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SCOTTISH FUNDING COUNCIL SFC BOARD

Minute of the meeting held Friday 28 June 2024 at 10am in the Boardroom, Apex 1, Haymarket Terrace, Edinburgh

- PRESENT:** Dr Mike Cantlay OBE (Chair); Mr Martin Boyle (Interim Chief Executive); Ms Lorna Jack (Vice Chair); Ms Linda Hanna MBE; Ms Mhairi Harrington OBE; Professor Ewart Keep; Mr Andy Kerr (via *Teams*); Professor Irene McAra McWilliam; Professor John Wallace CBE; Professor Lesley Yellowlees CBE; Ms Sheila Duncan; Professor Sir Peter Mathieson.
- OBSERVER:** Mr Rory Stride (SFC Staff Observer).
- APOLOGIES:** Mr David Alexander; Mr Grant Ritchie; Dr Jacqui Brasted (Interim Director Access, Learning & Outcomes); Ms Helen Cross (Director Research & Innovation); Ms Bethan Owen (Interim Chief Executive HEFCW, Observer); Dame Jessica Corner (Executive Chair, Research England, Observer); Ms Ellie Gomersall (NUS President, Observer).
- IN ATTENDANCE:** Mr Richard Maconachie (Director of Finance); Ms Lynne Raeside (Deputy Director, External Affairs & Policy); Ms Louisa Baker (Deputy Director, Governance & Planning); Ms Elizabeth Shevlin (Deputy Director Access and Outcomes); Ms Helen Gibson (Assistant Director HR & OD) (*item x#8 to #10 only*); Mr Steve McDonald (Chief Information Officer (*item #9 only*); Ms Ursula Lodge (Deputy Director Institutional Sustainability and Capital) (*item #11 only*); Ms Gillian Phillips (Senior Governance Officer) (Board Clerk).

1. Welcome, Chair's Business and Opening Remarks

- 1.1 The Chair welcomed all attendees to the meeting and made specific mention of Mr Martin Boyle who was attending the meeting in his new capacity as Interim Chief Executive. The apologies for absence were noted.
- 1.2 The Chair took the opportunity to extend his congratulations to Mr Stride who had recently successfully completed his PhD for research in History at the University of Strathclyde. The Board warmly endorsed these sentiments and commended Mr Stride on this significant achievement.
- 1.3 The Chair reminded Board members of the responsibility and obligation to indicate whether they have, or may be perceived to have, a conflict of interest under any of the items on the agenda. Whilst no new declarations were reported, it was noted that Professor McAra- McWilliam, Professor Yellowlees, Professor Mathieson, Professor Keep and Ms Hanna all had an interest under agenda item #11. It was therefore agreed that they would leave the meeting for the substantive discussion around high engagement institutions.
- 1.4 The Chair reported that the Board member recruitment process had concluded and the Minister had recently approved the appointment of five new Board members. It was noted pre - employment checks were presently being undertaken and a full day induction session had been arranged for late July.

2. Minute of the Meeting held 17 May 2024

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2.1 Subject to a minor amendment, the minute of the meeting held 17 May 2024 was **approved** as an accurate record.

3. SFC Board Action Log

3.1 The Board received and **noted** the Board Action Log, presented by the Deputy Director, Governance & Planning. The Board agreed that actions marked as complete would now be removed from the log.

3.2 The Director of Finance provided the Board with an update on the Dunfermline Learning Campus (DLC) project. *Discussion redacted.*

3.3 *Discussion redacted.*

4. SFC Board: Long Term Agenda and Dates of Future Meetings

4.1 The Board received and **noted** the Board Long Term Agenda and Dates of Future Meetings, presented by the Deputy Director Governance & Planning. Board members were invited to provide comments or queries to the Board Secretary and Clerk.

4.2 It was reported that SFC officers had consulted with Board members with regards to the Board meeting dates for 2025 and the majority of those who had responded had signalled their contentment with the dates proposed. It was observed that conferral with incoming Board members would be important to ensure that the dates proposed were convenient for them. It was therefore agreed that final approval of the Board meeting dates for 2025 would be deferred to September.

5. Chief Executive's Report

5.1 The Board received and noted the Chief Executive's Report, presented by the Interim Chief Executive which drew attention to strategic topics and many areas of activity since the last meeting of the Board.

5.2 The Interim Chief Executive augmented the written report with comments on the following themes: the successful appointments at Assistant Director level to support capital projects and finance systems and transformation. It was reported that action was being taken to optimise opportunities to bring digital talent into SFC and maintain the pace of IT transformation. The Board were informed that key cyber and IT Security interviews had taken place earlier in the month and a number of niche roles, including a Digital Transformation Project Manager, had been successfully recruited.

