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## SFC Budget allocation and monitoring letter reflecting Autumn and Spring budget revisions

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### Purpose

1. This paper sets out the SFC Budget allocation including the Autumn Budget transfers (ABR) and the Spring Budget transfers (SBR) for Financial Year (FY) 2022-23. The ABR letter is attached at Annex 1. The SBR letter is attached at Annex 2.

### Recommendations

2. The Finance Committee is invited to note the SFC Budget allocation for FY 2022-23.

### Financial Implications

3. This paper confirms that, subject to Parliamentary approval towards the end of March 2023, SFC will receive grant-in-aid of **£2,038m**.

### Risk Assessment

4. There are no specific risks associated with this paper.

### Impact Assessments

#### Equality and diversity

5. There are no equality and diversity issues associated with this paper.

#### Island communities

6. The recommendations in this paper do not have an impact on island communities.

#### Carbon reduction

7. There are no carbon reduction issues associated with this paper.

### Publication

8. This paper will be published on the SFC website, but Appendices 1 and 2 are withheld from publication under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

## Further Information

9. Contact: Susan McKenzie, Assistant Director Strategic Finance, tel: 0131 313 6637, email: [smckenzie@sfc.ac.uk](mailto:smckenzie@sfc.ac.uk).

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### Purpose

10. This paper provides an update regarding the Financial Year (FY) 2022-23 grant-in-aid allocation to the Scottish Funding Council (SFC) ahead of the Spring Budget being laid before Parliament in late March 2023.

### Background

11. As reported to the Finance Committee in January (FC/23/03), the SFC's Budget Allocation and Monitoring Letter of 7 June 2022 set out our total grant-in-aid of **£1,947m** for FY 2022-23, and a Depreciation budget of **£27m**, which is "non-cash" so does not form part of grant-in-aid.
12. The Scottish Government (SG) provide updates to reflect changes to the SFC budget and grant-in-aid amounts that are contained in the Budget Allocation and Monitoring letter, this is done via the Autumn (ABR) and Spring Budget Revisions (SBR).

### Update on SBR

13. The ABR process has been completed, and as previously reported to the Finance Committee the SFC received additional funding of £71m. The formal ABR letter was received from SG on 18 January 2023, and this is attached in Annex A.
14. We have been working with SG colleagues to finalise SBR transfers and we have reached a provisional agreement with SG. These are in line with what we reported to the last Finance Committee, representing total funding of **£2,060m** less savings of £22m giving a net figure of **£2,038m**. The SBR transfers are summarised below and set out in the draft SBR letter in Annex B.

## Summary of budget transfers FY 2022-23\*:

£m	Baseline (BAM letter)	ABR transfers	SBR transfers*	Current budget
HE – Programme	789.2	64.6	20.6	874.4
HE – Capital	348.0	1.6	-	349.6
HE Financial Transactions	22.1	-	(2.0)	20.1
FE – Programme	675.7	6.8	2.1	684.6
FE – Capital	74.7	(2.1)	-	72.6
College NPD spend	29.3	-	-	29.3
Running Costs	7.6	(0.1)	-	7.5
<b>Total</b>	<b>1,946.6</b>	<b>70.8</b>	<b>20.7</b>	<b>2,038.1</b>
<i>Non-cash, leases, AME</i>	<i>27.2</i>	<i>0.3</i>	<i>3.9</i>	<i>31.4</i>

\* SBR transfers remain subject to parliamentary approval

## Recommendations

- The Finance Committee is invited to **note** the SFC budget and grant-in-aid allocation for FY 2022-23.