

The 118th meeting of the Scottish Further and Higher Education Funding Council was held on Thursday 2 April at 9.00am, by video-conferencing.

Present: Mike Cantlay (Chair)
Karen Watt (Chief Executive)
Douglas Mundie (Deputy Chair)
David Alexander
Sheila Duncan
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
Lorna MacDonald
Linda McLeod
Martin Smith
Angela Seymour (Clerk)

Scottish Government: Dr Linda Pooley

Observers: Andrew Youngson (union-nominated observer)
Liam McCabe (President of NUS (Scotland))

Apologies: None

20/22 Welcome

The Chair welcomed all Board members, Dr Linda Pooley of the Scottish Government, Liam McCabe President of NUS Scotland and Andrew Youngson, union-nominated observer.

20/23 Chair's business: papers for discussion and declarations of interest

The Chair commented on the extraordinary circumstances the meeting was being held under and outlined how the meeting would proceed. It was noted there were no starred papers on the agenda.

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:

- David Alexander in relation to West College Scotland
- Douglas Mundie in relation to the University of St Andrews and the Institute of Directors
- Professor Ewart Keep in relation to his role as an Associate Fellow of the Scottish Centre for Employment Research, University of Strathclyde.
- 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 Chamber of Commerce
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art
- Professor Peter Mathieson in relation to University of Edinburgh
- Dr Veena O'Halloran in relation to University of Strathclyde
- Professor Lesley Yellowlees in relation to Edinburgh Napier University

20/24 Minute of the 30 January 2020 meeting (SFC/20/Min01)

The minute of the 30 January 2020 meeting was **confirmed** as a true record of the meeting.

20/25 College and university funding allocations for AY 2020 - 21 (SFC/20/17)

The Council received a paper presenting the proposed outcome agreement funding allocations for colleges and universities in Academic Year (AY) 2020 - 21.

In discussion, the Council:

- Welcomed and acknowledged the hard work, under unprecedented circumstances, that had gone into the production of the paper.
- Welcomed the increase to both sectors and the increase to student support funding.
- Recognised that the development these proposals had been considered by the Finance Committee at its two previous meetings. The Finance Committee's recommendation was to approve the proposals.
- Was reassured by the engagement between SFC and principals from both sectors in arriving at these proposals.
- Noted that the changes in medical controlled places, compared to the information presented to the Finance Committee, followed subsequent guidance received from the Scottish Government.
- Noted that research funding had been increased by 1.8%, equivalent to the inflationary increase in teaching funding prices, which was the maximum affordable within the total available for the university sector and taking into account funding required for other priorities.
- Noted that some externally provided funding will be finalised in due course and that institutions will be updated as soon as possible thereafter.

The Council Board **agreed**:

- the proposed AY 2020 – 21 outcome agreement funding allocations for colleges and universities;
- the overall budget as set out in tables 1 in the draft announcements for both colleges and universities;
- to delegate authority to the Chief Executive to finalise the allocations for publication on 6/4/2020 (or as soon as possible thereafter)
- to delegate authority to the Chief Executive to finalise the outcome agreement with
 - JISC;
 - College Development Network (CDN);
 - Advance Procurement for Universities and Colleges (APUC);
 - Quality Assurance Agency for Scotland (QAA); and
 - Schools for Higher Education Programme;

- to delegate authority to the Chief Executive to agree and announce any final adjustments prior to the start of the Academic Year.

20/26 COVID-19 (SFC/20/18)

The Council received a paper setting out SFC's immediate responses to the COVID-19 emergency and the implications for colleges and universities.

The Council welcomed the paper and covered the following matters in discussion:

Support for institutions

- That SFC's priority was the continued operation of institutions and the welfare of their staff and students, with a particular emphasis on vulnerable students.
- The SFC executive was looking at ways to flex its normal requirements, removing some of the burdens of bureaucracy whilst maintaining necessary accountability.
- The importance of the assurance that had been provided to institutions that SFC will not recover core funds for shortfalls against outcome agreement targets where these are related to COVID-19, for academic years 2019-20 and 2020-21.
- The need for international visa issues to be addressed for overseas staff and students working and studying at Scottish institutions.

Learning and teaching

- The current situation was not business as usual and institutions had responded well to keep learners learning remotely. However, online learning and new behaviours and expectations will shape future provision.

Research and innovation

- The impact on research would be material, and although the Research Excellence Framework (REF) 2021 exercise has been put on hold until further notice, there was still a need to keep modelling future scenarios for the Research Excellence Grant and the future of research funding across the UK.

Financial impact

- The SFC executive was performing rapid assessments of the financial stability of all institutions, which will provide a detailed assessment of short, medium and long term exposure.
- Income from overseas students may never recover to the previous levels and this may make some subject areas more

vulnerable than others.

- There was the possibility of serious financial pressures at individual institutions in the short term
- The SFC is exploring the applicability of all UK Government schemes (for example, the Job Retention Scheme).

Strategic impacts

- There would almost certainly be significant strategic, structural and operational change in the tertiary sector as a result of this emergency.
- There was an opportunity to redesign rather than restore and SFC should play a leading role in shaping new models.
- We would move into a new phase where there needs to be long-term solutions shaped by global developments.
- There was a need for collaboration with businesses to inform the need for reskilling and upskilling.
- The impacts are not such that SFC can address them alone and we would need to act in concert with Scottish and UK governments.
- There was a risk of delay to previously planned major public sector programmes, such as the City Deals, which could have a significant impact on strategic plans for some institutions.
- Although there will be pressure to come up with quick answers, we should not make snap decisions.

SFC's internal operations

- SFC's internal approach to staff welfare and wellbeing, including that staff working remotely were able to fulfil all of SFC's core functions.

The Council **noted** the report.

20/27 Finance Committee minutes (SFC/20/19)

The Council **noted** the confirmed minutes of the Finance Committee meeting of 25 February 2020.

20/28 Finance Committee minutes (SFC/20/20)

The Council **noted** the unconfirmed minutes of the Finance Committee meeting of 17 March 2020.

20/29 Any other business (Oral)

No other issues were raised.

20/30 **Next meeting:** 30 June 2020