5.3 The Interim Chief Executive provided an update on post-16 Reform noting that as part of its ongoing ambition to reform the public body landscape, the Scottish Government had earlier in the week launched a consultation on Post-Schools Education and Skills Reform. The Board were advised that the consultation set out the proposals for change and included proposals for legislation to take forward identified options.

5.4 It was reported that the consultation document set out two options for reform, alongside a baseline of "business as usual". It was noted that both of the options put forward in the consultation would involve considerable and significant change for SFC. *Discussion redacted.*

5.5 *Discussion redacted.*

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- 5.6 It was recognised that engaging with a programme of reform would be significantly resource intensive and would be required to be undertaken alongside the delivery of other key strategic organisational priorities. The Board were informed that SFC officers were currently considering how SFC could best manage its input and would engage appropriately with colleagues and Scottish Government officials as further detail around the working groups emerged.
- 5.7 The Board welcomed the update and proposals contained within the consultation but nevertheless expressed some concern around the volume of work required to bring either option to fruition, recognising that the pressure on SFC staff would be significant. The Board encouraged SFC officers to explore the option of securing additional resource to support not only the consultation process, but also any programme of transformation which would ensue.
- 5.8 It was noted that the consultation response and ensuing change programme would need to be carefully curated and managed. The Board encouraged SFC officers to ensure that other key organisational priorities, such as sustainability, research and coherent provision, were not neglected and it was suggested that valuable lessons could be learnt from colleagues in both England and Wales where both funding bodies had recently undergone similar programmes of reform.
- 5.9 The Board were informed that SFC staff had been briefed on the consultation proposals earlier in the week and the briefing had been positively received. *Discussion redacted*
6. Thereafter, the Board **delegated authority** to the Executive Team to develop SFC's response to the consultation paper on the funding body landscape with final approval to be provided by correspondence with the Board over the summer.

6. Board Development and Engagement Plan

- 6.1 The Board received and **noted** the Board Development and Engagement Plan, presented by the Deputy Director Governance & Planning which set out a proposed timetable of engagement events for the academic year 2024-25.
- 6.2 It was noted that the introduction of Board Engagement Visits would provide an opportunity for Board members to authentically engage with institutions and to gain a wider understanding of the institutions and bodies that SFC funds, the context they are working in and the risks and challenges they face. The Board were informed that Board Engagement Visits would also afford members the opportunity to engage with both staff and learners and to hear their perspectives. It was noted that the first Board Engagement Visit would take place in November at the University of Glasgow and would dovetail with the Board Strategy Event.
- 6.3 Members welcomed the paper and noted with satisfaction the re-instatement of direct Board member engagement with institutions. It was acknowledged that the visits would enable staff based in smaller institutions and funded bodies to develop a greater understanding of SFC's vision, purpose and mission. The inclusion of Innovation Centres (ICs) within the development and engagement plan was warmly welcomed by Board members.

7. Board Committees: Review of Standing Orders

- 7.1 The Board received and considered the Committee Review of Standing Orders, presented by the Deputy Director, Governance & Planning.

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7.2 The Board were informed that the changes set out to individual committee remits were consistent with those discussed and agreed with respective Committee Chairs earlier in the year. It was noted that further changes had been made to standing orders in order to ensure parity and consistency between committees.

7.3 The Board welcomed the changes and noted the considerable effort which had been invested in making these. It was noted that the acronym ARC was already in use in the world of research through the Alliances for Research Challenge and as such it was suggested that the Audit & Risk Committee could legitimately be re-named as the Risk and Audit Committee (RAC). It was agreed that the Chair would consider this with the Committee Chair in due course.

ACTION: SFC Board Chair to discuss proposed name of audit committee with the Committee Chair. **Chair**

7.4 Thereafter the Board

- (i) **Approved** the changes to the committee remits and standing orders as set out in the paper; and
- (ii) **Agreed** that functional oversight of Cyber/ IT, Net Zero and Governance would remain with the Board.

8. Health & Safety: Annual Update

8.1 The Board received and noted the paper presented by the Assistant Director, OD and HR which provided an update on health & safety compliance during the period April 2023 to March 2024. The range of activities in place to support the health, safety and wellbeing of SFC colleagues was noted by the Board.

8.2 It was reported that the highly positive results of the Hybrid Working Survey had indicated that operational requirements were being met and there was a good balance between flexibility, inclusivity, consistency and fairness. It was noted that the theme of flexible working was featuring strongly in recruitment campaigns.

8.3 The Board were informed that the Health & Safety Committee continued to meet on a regular basis and was supported from staff across the organisation and included Union representation. It was reported that the arrangements in place ensured that the health, safety and wellbeing of staff was kept under frequent review.

8.4 The Board confirmed that they took strong assurance from the report and expressed their thanks to the Assistant Director HR and OD for the comprehensive update.

