

## **Council meeting minutes**

The 129th meeting of the Scottish Further and Higher Education Funding Council was held on Friday, 4 February 2022 at 10.00am, by video-conference.

- Present:** Mike Cantlay (Chair)  
Karen Watt (Chief Executive)  
David Alexander  
Sheila Duncan  
Mhairi Harrington  
Lorna Jack  
Professor Ewart Keep  
Dr Veena O'Halloran  
Caroline Stuart  
Professor John Wallace  
Professor Lesley Yellowlees
- Officers:** Martin Boyle  
Chris Brown  
Lynne Raeside (Secretary)  
Angela Seymour (Clerk)  
Claire McPherson (item 22/06 – 22/07)  
Lynn Killick (Presentation by EHRC)
- Observers:** David Sweeney (UKRI/Research England)  
Matt Crilly (President of NUS (Scotland))  
Robin Lee (Staff Representative)
- Apologies:** Dr Paul Little  
Professor Irene McAra-McWilliam  
Andy Kerr  
Dr Stuart Fancey  
James Dunphy

**22/01**      **Welcome**

The Chair welcomed all present and introduced Lynn Walsh from the Equalities and Human Rights Commission (EHRC) who, prior to the commencement of the formal Board meeting, gave a presentation on the current obligations for the Boards of Non-Departmental Public Bodies under the Equality legislation. She led a discussion on SFC's delivery of equality and inclusion in all that we do. The session provided an opportunity for Board members to consider progress against the aims of SFC's joint Memorandum of Understanding with EHRC.

## **22/02 Chair's business: Papers for discussion and declarations of interest**

The Chair invited members to indicate if they wished to discuss any of the starred items on the agenda. The recommendations contained within papers SFC/22/10 through to SFC/22/14 were **agreed** without discussion.

The Chair reminded Board members of their responsibility to indicate if they have, or may be perceived to have, a conflict of interest under any item.

The following members declared an interest:

- Professor Ewart Keep in relation to his role as an Associate Fellow of the Scottish Centre for Employment Research, University of Strathclyde; and Member of the Management Board of City of Glasgow College.
- Mhairi Harrington, as Chair of the Adult Learning Strategic Forum Scotland.
- Dr Veena O'Halloran in relation to the University of Strathclyde.
- Professor John Wallace in relation to the University of St Andrews and the provision of occasional advice to the Royal Conservatoire of Scotland.
- Professor Lesley Yellowlees in relation to Edinburgh Napier University and the Royal Society of Edinburgh.
- Caroline Stuart as Chair of Dumfries and Galloway College
- Professor Peter Mathieson in relation to the University of Edinburgh

## **22/03 Minutes of the 2 September 2021 meeting (SFC/21/Min04) and 3 December 2021 (SFC/21/Min05)**

The minutes of the 2 September 2021 and 3 December 2021 meetings were confirmed as true records of the meetings.

**22/04      Action Tracker (SFC/22/01)**

The Board received an update on the actions from previous meetings of the Board.

**22/05      Chief Executive's report (SFC/22/02)**

The Board received a paper providing a report from the Chief Executive on current operational issues, including updates on the Audit Scotland report on Skills Planning, REF 2021 and Research Excellence Grant, the latest college and university statistics, and developments at a UK level.

The Board:

- Noted the recommendations from the Audit Scotland Report on Skills Planning and SFC's acceptance of the recommendations in full.
- Discussed the ambition to increase SFS's capacity, noting that options are currently under discussion.

**22/06      Review of coherent provision and sustainability (Presentation)**

The Board received a presentation on the Review which updated them on the priorities agreed with Scottish Government.

In discussion the Board:

- Noted the importance of the Pathfinders as a practical response to the Audit Scotland Report and the importance of stakeholder engagement at a regional level.
- Sought additional information on the work related to flexibility of funding for colleges.

**22/07      Strategic Framework Refresh (SFC/22/03)**

The Board received a paper updating the timetable and proposals for developing SFC's next Strategic Framework.

In discussion the Board:

- Noted with interest the focus on qualifications, noting that the changing economy will impact on qualifications which will need to adapt to future requirements.

- Noted the need to engage with employers.
- Noted plans to review the membership of SFC's SEAL committee, to bring it more in line with the approach to RKEC.

## **22/08 Risk Appetite (SFC/22/04)**

The Board received a paper inviting them to review Scottish Funding Council's current statement of risk appetite and the proposed change and consider whether any changes are required.

In discussion the Board:

- Agreed that the risk appetite was proportionate.
- Agreed that risks were well managed.
- Recommended that the statement on risk appetite should be kept under regular review.

