



Scottish Funding Council
Comhairle Maoinachaidh na h-Alba

SFC CALL FOR INFORMATION

College mid-year Financial Forecast Return 2019-20
Issue Date: 13 January 2020
Reference: SFC/CI/01/2020

Mid-year financial forecast return (MYR) for further education institutions 2019-20

Issue date: 13 January 2020

Deadline: 27 March 2020

Reference: SFC/CI/01/2020

Summary: This Call for Information requests colleges / Regional Strategic Bodies to provide an updated financial forecast return for the academic year 2019-20.

FAO: Principals / Executive Directors, Finance Directors and Board Secretaries of Scotland's Regional Colleges, Regional Strategic Bodies, non-assigned non-incorporated colleges

Further information: **Contact:** Wilma MacDonald / Ann Robertson
Job title: Senior Financial Analyst
Department: Finance
Tel: 0131 313 6565 / 6689
Email: wmacdonald@sfc.ac.uk / arobertson@sfc.ac.uk

Contents

Mid-year financial forecast return (MYR) for further education institutions 2019-20	2
Purpose	2
Mid-year return	2
Guidance and format of the mid-year financial forecast update	2
Information requested	3
Further information.....	3
Guidance for completion	4
Structure of the MYR.....	4
Completion of the MYR	4
Input of financial forecast figures and comparatives.....	4
Sheets not requiring completion.....	4
Declaration	5

Mid-year financial forecast return (MYR) for further education institutions 2019-20

Purpose

1. This Call for Information requests institutions to provide an updated financial forecast return for the academic year 2019-20.
2. Regional colleges, Regional Strategic Bodies (RSBs), and non-assigned non-incorporated colleges should send their returns to the Scottish Funding Council (SFC) by 27 March 2020.
3. For RSBs that have produced consolidated accounts in 2018-19, a single spreadsheet return should be prepared and sent to SFC. Where consolidated accounts have not been prepared, individual returns will be required from the RSB for each of the assigned colleges. In either case RSBs should provide SFC with commentary on each of the colleges individually.

Mid-year return

4. The financial forecast return (FFR), is already an established part of SFC's financial health monitoring framework. Institutions submitted their 2019 FFRs in September 2019, showing the forecast outturn for 2018-19 and financial outlook over the next five academic years up to 2023-24.
5. The 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 and draws comparisons with the original forecasts (FFR) provided at the end of September 2019.

Guidance and format of the mid-year financial forecast 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 our website. The return follows the same format as the September 2019 FFR although the number of data entry sheets has been reduced.
7. A pre-populated spreadsheet return will be emailed to each institution when this Call for Information is published. SFC has pre-populated the 2019 FFR figures for 2019-20 and institutions are required to complete the updated MYR figures for 2019-20.
8. Where a variance between the FFR and the revised forecasts (MYR) is significant, explanations must be included on the spreadsheet. 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 both a signed copy in PDF format and an electronic copy of the return in Excel format to SFC by 27 March 2020.
10. Electronic copies of the return should be sent to isg-returns@sfc.ac.uk.

Further information

11. Please contact Wilma MacDonald, Senior Financial Analyst, Finance, tel: 0131 313 6565, email: wmacdonald@sfc.ac.uk or Ann Robertson, Senior Financial Analyst, Finance, tel: 0131 313 6689; email arobertson@sfc.ac.uk to discuss any aspect of this letter.

A handwritten signature in black ink that reads "L. MacDonald". The signature is written in a cursive style with a large initial "L".

Lorna MacDonald
Director of Finance

Guidance for completion

Structure of the MYR

1. The MYR takes the form of an excel spreadsheet which has seven sheets. A copy of the spreadsheet is published on our website along with this Call for Information.
2. Six of the sheets require input by the institution. We suggest the order of completion is:
 - (i) 'Capital expenditure'.
 - (ii) 'SoCIE'.
 - (iii) 'Adjusted operating result' (all institutions) & 'Cash budget for priorities' (incorporated colleges only).
 - (iv) 'Balance Sheet'.
 - (v) 'Cashflow'.
 - (vi) 'Declaration'.

Completion of the MYR

Input of financial forecast figures and comparatives

3. The sheets in the spreadsheet contain blue highlighted boxes for the input of the updated forecast figures.
4. 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.
6. Institutions should also provide details in the commentary column to enable a proper understanding of key aspects of the financial forecast and any changes to the assumptions made in the FFR.

Sheets not requiring completion

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

Declaration

8. The 'Declaration' sheet should be signed and dated by the Principal/Executive Director.