

## Additional capital funding for universities in 2016-17

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Summary: Announcement of additional capital funding for universities in FY 2016-17

FAO: Principals and Directors of Scotland's universities

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## **Additional capital funding for universities**

1. I am writing to inform you of the allocation of additional capital funding for Financial Year (FY) 2016-17. The additional funding is part of the Scottish Government's [£100 million capital investment package](#) for Scotland, of which £24.3 million has been allocated to the higher education (HE) sector for the upgrade and maintenance of university estates and research infrastructure.
2. The additional funding is broken down as follows:
  - £23 million to support the maintenance of the HE estate across Scotland (the Scottish Government's expectation is that this is match-funded by the sector)
  - £1.3 million to support HE research (securing match-funding from the UK Government)
3. As noted above, the Scottish Government expects universities to match-fund the £23 million capital maintenance investment and we will discuss with the sector how this will be achieved. This £23 million is to be spent on capital maintenance in FY 2016-17.
4. To maximise the effect of this capital maintenance investment, we look to universities to prioritise the most pressing maintenance needs of their individual estates. To ensure that we can fully demonstrate the impact of this new investment, we will work with the sector to agree a mechanism by which universities can identify and report on the projects on which the additional funding is to be spent.
5. The £1.3 million to support research has been added to SFC's match funding for the DBIS (now DBEIS) Research Capital Grant. DBEIS's contribution has also increased by £1.3 million.
6. This additional investment brings the total capital funding for FY 2016-17 to over £78.4 million. Revised allocations for universities are shown in Table 1 attached.

### **Further information**

7. Please contact Martin Smith, Chief Funding and Information Officer, Tel: 0131 313 6528, email: [msmith@sfc.ac.uk](mailto:msmith@sfc.ac.uk) or Martin Kirkwood, Assistant Director, Tel: 0131 313 6583, email: [mkirkwood@sfc.ac.uk](mailto:mkirkwood@sfc.ac.uk).

A handwritten signature in black ink, appearing to read 'J. Kemp', with a stylized flourish at the end.

**John Kemp**  
Interim Chief Executive