## **22/09 Scottish Government Draft Budget 2022 – 23 (SFC/22/06)**

The Board received a paper outlining the draft Scottish Budget for Financial Year (FY) 2022-23 for college and university funding, following the Scottish Government's [announcement](#) on 9 December 2021, and the funds consequently available for the sectors in Academic Year (AY) 2022-23. This paper also sets out the timeline for publishing indicative and final funding allocations for colleges and universities and recommends a set of principles to guide SFC's work on allocations.

It was noted that this paper had been presented to the SFC Finance Committee on 27 January 2022. The Finance Committee noted the draft Scottish Budget and proposed timetable for funding allocations, and the Finance Committee discussed and was broadly content with the proposed high-level principles to inform options on indicative allocations.

The Board:

- Noted the draft Scottish Budget for FY 2022-23 for colleges and universities, the subsequent funding available to the sectors for AY 2022-23, and some of the issues/challenges arising;
- Noted the proposed high-level principles to inform options on indicative allocations, agreed by the Finance Committee; and
- Noted the proposed timeline for further consideration, approval and publication of indicative and final funding allocations for AY 2022-23.

- Paid tribute to the work of SFC teams in managing this work in a short timescale and in engaging closely with the college and university sectors.
- Noted that there is no intention to change the college funding model in AY2022-23 but sought assurance that this would be considered in due course.

**22/10**

**Financial Transactions Programme (SFC/22/07)**

The Board received a paper summarising the outcome of the University Financial Transactions programme FY2021-22, and inviting the Board to approve funding for the two proposals which were submitted.

Due to a conflict of interest Dr Veena O’Halloran left the meeting during this item.

In discussion the Board:

- Were informed that this paper was presented to the Scottish Funding Council Capital Decision Point Committee on 13 January 2022. The Capital Decision Point Committee recommended the approval of funding for the two projects.
- Voiced concern about the low uptake of the programme but noted that this year was unusual as funds were normally fully allocated.
- Confirmed that technology projects are also eligible for funding as well as building projects.

The Board:

- Approved offers of funding for the two projects listed (University of Strathclyde and Scotland’s Rural College (SRUC)).
- Delegated authority to the Chief Executive to finalise negotiations and make offers of funding to the proposals recommended for funding, of up to the amounts stated in the annex.
- Noted the three expressions of interest, which were not submitted as full proposals (University of Dundee, Heriot Watt University and Queen Margaret University).

Dr Veena O’Halloran returned to the meeting.

**22/11**

**Corporate Governance (SFC/22/08)**

The Board received a paper providing the outcomes of the recent Board evaluation of effectiveness, and dealing with a small number of other Corporate Governance issues:

The Board:

- Considered the outcomes of the Board evaluation.
- Noted the intention to produce a Board Development Plan for 2022-23.
- Noted the publication of a revised Model Code of Conduct for Members of Devolved Public Bodies.
- Agreed that alternate Board meetings should be held at a college or university.
- Agreed that those meetings that are not held at a college or university should continue to be held virtually – as part of SFC’s contribution to net-zero goals.
- Noted the opportunities for Board member training and development.

**22/12 Equalities Outcomes: Annual Report (SFC22/09)**

The Board received a paper giving an update on activity to advance equality, tackle inequalities and ensure continued compliance with the requirements of the Public Sector Equality Duty (PSED). The Board considered this paper alongside the presentation from EHRC.

The Board:

- Noted the range of activity underway and the increased emphasis that is being placed on effective equality impact assessment across all SFC’s functions.

**22/13 Use of delegated authority (SFC/22/10)**

The Board noted the Chief Executive’s use of delegated authority from the period 17 August 2021 to 17 January 2022 under the terms of its Scheme of Delegated Authority.

**22/14 Audit & Compliance Committee minutes (19 August 2021) (SFC/22/11\*)**

The Council noted the minutes of the Audit and Compliance Committee held on 19 August 2021.

**22/15 Finance Committee minutes (22 June 2021)(SFC/22/12\*)**

The Council noted the minutes of the Finance Committee held on 22 June 2021.

**22/16 Finance Committee minutes (5 October 2021) (SFC/22/13\*)**

The Council noted the minutes of the Finance Committee held on 5 October 2021

**22/17 Research, Knowledge Exchange Committee minutes (June 2021) (SFC/22/14\*)**

The Council noted the minutes of the Research Knowledge Exchange Committee held on June 2021

**22/18 Research Knowledge Exchange Committee minutes (18 August 2021) (SFC/22/15\*)**

The Council noted the minutes of the Research Knowledge Exchange Committees held on 18 August 2021.

**22/19 Long-term agenda (SFC/22/16)**

The Council received a paper informing members of substantive agenda items proposed for future.

**22/20 Any other business (Oral)**

**There was no other formal business.**

**22/21 Next meeting: 11 March 2022**