



**Meeting of the Finance  
& Resources Committee**

**To be held on**

**Monday 25 May 2026 at 1400hrs**

**in G10, City Campus and via MS**

**Teams**

**FINANCE & RESOURCES COMMITTEE**

**MINUTE OF MEETING**

**Draft** Minute of Meeting of the Finance & Resources Committee, held on Wednesday 18 February 2026 at 2:00pm via Microsoft Teams.

<b>Agenda Item</b>	<p><b>Present</b> Sheena Ross (Chair) Ewan Rattray (Vice Chair) Jim Gifford Iain Watt Neil Cowie Mark Fotheringham Susan Elston Paul Butters Mickey Dugan</p> <p><b>In Attendance</b> Stuart Thompson, Vice Principal Finance &amp; Resources Karen Fraser, Minute Secretary</p>
	<b>Meeting recording started at 2:00pm</b>
36-25	<b>Apologies for Absence</b> Apologies were received in advance from S Lawrance.
37-25	<b>Declaration of any Potential Conflicts of Interest in relation to any Agenda Items</b> No declarations were offered.
38-25	<b>Minute of Previous Meeting (26/11/25)</b> The Minute was approved as a true and accurate record.
39-25	<b>Matter Arising from the Previous Meeting</b> Members noted the update to the Matter Arising captured in the shared report.
	<b>Reserved Matter for Decision</b>
40-25	<b>Financial Regulations Policy</b>
	<b>Reserved Matters for Discussion</b>
41-25	<b>AY2025-26 Budget Update</b>

\* Red text denotes Reserved Item of Business

42-25	<b>Draft Scottish Government Budget 2026-27</b>
43-25	<b>AY2026-27 Budget Assumptions</b>

44-25	<b>ASET Financial Update</b>
45-25	<b>Opportunities Register</b>
	<b>Matter for Discussion</b>
46-25	<p><b>Committee Evaluation Feedback</b>  Members were invited to consider the feedback gathered through the use of an anonymous questionnaire regarding Committee performance.</p> <p>The positive content of the Paper was noted.</p>
	<b>Reserved Matters for Information</b>
47-25	<b>AY2025-26 Credits Activity and Enrolments Update</b>

48-25	<b>Estates Projects Update</b>
49-25	<b>Any Other Business</b> No other business was raised.
50-25	<b>Summation of Actions and Date of Next Meeting</b> The agreed actions were summarised by K Fraser and the next meeting confirmed as Wednesday 27 May 2026 at 2:00pm.  The possibility of this being held in-person - with a virtual joining option - was put forward. <b>Action: Board Secretary to progress.</b>
	<b>Meeting ended at 3:27pm</b>  <b>Meeting recording stopped at 3:27pm</b>

Actions from the Finance & Resources Committee Meeting – 18 February 2026			
Agenda Item	Action	Responsibility of	Deadline
44-25	ASET Financial Update:		

44-25	ASET Financial Update:		
48-25	Estates Projects Update:		
50-25	Date of Next Meeting: the possibility of this being held in-person, with a virtual joining option, is to be explored	Board Secretary	Immed.



## Agenda Item 54-25

### FINANCE & RESOURCES COMMITTEE

An update on matters arising from the meeting of the Finance & Resources Committee held on 18/02/26.

Agenda Item	Action
44-25	<b>Action: ASET Financial Update:</b>
	<b>Status:</b>
44-25	<b>Action: ASET Financial Update:</b>
	<b>Status:</b>
48-25	<b>Action: Estates Project Update:</b>
	<b>Status:</b>
50-25	<b>Action: Date of Next Meeting:</b> the possibility of this being held in-person, with a virtual joining option, is to be explored.
	<b>Status:</b> Complete. 25/05/26 Meeting held in G10, City Campus, with Teams attendance for those unable to be in-person.

**FINANCE & RESOURCES COMMITTEE**

**Meeting of 25 May 2026**

**Title: 2026-27 SFC Indicative Funding Allocation**

**Author:** Stuart Thompson  
Vice Principal Finance & Resources

**Contributor(s):**

**Type of Agenda Item:**

**For Decision**

**For Discussion**

**For Information**

**Reserved Item of Business**

**Purpose:** Provide the Board with an update on the 2026-27 SFC Indicative Funding Allocation

**Linked to Strategic Theme:**

**4 Building a stronger and more sustainable College**

**Linked to Strategic Risk(s):** 5.2

4.2, 4.4, 5.1 & 5.2

**Executive Summary:**

The 2026-27 SFC Indicative Funding allocation for Colleges was announced on the 25<sup>th</sup> March 2026. The Scottish Government announced a college resource (revenue) budget for Financial Year (FY) 2026-27 of £721.1m. This represents an increase of £61.4m (9.3%) from the FY 2025-26 budget of £659.7m. The £61.4m revenue funding increase includes teaching grant, student support funds and potential transformation funding.

