

The 117th meeting of the Scottish Further and Higher Education Funding Council was held on Thursday 30 January 2020 at 10.00am, at Apex 1, 99 Haymarket Terrace.

Present:

Mike Cantlay (Chair)
Karen Watt (Chief Executive)
Douglas Mundie (Deputy Chair)
David Alexander
Mhairi Harrington
Lorna Jack
Professor Ewart Keep
Andy Kerr
Dr Paul Little
Professor Peter Mathieson
Professor Irene McAra-McWilliam
Dr Veena O'Halloran
Caroline Stuart
Professor John Wallace
Professor Lesley Yellowlees

Officers:

Martin Fairbairn (Secretary)
Dr Stuart Fancey (items 20/01 to 20/19)
Sinead Griffin (items 20/01 to 20/19)
Lynne Raeside (items 20/01 to 20/19)
Lorna MacDonald (items 20/01 to 20/19)
Linda McLeod (items 20/01 to 20/19)
Angela Seymour (Clerk)

Scottish

Government:

Dr Linda Pooley (items 20/01 to 20/19)

Observers:

Andrew Youngson (union-nominated observer) (items 20/01 to 20/19)
Liam McCabe (President of NUS (Scotland)) (items 20/01 to 20/19)
David Sweeney (UKRI/Research England) (items 20/01 to 20/19)
David Blaney (HEFCW) (items 20/01 to 20/19)
Morven Pritchard (SFC Staff) (items 20/01 to 20/19)

Donna MacKinnon (new Director of Access, Learning and Outcomes, SFC) (items 20/01 to 20/19)

Apologies: Sheila Duncan

20/01 Welcome

The Chair welcomed Dr Linda Pooley of the Scottish Government, David Sweeney of UKRI/Research England, David Blaney of HEFCW, Morven Pritchard SFC Staff member and Donna MacKinnon (new Director of Access, Learning and Outcomes).

20/02 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. There was a request to unstar paper SFC/20/12. The recommendations contained within papers SFC/20/11, SFC20/14 and SFC20/15 were **agreed** without discussion.

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

The following members noted a potential conflict of interest:

- Andy Kerr in relation to South Lanarkshire College and New College Lanarkshire
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art
- David Alexander in relation to West College Scotland
- Dr Paul Little in relation to City of Glasgow College
- Dr Veena O'Halloran in relation to University of Strathclyde
- Lorna Jack in relation to University of Aberdeen
- Professor Peter Mathieson in relation to University of Edinburgh

20/03 Minute of the 5 December 2019 meeting (SFC/19/Min06)

It was agreed to insert the following into the report of agenda item SFC/19/113:

"Looking to the future in relation to any structural changes which might arise, it was noted that:

- *amalgamations of institutions in the tertiary sector tend to be described and handled as mergers rather than*

acquisitions;

- *but this approach can create problems (such as lack of clarity about who is responsible for the success of the amalgamation and slow decision making); and therefore*
- *care should be taken that the most effective and efficient mechanism is used for future amalgamations”.*

With that addition, the minute of the 5 December 2019 meeting was **confirmed** as a true record of the meeting.

20/04 Action tracker (SFC/20/01)

The Council received an update on the actions from previous meetings of the Council and, after agreeing that resolution will be sought to address the first item, **noted** progress on those actions.

20/05 Chair’s report (SFC/20/02)

The Chair’s recent external engagements were **noted**.

20/06 Chief Executive’s Report (SFC/20/03)

The Council received and **noted** a paper providing a report from the Chief Executive on matters of current interest and her recent external engagements, including a summary of the recent Strategic Board.

20/07 SFC Strategic Framework Performance Report and Risk Register (SFC/20/04)

The Council was invited to consider the Strategic Framework Progress Report and risk register.

In discussion, the Council welcomed the inclusion of items raised in previous meetings.

The following paragraph is withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs

[] × 1 paragraph

20/08 Strategic Consultation (SFC/20/05)

The Council received a paper setting out the Council executive's plan to engage with stakeholders in the course of 2020 about the broad approaches the Council should take across its main areas of responsibility over the medium term.

The following members noted a potential conflict of interest:

- David Alexander in relation to West College Scotland.
- Andy Kerr in relation to South Lanarkshire College and New College Lanarkshire
- Dr Paul Little in relation to City of Glasgow College and the Glasgow Colleges' Regional Board
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art
- Dr Veena O'Halloran in relation to University of Strathclyde
- Professor Lesley Yellowlees in relation to Edinburgh Napier University
- Professor Peter Mathieson in relation to University of Edinburgh

The following paragraph is withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 27: Information intended for future publication

[] x 1 paragraph

20/09 Innovation Centre Programme (SFC/20/06)

The Council received a paper on the longer term vision and forward strategy for the Innovation Centre (IC) Programme, prepared by SFC, Scottish Enterprise, Highlands and Islands Enterprise and the Scottish Government.

