

SFC Announcement

Additional Academic Year (AY) 2016-17 teaching and fee waiver grant for colleges

Issue date: 1 July 2016

Reference: SFC/AN/09/2016

Summary: Announcement of additional teaching and fee waiver grant to meet operational pressures in the sector in AY 2016-17

FAO: Chairs, Principals / Chief Executives and Directors of Scotland's colleges / regional strategic bodies

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Additional teaching and fee waiver grant for colleges to meet operational pressures in the sector in Academic Year (AY) 2016-17

Purpose

1. I am writing to inform you of the allocation of additional funding for core teaching and fee waiver grant. As outlined in our final allocation announcement in May, SFC set aside a strategic funds budget which we would use, in part, to support colleges / regions with specific financial pressures where this is necessary. When announcing the [outcome agreement funding for colleges](#) (SFC/AN/07/2016) £8 million was identified to meet additional operational pressures through main teaching and fee waiver grant. £4.3 million of this funding was used to provide a 1% increase for all colleges and a 2% increase for small rural colleges with a further £3.7 million held within strategic funds to further address imminent operational pressures.

Additional cost pressures

2. Following discussion with the sector, we are now allocating a further £3.6 million from those strategic funds to the sector by increasing the teaching grant by an additional 0.9%. We have also revised the rural funding premium for the University of the Highlands and Islands which was lower in AY 2016-17 than in previous academic years, providing them with a further £0.2 million. In total SFC has provided an additional £8.1 million of teaching funds to colleges to address the operational pressures faced by the sector in AY 2016-17.
3. The revised college core teaching funds are in the attached table 1. The tables that were issued with the announcement [Outcome agreement funding for colleges – final allocations for 2016-17](#) (SFC/AN/07/2016) have been updated to reflect the additional allocation announced in this letter and are available on the SFC website.

Future years

4. The additional 1.0% uplift to teaching grant announced in the final funding allocations (2% for small rural colleges) and the further 0.9% uplift announced in this letter have been added to colleges' core teaching funding in 2016-17. The Scottish Government is to undertake a spending review for financial year 2017-18, and all future funding allocations will be dependent on the outcome of this review.

Further information

5. For further information please contact Martin Smith, Chief Funding and Information Officer, tel: 0131 313 6528, email: msmith@sfc.ac.uk or Gordon

McBride, Assistant Director (Analysis), 0131 313 6575. gmcbride@sfc.ac.uk.

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