The headline figures from the SFC funding are a sector-wide perspective are an 8% increase (£42.5m) in teaching funding across the total national allocation and the full implementation of the revised model introduced for the current year, which had been due to be phased in.

NESCol's funding allocation will increase by 10% - one of the biggest uplifts in the sector, behind only Edinburgh College (10.7%), Glasgow Clyde College (10.4%) and West Lothian College (10.3%). Ayrshire College will receive the smallest increase at 3.2%.

The variances across the sector reflect the shift towards a more equitable funding model, addressing long-standing issues, and the transition is welcomed by NESCol.

The College has campaigned for funding reform and, despite the progress reflected in the latest allocation, will continue to press for NESCol's rural delivery and the opportunities to expand provision at the Energy Transition Skills Hub (ETSH) to be fully recognised as the SFC adapts to the changing landscape of the sector.

Even without the rural premium or ETSH additional funding the allocation is very good news, a cash increase of £3.65m representing a significant income increase well above the anticipated costs increase for 2026-27. The additional funding will ease budget pressures, provide some additional options and flexibility in setting the 2026-27 budget. The College leadership will continue to discuss additional funding for the ETSH for 2026-27 from other potential funding streams.

### **Main Points**

- £42.5m (8%) funding allocation to teaching grant increase (Table 1)
- No confirmation of the remaining £18.9m funding increase.
- Full implementation of the revised teaching funding allocation model introduced in AY 2025-26
- No changes to the credit thresholds (Table 2)
- Student support budget frozen.
- Capital maintenance budgets frozen (Table 3)
- Additional £8.2m capital funding allocated for high priority needs.
- Sector Average Grant per Credit £367 (Table 4)
- NEScol Grant per Credit £346, now fourth lowest.
- Further £9m Child Poverty Fund allocations still to be announced.

There is also the potential of further additional funding from a new Workforce Development Fund.

We need to engage with SFC to verify the scale and potential priorities of the transformation fund and if there are any other funds utilising £18.9m balance of funding.

**Recommendation:** Review and consider the SFC funding announcement.

**Previous Committee Recommendation/Approval** (if applicable):

### **Equality Impact Assessment:**

**Positive Impact**     

**Negative Impact**     

**No Impact**             

**Evidence:** This report is for information only.

College sector: Summary of overall indicative budgets/funding for 2026-27				Table 1
Revenue	AY 2025-26 announcement	AY 2026-27 indicative	Change from AY 2025-26	Percentage change from AY 2025-26
(1)	£'000 (2)	£'000 (3)	£'000 (4)	% (5)
<b>Teaching</b>				
Teaching (& fee waiver) funding including support for lecturers pay & pension costs	522,524	570,504	-	-
Support for increased NI costs (separately allocated)	5,510	-	-	-
<b>Total Teaching</b>	<b>528,034</b>	<b>570,504</b>	<b>42,470</b>	<b>8.0%</b>
<b>Student support*</b>	<b>123,000</b>	<b>123,000</b>	-	0.0%
<b>College Employers Scotland**</b>	<b>996</b>	<b>996</b>	-	0.0%
Capital	FY 2025-26 announcement	FY 2026-27 indicative	Change from FY 2025-26	Percentage change from FY 2025-26
(1)	£'000 (2)	£'000 (3)	£'000 (4)	% (5)
<b>Capital maintenance</b>				
Capital maintenance funding	32,000	32,000	-	0.0%
High priority needs, including health & safety issues	2,500	10,700	8,200	328.0%
<b>Capital sub-total (excl. Fife College DLC)</b>	<b>34,500</b>	<b>42,700</b>	<b>8,200</b>	<b>23.8%</b>
<b>Capital projects</b>				
Fife College DLC	30,300	1,100	-29,200	-96.4%
<b>Total Capital</b>	<b>64,800</b>	<b>43,800</b>	<b>-21,000</b>	<b>-32.4%</b>
<b>NPD expenditure</b>	<b>31,600</b>	<b>32,600</b>	<b>1,000</b>	<b>3.2%</b>
*Funding will be allocated by SAAS from AY 2026-27.				
**Previously funded from SIIF.				

