

E: scottish.ministers@gov.scot

Sue Webber MSP
Convener, Education Children and Young People
Committee

02 May 2023

Dear Convener,

In the 2023-24 Scottish Budget, the previous Deputy First Minister announced additional resource funding of £26 million for the college sector and £20 million for the university sector. The Scottish Government and Scottish Funding Council (SFC) were considering utilisation of this funding to enable strategic change in the sectors. SFC therefore did not allocate this funding to individual institutions for Academic Year 2023-24 when they announced their indicative funding allocations on 13 April 2023.

The Cabinet Secretary for Education and Skills has today written to the SFC to advise that, with regret, this additional £46 million has been identified as a necessary saving in Financial Year 2023-24. As set out by the previous Cabinet Secretary to the Committee on 22 February, we have had to make difficult choices in meeting new pressures on the Education and Skills portfolio since the 2023-24 Budget announcement. This means that funding for colleges and universities in the current year will return to the previously announced Resource Spending Review flat cash settlement. A copy of the Cabinet Secretary's letter to SFC is attached for the Committee's awareness.

Ministers will continue to work closely with SFC and the college and university sectors to support financial sustainability.

Sincerely,

GRAEME DEY

Cabinet Secretary for Education and Skills
Jenny Gilruth MSP



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Karen Watt
Scottish Funding Council

02 May 2023

Dear Karen,

2023-24 BUDGET: FUNDING FOR STRATEGIC CHANGE

As you are aware, we currently face the most difficult public spending environment since devolution, which has required Ministers to make tough decisions about our priorities. I want to place on record my thanks for the support provided by Scottish Funding Council (SFC) colleagues to my officials as we have considered the difficult choices we have to make.

It is with regret that I am writing to inform you that new pressures on my portfolio since the 2023-24 budget announcement have resulted in the additional £46m uplift for colleges and universities being identified as a necessary saving. This therefore means that funding for colleges and universities will return to the previously announced flat cash settlement in line with the Resource Spending Review.

The Scottish Government remains committed to the long-term success and sustainability of the tertiary sector and I look forward to working closely with you to support colleges and universities in achieving greater financial stability.

Sincerely,

JENNY GILRUTH

(copy: Mike Cantlay, SFC Chair)

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