



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

**College mid-year financial
forecast return 2021-22**

SFC Call for Information

Issue Date: 28 January 2022

Mid-year financial forecast return (MYR) for further education institutions 2021-22

Issue date: 28 January 2022

Deadline: 31 March 2022

Reference: SFC/CI/01/2022

Summary: This Call for Information requests colleges / Regional Strategic Bodies to provide an updated financial forecast return for Academic Year 2021-22.

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
Directorate: Finance
Tel: 0131 313 6565 / 6689
Email: wmacdonald@sfc.ac.uk / arobertson@sfc.ac.uk



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

Scottish Funding Council
Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD
T 0131 313 6500
F 0131 313 6501
www.sfc.ac.uk

Contents

Mid-year financial forecast return (MYR) for further education institutions 2021-22 .	4
Purpose	4
Mid-year financial forecast return	4
Guidance and format of the mid-year financial forecast return.....	4
Information requested	5
Further information.....	5
Guidance for completion	6
Structure of the MYR.....	6
Sheets not requiring completion.....	6
Completion of the MYR	6
Input of financial forecast figures and comparatives.....	6
Financial commentary	7

Mid-year financial forecast return (MYR) for further education institutions 2021-22

Purpose

1. This Call for Information requests institutions to provide an updated financial forecast return for Academic Year 2021-22.
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 2022**. Earlier returns are encouraged where this is possible. RSBs should provide SFC with a return for each assigned college.

Mid-year financial forecast return

3. The financial forecast return (FFR) is an established part of SFC's financial health monitoring framework. Institutions submitted their 2021 FFRs in October 2021, showing the forecast outturn for 2020-21 and a medium-term financial outlook up to 2023-24.
4. 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 and draws comparisons with the original forecasts (FFR) provided in October 2021.

Guidance and format of the mid-year financial forecast return

5. 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 October 2021 FFR.
6. A pre-populated spreadsheet return will be emailed to each institution when this Call for Information is published. SFC has pre-populated the 2021 FFR figures for 2021-22 and institutions are required to complete the updated MYR figures for 2021-22.
7. Where a variance between the FFR and the revised forecast (MYR) is significant, 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

8. 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 2022**.

Further information

9. 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.



Chris Brown

Interim Director of Finance

Guidance for completion

Structure of the MYR

1. The MYR takes the form of an excel spreadsheet which has nine sheets. A copy of the spreadsheet is published on our website along with this Call for Information.
2. Eight 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) 'Cashflow'.
 - (viii) '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 and comparatives

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

Financial commentary

7. 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 FFR and provide details of the key risks identified when preparing the forecast.
8. It would be helpful if you could provide copies of recent papers presented to your institution's Governing Body relating to the revised forecast if they cover the areas highlighted above.
9. 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.