Teaching grant allocations and credit thresholds for AY 2026-27			Table 2			
			NI, pensions & contribution to staff pay are now embedded in the institutional premiums from AY 2026-27			
	Teaching grant for AY 2025-26 (incl. NI funding)	Credit thresholds for AY 2026-27 (unchanged from AY 2025-26)	Total institutional premium for AY 2026-27	Total core teaching grant for AY 2026-27	Indicative total teaching funding for AY 2026-27	Percentage change in teaching funding from AY 2025-26
	(1)	(2)	(3)	(4)	(5)	(6)
Ayrshire College	£38,291,252	111,480	£8,728,097	£30,793,315	<b>£39,521,412</b>	3.2%
Borders College	£9,967,293	23,891	£3,802,783	£6,999,459	<b>£10,802,242</b>	8.4%
Dumfries & Galloway College	£11,053,277	27,800	£4,424,921	£7,543,123	<b>£11,968,044</b>	8.3%
Dundee & Angus College	£32,594,215	98,307	£7,696,723	£27,940,033	<b>£35,636,756</b>	9.3%
Edinburgh College	£50,997,639	164,857	£12,026,593	£44,434,351	<b>£56,460,944</b>	10.7%
Fife College	£38,800,580	118,604	£9,285,815	£31,268,905	<b>£40,554,720</b>	4.5%
Forth Valley College	£25,914,818	79,107	£6,591,958	£21,067,679	<b>£27,659,637</b>	6.7%
City of Glasgow College	£45,769,617	157,800	£11,511,801	£37,885,458	<b>£49,397,259</b>	7.9%
Glasgow Clyde College	£36,615,585	113,721	£8,903,527	£31,523,424	<b>£40,426,951</b>	10.4%
Glasgow Kelvin College	£24,789,102	71,941	£5,994,795	£21,177,840	<b>£27,172,635</b>	9.6%
Highlands & Islands Region	£50,828,519	101,632	£24,673,611	£30,263,102	<b>£54,936,713</b>	8.1%
New College Lanarkshire	£38,852,504	117,288	£9,182,797	£32,828,992	<b>£42,011,789</b>	8.1%
South Lanarkshire College	£14,271,367	43,601	£4,118,070	£11,480,403	<b>£15,598,473</b>	9.3%
Newbattle Abbey College	£1,064,821	822	£0	£1,150,006	<b>£1,150,006</b>	8.0%
<b>North East Scotland College</b>	<b>£36,501,826</b>	<b>115,931</b>	<b>£9,076,538</b>	<b>£31,074,494</b>	<b>£40,151,032</b>	<b>10.0%</b>
Sabhal Mór Ostaig	£1,478,132	861	£0	£1,596,382	<b>£1,596,382</b>	8.0%
SRUC	£10,104,128	20,152	£3,207,534	£7,415,423	<b>£10,622,957</b>	5.1%
West College Scotland	£45,866,375	140,450	£10,246,098	£38,846,351	<b>£49,092,449</b>	7.0%
West Lothian College	£14,272,609	44,605	£4,212,885	£11,530,618	<b>£15,743,503</b>	10.3%
<b>Total</b>	<b>£528,033,658</b>	<b>1,552,850</b>	<b>143,684,546</b>	<b>426,819,358</b>	<b>570,503,904</b>	<b>8.0%</b>

Indicative capital maintenance funding allocations for FY 2026-27				Table 3
College/Region	Capital maintenance funding for FY 2025-26	Capital maintenance funding for FY 2026-27	Change from FY 2025-26	Percentage change from FY 2025-26
	£	£	£	%
(1)	(2)	(3)	(4)	(5)
Ayrshire College	1,155,049	1,155,049	-	0.0%
Borders College	424,072	424,072	-	0.0%
Dumfries & Galloway College	281,811	281,811	-	0.0%
Dundee & Angus College	2,654,077	2,654,077	-	0.0%
Edinburgh College	3,811,460	3,811,460	-	0.0%
Fife College	2,590,954	2,590,954	-	0.0%
Forth Valley College	775,895	775,895	-	0.0%
City of Glasgow College	1,370,348	1,370,348	-	0.0%
Glasgow Clyde College	3,113,807	3,113,807	-	0.0%
Glasgow Kelvin College	1,127,049	1,127,049	-	0.0%
Highlands & Islands Region	2,710,399	2,710,399	-	0.0%
New College Lanarkshire	2,399,189	2,399,189	-	0.0%
South Lanarkshire College	891,880	891,880	-	0.0%
Newbattle Abbey College	92,308	92,308	-	0.0%
North East Scotland College	3,658,574	3,658,574	-	0.0%
Sabhal Mór Ostaig	353,836	353,836	-	0.0%
SRUC	173,356	173,356	-	0.0%
West College Scotland	4,007,514	4,007,514	-	0.0%
West Lothian College	408,422	408,422	-	0.0%
<b>Total</b>	<b>32,000,000</b>	<b>32,000,000</b>	<b>-</b>	<b>0.0%</b>

