

## **The Financial Sustainability of Colleges and Universities in Scotland**

- This paper provides the draft publication on the financial sustainability of the college and university sectors.

### **Recommendations**

- Note the draft publication on the financial sustainability of the college and university sectors, a final version of which will be published in February 2020.

### **Financial implications**

- There are no programme fund or running cost implications arising from this paper that are not already allowed for in the Council's programme fund or running cost budgets.



# **The Financial Sustainability of Colleges and Universities in Scotland**

## **Purpose**

1. This paper provides the draft publication on the financial sustainability of the college and university sectors.

## **Background**

2. It is vital to the success of students and research activities, local communities and the wider Scottish economy, that the institutions we fund plan and manage their activities to remain sustainable and financially viable.

## **Report content**

3. The draft publication presents an aggregate picture of the financial health of Scottish institutions based on an analysis of the information reported to us by each institution. It identifies key financial trends for the forecast period from submitted projections.
4. While this aggregate summary shows a challenging set of indicators across colleges and for some parts of the university sector, institutions' strong track record of adapting to and managing changes in the environment will be important for the future.

## **Risk assessment**

5. There is a risk to the achievement of the Council's strategic plan priorities and/or a risk of reputational damage from failures in college and university governance, leadership and management, including financial failure.
6. Overall, for both the college and university sectors, the Executive's assessment of this risk is high.

## **Equality and diversity assessment**

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

## **Financial implications**

8. There are no programme fund or running cost implications arising from this paper that are not already allowed for in the Council's programme fund or running cost budgets.

## **Recommendations**

9. The Board is invited to:

- Note the draft publication on the financial sustainability of the college and university sectors, a final version of which will be published in February 2020.

### **Publication**

10. This paper will be published on the Council website in edited format as it includes information which – if disclosed – would be likely to prejudice substantially the commercial interests of a person, a company or a public authority (Freedom of Information (Scotland) Act, 2002, Section 33).

### **Further information**

11. Contact Lorna MacDonald, Director of Finance, tel: 0131 313 6690, email: [lornamacdonald@sfc.ac.uk](mailto:lornamacdonald@sfc.ac.uk).