

Council meeting minutes

The 136th meeting of the Scottish Further and Higher Education Funding Council was held on Friday, 10 March 2023 at 10.00am, At Apex 1 Haymarket Terrace Edinburgh

- Present:** Mike Cantlay (Chair)
Karen Watt (Chief Executive)
David Alexander (virtual)
Mhairi Harrington
Dr Paul Little
Professor Irene McAra-McWilliam
Andy Kerr
Lorna Jack
Professor Ewart Keep
Caroline Stuart
Professor John Wallace
Professor Lesley Yellowlees
- Officers:** Martin Boyle
Helen Cross
James Dunphy
Richard Maconachie
Lynne Raeside (Secretary)
Angela Seymour (Clerk)
Morag Campbell (item 4)
Kate Powell (item 5)
Gordon Craig (items 7-12)
- Observers:** Ellie Gomershall (President of NUS (Scotland)Virtual)
Morven Pritchard (Staff Representative)
- Apologies:** David Blaney (HEFCW)
Dr Veena O'Halloran
Professor Sir Peter Mathieson
Sheila Duncan

Pre-Meeting

23/24 **Welcome**

The Chair welcomed Minister, Jamie Hepburn, who was accompanied by Stephen Pathirana, Director of Lifelong Learning & Skills, to the meeting.

The Minister outlined his priorities for 2023 – 24, setting these within the context of the forthcoming Purpose and Principles, the Review of Skills Delivery Landscape, and the National Strategy for Economic Transformation. He reflected on the challenging funding environment and the drive for financial sustainability in the sectors.

Formal Business Meeting

23/25 **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/23/28 through to SFC/23/29 were agreed without discussion.

Members were reminded that it is their responsibility to indicate to the Chair if they have or may be perceived to have any conflict of interest under any item on the agenda and to take appropriate action.

23/26 **Minutes of the 3 February 2023 meeting (SFC/23/Min01)**

The minutes of the 3 February 2023 meeting were amended to reflect comments from Board members and then agreed.

23/27 **Action Tracker (SFC/23/18)**

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

23/28 **Chief Executive's report (SFC/23/19)**

The Board received a paper providing a report from the Chief Executive on current operational issues.

In discussion the Board noted:

- The update on recruitment.

- Ongoing budgetary challenges across the government funding environment.
- The outputs from recent UCAS data, expressing interest in receiving further analysis on emerging trends.
- Ongoing engagement with the UK Government on the importance of securing Horizon Association.
- The most recent update on the forthcoming Innovation Strategy.

The Board:

- Noted this update.

23/29 Future Research Assessment Programme (SFC/23/20)

The Board received a paper describing the work being undertaken to develop future approaches to research assessment across the UK Higher Education Institutions (FRAP).

In discussion the Board:

- Noted the time being taken by the sub-group of RKEC to look at the consequences.

The Board:

- Noted this update.

23/30 Scottish Government Purpose and Principles for Post 16 Education and Research (SFC/23/21)

The Board received a paper updating it on the development of the Scottish Government's Purpose and Principles.

In discussion the Board:

- Noted the high-level nature of the Purpose and Principles.
- Supported SFC's approach and feedback to the Scottish Government.
- Recognised the interaction with the forthcoming National Impact Framework.

The Board.

- Noted this paper.

23/31 Update on multi college regions (Verbal Update)

The Board received an update on the progress of multi college regions.

The following members of the Board with a conflict of interests left the room during the discussion of this paper:

- Dr Paul Little in relation to Glasgow City College.
- Professor Ewart Keep in respect of Glasgow City College.
- Andy Kerr, in relation to the Lanarkshire college region

In discussion the Board:

- Noted the options being considered.
- Noted the different approaches being proposed.
- Sought and received clarification on timelines.

The Board:

- Noted this update.

23/32 Indicative funding allocations for Colleges for AY 23-24 (SFC/23/22)

The Board received a paper setting out indicative budget plans and funding allocations for colleges in Academic Year (AY) 2023-24.