9. Transformation Programme: People and Systems

9.1 The Chair of the Remuneration Committee informed the Board that the committee had received a comprehensive update on SFC's Transformation Programme and wanted to take the opportunity to share with the Board some of the work that was making a considerable impact on the effectiveness and efficiency of the organisation and the employee experience.

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- 9.2 The Assistant Director, HR and OD provided a short update on progress in achieving key objectives as set out in the HR Strategy. The overarching goals and key enablers of the strategy were outlined and an update on each of the key workstreams was provided. The Board were informed that the HR team were ambitious to build on the success rate of the last people survey and were reminded that an 80% participation and 71% engagement rate had been achieved at this time.
- 9.3 The Board were informed that a new digital recruitment system had recently been introduced and implemented. It was noted that the organisation was already reaping the rewards associated with a fully automated recruitment system and the changes implemented had been warmly welcomed by staff.
- 9.4 The Deputy Director, External Affairs provided an overview of the development of SFC's internal communications strategy. The Board were informed that the strategy had been developed to enhance business effectiveness through internal communication and included a shift towards digital ways of working and the adoption of Microsoft 365 to facilitate increased levels of self service.
- 9.5 It was noted that improvements had been made to the staff intranet, making resources and tasks easier to access and a new employee networking platform was soon to be launched which would make connecting with leaders and colleagues simpler.
- 9.6 The Chief Information Officer provided a high-level overview of the systems transformation programme. The Board were informed that progress over the last year had been significant and SFC officers had *inter alia*
- (i) Established a robust IT and cyber security strategy;
 - (ii) Accelerated the organisation's move to the cloud;
 - (iii) Introduced cyber security training for all staff; and
 - (iv) Expanded and developed the IT team, prioritising in house skills and recruitment.
- 9.7 The Deputy Director, Governance & Planning provided an update on the key achievements of the Governance & Planning team over the last 12 months, noting that dedicated resource had been appointed to support both the corporate governance and information governance functions. Both appointments had resulted in the completion of a significant volume of high quality work.
- 9.8 The Board welcomed and endorsed the comprehensive update, and noted the significant amount of work which had been delivered in the last 12 months alongside other key priorities. It was agreed that the collaboration demonstrated between teams provided the Board with increased confidence that the outcomes from the reform consultation would be effectively implemented.

10. Chief Executive Officer: Recruitment Update

10.1 *Discussion redacted.*

11. High Engagement Institutions

11.1 The Board received, discussed and noted the verbal update, provided by the Director of Finance on high engagement institutions.

12. Valedictions

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12.1 As this would be the final meeting of Ms Duncan's term as an SFC Board member, the Chair offered his thanks for her commitment and effort on behalf of the Board. The Chair acknowledged that Ms Duncan had been an excellent board member and that her skills and knowledge in HR had proven to be invaluable. Ms Duncan noted her appreciation for the support she had received from the Board, Executive and SFC officers during her term.

12.2 The Chair also paid tribute to Mr Ritchie, who after his six month term of office as an interim Board member, was stepping down from the SFC Board. Mr Ritchie's diligent and thoughtful contributions to the Board were recognised and it was agreed that he had brought a distinctive and discerning insight to college sector matters.

12.3 The Board joined the Chair in offering thanks and best wishes to Ms Watt who would leave her Chief Executive role at the end of June. The Chair noted that Ms Watt had served as Chief Executive for five and half years and had successfully led significant and meaningful change and innovation over that period. The Board recognised Ms Watt's excellent contributions over many years to the Board and wider sectors as she stood down from her executive role and wished her well for her future endeavours.

13. Research and Knowledge Exchange Committee (RKEC): Minute of the meeting held 17 April 2024

13.1 The Board received and noted the minute of the Research and Knowledge Exchange Committee meeting held on 17 April 2024.

14. Finance Committee: Minute of the meeting held 23 April 2024

14.1 The Board received and noted the minute of the Finance Committee meeting held 23 April 2024.

15. Skills, Enhancement, Access & Learning (SEAL) Committee: Minute of the meeting held 29 April 2024

15.1 The Board received and noted the minute of the Skills, Enhancement, Access and Learning Committee meeting held 29 April 2024.

16. Capital Committee: Minute of the meeting held 1 May 2024

16.1 The Board received and noted the minute of the Capital Committee meeting held 1 May 2024.

17. Remuneration Committee: Minute of the meeting held 20 May 2024

17.1 The Board received and noted the minute of the Remuneration Committee meeting held 20 May 2024.

18. Dates of Future Meetings

Friday 20th September 2024 in the Boardroom, Apex 1 and via *Teams*

Thursday 14th and Friday 15th November 2024 at the Advanced Research Centre (ARC), University of Glasgow

Friday 6th December 2024, via *Teams*.