



Scottish Funding Council
Comhairle Maoineachaidh na h-Alba

SFC Call for information

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Financial Forecast Update for Higher Education Institutions 2024-25



Financial Forecast Update for Higher Education Institutions 2024-25

ISSUE DATE: 4 March 2025

REFERENCE: SFC/CI/02/2025

DEADLINE: 28 March 2025

SUMMARY: This Call for Information requests institutions to provide an updated financial forecast return for Academic Year 2024-25.

FAO: Principals, Finance Directors and Board Secretaries of Scotland's universities; and the general public

FURTHER INFORMATION: **CONTACT:** Andrew Millar / Claire Taylor
JOB TITLE: Assistant Director / Senior Financial Analyst
DIRECTORATE: Finance
TEL: 0131 313 6538 / 0131 313 6604
EMAIL: amillar@sfc.ac.uk / ctaylor@sfc.ac.uk

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Financial Forecast Update for Higher Education Institutions 2024-25

Purpose

1. This Call for Information requests institutions to provide an updated financial forecast return for Academic Year 2024-25. The return should be sent to the Scottish Funding Council (SFC) by **28 March 2025**. Earlier returns are encouraged where this is possible.

Financial Forecast Update (FFU)

2. The strategic plan forecast (SPF) is an established part of SFC's financial health monitoring framework. Institutions submitted their SPFs at the end of June 2024 showing the forecast outturn for 2023-24 and a medium-term financial outlook up to 2025-26.
3. The financial forecast update (FFU) enables SFC to obtain a meaningful revised forecast of institutions' financial position in terms of income and expenditure, underlying operating position, balance sheet and liquidity part way through the current academic year 2024-25. It also draws comparisons with the original forecasts (SPF) provided in June 2024.

Guidance and format of the Financial Forecast Update

4. 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 the SFC website. The return follows broadly the same format as the June 2024 SPF.
5. Each institution will receive a pre-populated spreadsheet return when this Call for Information is published. SFC has pre-populated the 2024 SPF figures for 2024-25 and institutions are required to complete the FFU figures for 2024-25.
6. Where a variance between the SPF and the revised forecast (FFU) is significant (variance +/- 5% or over 2% of total expenditure), 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.

Important changes in the return

7. There are two changes to our information request for this and for future financial monitoring returns.

Income worksheet

8. In the income sheet, a change has been made to the way international, transnational education and global online student fees are reported. Following the November 2024 collection of institutions' financial returns providing an update on their expected income from international students, inconsistencies were identified in institutions' reporting of these income categories. Some institutions reported income from transnational education and global online activity within international tuition fees while others report these revenue streams under other income headings in the returns.
9. To ensure consistency of reporting, we are asking institutions to complete the additional 'Transnational and Global Online' worksheet.

Balance Sheet - additional Information

10. As with the SPF return, we have asked institutions to split cash and current asset investments into restricted and unrestricted balances which are key financial indicators. Restricted cash should include items such as capital and/or research grants paid in advance but not spent (including SFC Financial Transactions), amounts owed to SFC (e.g. relating to recovery of funds), ring-fenced project funds, endowments/donations with conditions attached, loan servicing funds established for purposes of Private Placement repayments and any other restricted funds. This allows us to report on the level of 'available' or 'free' cash for individual institutions and the sector as a whole.

Information requested

11. 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 **28 March 2025**.

Further information

12. Please contact Claire Taylor, Senior Financial Analyst, Finance, tel: 0131 313 6604, email: ctaylor@sfc.ac.uk or Andrew Millar, Assistant Director, Finance tel: 0131 313 6538, email: amillar@sfc.ac.uk, to discuss any aspect of this letter.



Ursula Lodge CPFA

Deputy Director, Institutional Sustainability & Capital

Annex A

Guidance for completion

Structure of the FFU

1. The FFU takes the form of an excel spreadsheet which has eleven sheets.
2. Ten of the sheets require input by the institution. We suggest the order of completion is:
 - (i) 'Income'.
 - (ii) 'Expenditure'.
 - (iii) 'SoCIE'.
 - (iv) 'Cashflow'.
 - (v) 'Balance Sheet' and 'BS Additional info' (these two sheets should be completed together, as various inputs on each drive figures on the other).
 - (vi) 'Transnational and Global Online'
 - (vii) 'Assumptions'.
 - (viii) 'Borrowing covenants'.
 - (ix) '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 FFU

Input of financial forecast figures and comparatives

4. The sheets in the spreadsheet contain yellow 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 (variance +/- 5% or over 2% of total expenditure).

Financial commentary

6. 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 SPF, including any changes in the assumptions, and provide details of the key risks identified when preparing the forecast.
7. You should also provide copies of recent papers presented to your institution's Governing Body relating to the revised forecast if they cover the areas highlighted above.
8. 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.