The following members of the Board with a conflict of interests left the room during this paper:

- Professor Ewart Keep in relation to his role as a Board member of City of Glasgow College.
- Dr Paul Little in relation to City of Glasgow College, Glasgow Colleges' Regional Board.
- Caroline Stuart in relation to her role as Chair of Dumfries and Galloway College.

In discussion the Board:

- noted the indicative FY 2023-24 Scottish Budget for colleges, the subsequent funding available for AY 2023-24, and the issues and challenges arising;
- noted the discussion at the Finance Committee on 28 February, and the Finance Committee's support for the indicative funding allocations presented to the Board; and

- noted the proposed timeline for further consideration, approval and publication of final funding allocations for AY 2023-24.

The Board:

- considered, discussed and approved the college funding, non-core and change fund allocations.
- Delegated authority to the Chief Executive to finalise the indicative college funding allocations for publication, subject to the finalised indicative allocations being materially consistent with the contents of this paper and the Board discussion.

23/33

Indicative funding allocations for Universities for AY 23-24 (SFC/23/23)

The Board received a paper setting out indicative budget plans and funding allocations for universities in Academic Year (AY) 2023-24.

The following members of the Board with a conflict of interests left the room during this paper:

- Professor Lesley Yellowlees in relation to Edinburgh Napier University
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art.

In discussion the Board:

- noted the indicative FY 2023-24 Scottish Budget for universities, the subsequent funding available for AY 2023-24, and the issues and challenges arising;
- noted the discussion at the Finance Committee on 28 February, and the Finance Committee's support for indicative funding allocations presented to the Board; and
- noted the proposed timeline for further consideration, approval and publication of final funding allocations for AY 2023-24.

The Board:

- Considered, discussed and approved the university funding, non-core and change fund allocations.
- Delegated authority to the Chief Executive to finalise the indicative university funding allocations for publication, subject to the finalised indicative allocations being materially consistent with the contents of this paper and the Board discussion.

23/34 Strategic Funding Allocations over £1m for AY23-24 (SFC/23/24)

The Board received a paper seeking approval of strategic and infrastructure investment funding allocations that are outwith the Chief Executive's delegated authority limits.

In discussion the Board:

- Noted that there will be greater scrutiny of these funds given current funding challenges.
- Was updated on the steps being taken to review this programme.
- Noted the re-categorisation of this funding as Strategic and Infrastructure Investment.

The Board:

- Approved the allocations.

23/35 Risk Management Strategy and Framework (SFC/23/25)

The Board received a paper presenting a summary of the key changes included in the revised Risk Management Strategy & Framework.

In discussion the Board:

- Noted the role of all Committees in considering the risks relevant to their remits.
- Requested that the Framework be reviewed alongside the Risk Register after its next review.

The Board:

- Approved the paper.

23/36 Risk Register (SFC/23/26)

The Board received a paper presenting the SFC Corporate Risk Register.

The Board:

- Considered this together with the previous paper.
- Noted the paper.

23/37 Use of delegated authority (SFC/23/27)

The Board received a paper noting the use of the Chief Executive's delegated authority during the period 1 November 2022 until 22 February 2023.

The Board:

- Noted the use of the Chief Executive's delegated authority from 1 November 2022 until 22 February 2023 under the Council's scheme of delegation.

**23/38 Audit & Compliance Committee minutes (8 December 2022)
(SFC/23/28*)**

The Board noted the minutes of the Audit and Compliance Committee held on 8 December 2022.

23/39 Finance Committee minutes (24 January 2023) (SFC/23/29*)

The Board noted the minutes of the Finance Committee held on 24 January 2023.

23/40 Chair's Business – Urgent Action (SFC/23/30)

The Board received a paper inviting them to homologate the urgent action taken by the Chair, Deputy Chair and CEO to approve the funding methodology and allocation approach for two tranches of additional research funding delivered by the then Department for Business Energy and Industrial Strategy (BEIS) and the new Department of Science, Innovation and Technology (DSIT).

The Board:

- Homologated the urgent action taken by the Chair, Deputy Chair and CEO.

23/41 Long-term agenda (SFC/23/31)

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

23/42 Any other business (Oral)

There was no other formal business.

23/43 Next meeting: 5 May 2023, Apex 1.