regarding recruitment levels. As well as

this 'realistic' scenario, universities should also present the financial impact of any alternative scenario in the commentary accompanying the forecasts. Assumptions underlying all scenarios, along with potential mitigating actions and key milestones in the decision-making process for addressing adverse variances, should also be clearly set out in the financial commentary.

Input of financial forecast figures and comparatives

26. In the 'Assumptions' sheet you are required to enter your assumptions for specific areas of income and expenditure such as tuition fees and staff costs.
27. The sheets in the spreadsheet contain yellow highlighted boxes for the input of the actual and forecast figures.
28. Please note that only whole numbers should be input into the return. Please do not link the spreadsheet to another document or change the formatting in the spreadsheet.
29. Please enter explanations for any significant variances where appropriate.

Scottish Funding Council grants

30. SFC grants should be analysed in accordance with the headings in the final funding allocations confirmed on 3 June 2026 – [University Final Funding Allocations AY 2026-27](#). The grants for small specialist institutions, widening access and retention funds and accelerated provision should be shown as General fund teaching.

Sheets not requiring completion

31. The Summary sheet does not require completion. This summarises various key figures from the spreadsheet and is calculated automatically.

Commentary

32. Universities should also provide a commentary on the financial forecasts. The commentary serves four purposes:
 - To explain how the financial forecasts represent the university's strategic plan.
 - To enable a proper understanding of key aspects of the financial forecast.
 - To explain the actions taken by the university to remain sustainable and financially viable, including the financial and non-financial impact of cost saving measures.
 - To explain any potential alternative options and trade-offs you could make to reach a more optimal position for your university. This should include details of key milestones in the decision-making process.

33. Once again, there has been a disappointing return of commentaries in previous financial returns from some universities, either no commentary or very little commentary with no Governing Body papers provided. The commentary is very important and provides SFC with important context in which the forecasts have been prepared. We will request further commentary if adequate information is not provided.
34. The areas listed below should be covered by the commentary. Please note that there is no need to provide a separate commentary if the required content is fully covered in recent papers approved by your university's Governing Body and you have supplied SFC with those papers.

Introduction

35. This should cover the context in which the forecasts have been prepared. It should include an explanation of how the elements of the university's strategic plan, human resource management strategy and estates strategy are reflected in the forecasts, and how these developments are to be financed.

SFC recurrent grant

36. You should confirm your assumptions regarding SFC grant income which should be in accordance with the final funding allocations confirmed on 3 June 2026 – [University Final Funding Allocations AY 2026-27](#).

Changes in tuition fee income and other income

37. This should include details of the assumptions made concerning international fee income for 'new intake' students and those continuing studies, and consequential impacts on residences and catering income. The commentary should also provide details regarding student numbers and the reasons for movements in other sources of income including research and development contract and consultancy income. Universities should set out the assumptions underlying both the 'realistic' and alternative scenarios for projected international fee income while the commentary should also cover reliance on particular international markets. Universities should take account of the upcoming stricter UKVI requirements and detail any implications of changes in the Basic Compliance Assessment (BCA) metrics.

Changes in staff and non-staff costs

38. The commentary should cover the reasons for movements in staff and non-staff costs and the impact of changes in the level of activity. Assumptions regarding staff numbers, pay awards and future pension employer contribution costs should be confirmed.

Underlying operating position

39. The impact of any significant one-off and non-controllable items on the operating position should be explained.

Cash position

40. Please provide detailed commentary about the university's operating cash position and whether your university anticipates any liquidity challenges during the forecast period and the timing thereof. This should cover potential liquidation of investment funds in addressing cash flow challenges and associated transaction costs.

Borrowing

41. The commentary should refer to the borrowing covenants worksheet within the SPF template and cover any expected breach of covenants and the consequences thereof, including the prospect of any immediate loan repayment. Recent discussions with lenders in addressing short-term liquidity challenges and concerning securing long-term finance or debt refinancing should also be covered.
42. The commentary should also highlight details of negotiated loan repayment holidays.

Risk management

43. This section should provide the key risks identified when preparing the forecast and details of the risk management strategies devised to deal with them. This should include reprioritisation of operations, deferral of expenditure and mitigating actions that would be undertaken in the event of adverse movements on income and expenditure, particularly movements on key income headings. Universities should set out details of all potential actions to address adverse variances (including the pros and cons of each action) and key milestones in the decision-making process.

Any other information

44. This should provide any other information which you think should be brought to our attention.