Teaching grant allocations and credit thresholds for AY 2026-27						Table 4		
			NI, pensions & contribution to staff pay are now embedded in the institutional premiums from AY 2026-27					
	Teaching grant for AY 2025-26 (incl. NI funding)	Credit thresholds for AY 2026-27 (unchanged from AY 2025-26)	Total institutional premium for AY 2026-27	Total core teaching grant for AY 2026-27	Indicative total teaching funding for AY 2026-27	Percentage change in teaching funding from AY 2025-26	CHANGE	Grant / Credit
	(1)	(2)	(3)	(4)	(5)	(6)		
Highlands & Islands Region	£50,828,519	101,632	£24,673,611	£30,263,102	<b>£54,936,713</b>	8.1%	£4,108,194	£541
Borders College	£9,967,293	23,891	£3,802,783	£6,999,459	<b>£10,802,242</b>	8.4%	£834,949	£452
Dumfries & Galloway College	£11,053,277	27,800	£4,424,921	£7,543,123	<b>£11,968,044</b>	8.3%	£914,767	£431
SRUC	£10,104,128	20,152	£3,207,534	£7,415,423	<b>£10,622,957</b>	5.1%	£518,829	£527
South Lanarkshire College	£14,271,367	43,601	£4,118,070	£11,480,403	<b>£15,598,473</b>	9.3%	£1,327,106	£358
West Lothian College	£14,272,609	44,605	£4,212,885	£11,530,618	<b>£15,743,503</b>	10.3%	£1,470,894	£353
Forth Valley College	£25,914,818	79,107	£6,591,958	£21,067,679	<b>£27,659,637</b>	6.7%	£1,744,819	£350
Glasgow Kelvin College	£24,789,102	71,941	£5,994,795	£21,177,840	<b>£27,172,635</b>	9.6%	£2,383,533	£378
Ayrshire College	£38,291,252	111,480	£8,728,097	£30,793,315	<b>£39,521,412</b>	3.2%	£1,230,160	£355
Dundee & Angus College	£32,594,215	98,307	£7,696,723	£27,940,033	<b>£35,636,756</b>	9.3%	£3,042,541	£363
Fife College	£38,800,580	118,604	£9,285,815	£31,268,905	<b>£40,554,720</b>	4.5%	£1,754,140	£342
Glasgow Clyde College	£36,615,585	113,721	£8,903,527	£31,523,424	<b>£40,426,951</b>	10.4%	£3,811,366	£355
New College Lanarkshire	£38,852,504	117,288	£9,182,797	£32,828,992	<b>£42,011,789</b>	8.1%	£3,159,285	£358
<b>North East Scotland College</b>	<b>£36,501,826</b>	<b>115,931</b>	<b>£9,076,538</b>	<b>£31,074,494</b>	<b>£40,151,032</b>	<b>10.0%</b>	<b>£3,649,206</b>	<b>£346</b>
City of Glasgow College	£45,769,617	157,800	£11,511,801	£37,885,458	<b>£49,397,259</b>	7.9%	£3,627,642	£313
Edinburgh College	£50,997,639	164,857	£12,026,593	£44,434,351	<b>£56,460,944</b>	10.7%	£5,463,305	£342
West College Scotland	£45,866,375	140,450	£10,246,098	£38,846,351	<b>£49,092,449</b>	7.0%	£3,226,074	£350
Newbattle Abbey College	£1,064,821	822	£0	£1,150,006	<b>£1,150,006</b>	8.0%	£85,185	£1,399
Sabhal Mór Ostaig	£1,478,132	861	£0	£1,596,382	<b>£1,596,382</b>	8.0%	£118,250	£1,854
<b>Total</b>	<b>£528,033,658</b>	<b>1,552,850</b>	<b>£143,684,546</b>	<b>£426,819,358</b>	<b>£570,503,904</b>	<b>8.0%</b>	<b>£42,470,246</b>	<b>£367</b>