

Jonas Rae
Committee Assistant
Education and Culture Committee
T3.40
Scottish Parliament
Edinburgh
EH99 – 1SP

PL/sf
20 October 2011

Dear Jonas,

Re: DRAFT BUDGET 2012-13 AND SPENDING REVIEW 2011 SCRUTINY – EDUCATION AND CULTURE COMMITTEE MEETING 4 OCTOBER 2011

Thank you for your letter dated 7 October 2011 in which you requested, on behalf of the Convener, more specific information regarding the number of places at our College (as discussed in point M5.15 CoGC Board of Management Meeting Minutes, 30th of March 2011).

Approximately 62% of the College's total income comes from the Scottish Funding Council (SFC) recurrent grant (£31m), which is linked to the delivery of wSUMs. A wSUM is a unit of measure of student activity and each year the Funding Council agrees with each college within the sector a wSUMs target. If a college fails to deliver its wSUMs target, then the Funding Council reserves the right to claw back recurrent grant.

The College's Board of Management first considered the financial consequences of the proposed 2011-12 SFC grant settlement in January 2011. At that time the College faced a funding gap of £5.6m, which was based on the following:

Item	2011-12 Funding Gap @ January 2011
• SFC grant reduction between 2010-11 and 2011-12	£3,500,000
• Inflation & other cost pressures	£630,000
• Loss of income (primarily EU/ESF grant)	£530,000
• Revenue consequences of replacing reduced SFC capital grant with the College's own resources	£400,000
• Merger related matters	£584,000
Total Funding Gap	£5,644,000

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Between January and March 2011 the College considered various ways to reduce the 2011-12 funding gap. At March it appeared that the College would need to reduced 2011-12 course provision by around 10%. However, additional EU/ESF grant has been made available to the College for 2011-12 and, therefore, the projected course provision should reduce by 6% compared to 2010-11.

The 6% reduction is equivalent to 12,000 wSUMs, which is spread over the following categories;

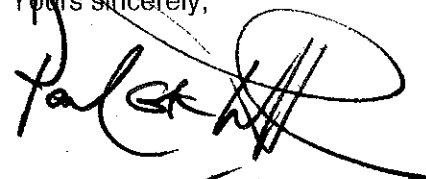
	Reduction	Notes
• Full-Time Further Education	4,000 (6%)	This was approximately 13 full-time courses, which provided for 260 students
• Full-Time Higher Education	No Change (0%)	
• Part-Time Further Education	6,000 (15%)	This reduction was aimed at non-vocational/non-certified courses or additional part-time courses offered to existing full-time students (eg ECDL etc). Most of this reduction was linked to 5 part-time courses .
• Part-Time Higher Education	2,000 (6%)	

The College has and continues to exceed its SFC wSUMs targets i.e. we provide for more students than we are funded for:

	2009-10 Actual	2010-11 Actual	2011- 12 Projected
• Funding Council Target	182,948	185,037	177,000
• Actual or Projected wSUMs	203,672	194,500	182,463
• % over target	+11%	+5%	+3%

I hope that the above data provides adequately specific information on the points discussed, however should you require any further information please do not hesitate to contact me.

Yours sincerely,



Paul Little
Principal and Chief Executive