In discussion the Council:

- Noted that Scottish Ministers are very supportive of the innovation centre programme.
- Also noted significant progress still needs to be made in supporting the role of colleges in innovation, although colleges are now working closely with the innovation centres.
- Emphasised the importance of recognising that developing skills is an important aspect of innovation.

The Council **noted** the report and **agreed** that reports on progress would be brought to future meetings.

20/10 Financial Transactions Programme 2019 - 20 (SFC/20/07)

The Council received a paper:

- Updating the Board on progress with the FY 2019-21 Financial transactions programme.
- Asking for agreement on specific recommendations for FY 2019-20.
- Inviting discussion on the arrangements for FY 2020-21 and beyond.

The following noted a potential conflict of interest:

- Dr Veena O'Halloran in relation to the University of Strathclyde
- Martin Fairbairn (indirect for Abertay University)
- Karen Watt (indirect for University of Stirling)

Dr O'Halloran temporarily left the meeting.

Following discussion, the Council agreed to the recommendations of the Capital Decision Point Committee to:

- make offers of funding for the 16 projects as listed; and
- delegate authority to the Chief Executive to finalise negotiations and amounts up to the amounts stated in the annex.

Dr Veena O'Halloran returned to the meeting.

20/11 Financial Sustainability (SFC/20/08)

The Council received a paper providing a draft update on the financial sustainability of the college and university sectors, a final version of which would be published in February 2020.

The following noted a potential conflict of interest:

- David Alexander in relation to West College Scotland.
- Andy Kerr in relation to South Lanarkshire College and New

College Lanarkshire

- Dr Paul Little in relation to City of Glasgow College
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art
- Dr Veena O’Halloran in relation to the University of Strathclyde
- Lesley Yellowlees in relation to Edinburgh Napier University
- Douglas Mundie (indirect for University of St Andrews)
- Martin Fairbairn (indirect for Abertay University)
- Stuart Fancey (indirect for Edinburgh Napier University)
- Karen Watt (indirect for University of Edinburgh, The Open University, University of Stirling)
- Professor Ewart Keep (University of Strathclyde)

In discussion the Council :

- Welcomed the paper as a valuable first step
- Acknowledged this is SFC’s role and something which would be produced more regularly
- Advised that care would need to be taken in the handling and timing of the publication.

The Council **noted** the paper.

20/12 Planned response to Muscatelli Report (SFC/20/10)

The Council received a paper inviting the Board to note the publication of *Driving Innovation in Scotland – A national mission (The Muscatelli Report)*

The Council **noted** the report

20/13 Audit and Compliance Committee minutes (SFC/20/11)

The Council **noted** the unconfirmed minutes of the Audit and Compliance Committee meeting of 11 December 2019.

20/14 Capital Decision Point Committee minutes (SFC/20/12)

The Council **noted** the unconfirmed minutes of the Capital Decision Point Committee meeting of 15 January 2020.

20/15 Finance Committee minutes (SFC/20/13)

The Council **noted** the unconfirmed minutes of the Finance

Committee meeting of 28 November 2019.

20/16 Remuneration Committee minutes (SFC/20/14)

The Council **noted** the unconfirmed minutes of the Remuneration Committee meeting of 12 December 2019.

20/17 Research and Knowledge Exchange Committee minutes (SFC/20/15)

The Council **noted** the confirmed minutes of the Research and Knowledge Exchange Committee meeting of 29 November 2019.

20/18 Long-term agenda (SFC/20/16)

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

The Council **noted** that the Scottish Government budget timetable was fluid and there might be a need to rethink the timing of the next Board meeting

20/19 Any other business (Oral)

No other issues were raised.

20/20 Institutional Governance (SFC/20/09)

The Council received a report produced following the work of the SFC's Review Committee in relation to payments made to the former Principal of the University of Aberdeen.

The following member noted a potential conflict of interest:

- Lorna Jack (direct for University of Aberdeen, as a previous member of Court, although not when the events in question took place)

Lorna Jack left the meeting for the duration of this item.

In discussion the Council;

- Congratulated the committee on its work.

- Noted that the conduct of the review and production of the report had been supported by legal advice.
- Requested the Council executive to explore with the University repayment or other appropriate deployment of the balance of the sum.

The Council **agreed** to:

- Receive the report of the Review Committee.
- Require the University to undertake an externally-facilitated review of its governance procedures and governance culture.
- Issue a letter to the University stating its breach of Financial Memorandum requirements.
- Require a grant repayment of £119,000.
- Delegate authority to the Chief Executive to finalise any matters of detail.

20/21 **Next meeting:** 30 April 2020