

The 121st meeting of the Scottish Further and Higher Education Funding Council was held on Thursday 20 August 2020 at 1.30pm, by video-conferencing.

**Present:** Mike Cantlay (Chair)  
Karen Watt (Chief Executive)  
Douglas Mundie (Deputy Chair)  
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

Scottish  
Government: Lorna Gibbs (items 20/56 – 20/69)

Observers: Andrew Youngson (union-nominated observer)  
Matt Crilly (President of NUS (Scotland))  
David Blaney (HEFCW) (items 20/56 – 20/69)  
Gordon Smail (Audit Scotland) (items 20/57 – 20/61)

**Officers:** Martin Fairbairn (Secretary)  
Dr Stuart Fancey  
Dr Donna MacKinnon (items 20/57 – 20/60)  
Lorna MacDonald  
Angela Seymour (Clerk)

**Apologies:** David Alexander

**20/50 Welcome**

The Chair welcomed all Board members, Matt Crilly, the new NUS (Scotland) President, and noted Lorna Gibbs of the Scottish Government and Gordon Smail of Audit Scotland would be joining during the meeting. The Chair noted it was Andrew Youngson's last meeting and thanked him for his contribution.

**20/51 Chair's business: 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 SFC20/41, SFC20/42 and SFC20/43 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:

- 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.
- Professor Irene McAra-McWilliam in relation to Glasgow School of Art.
- Professor Peter Mathieson in relation to the University of Edinburgh.
- Dr Veena O'Halloran in relation to the University of Strathclyde.
- Professor Lesley Yellowlees in relation to Edinburgh Napier University.
- Caroline Stuart in relation to Dumfries and Galloway College.
- Lorna Jack in relation to University of Aberdeen.

**20/52 Minute of the 4 June 2020 meeting (SFC/20/Min03)**

It was agreed to insert the following into the report of agenda item SFC/20/37:

The following paragraph is exempt from disclosure on the grounds that it may – if disclosed – substantially prejudice the effective conduct of public affairs (Freedom of Information (Scotland) Act, part 2, section 30).

[ ] x 1 paragraph

**20/53 Minute of the 21 July 2020 meeting (SFC/20/Min04)**

The minute of the 21 July 2020 meeting was confirmed as a **true** record of the meeting.

**20/54 Action Tracker (SFC/20/33)**

The Council received an update on the actions from previous meetings of the Board and noted that:

- the item in regard to Accountable Officers will be removed from the tracker; and
- the COVID -19 situation made it likely that the proposals and timing for a new Board effectiveness review will be actioned in a different way.

**20/55 Chair's Report (SFC/20/34)**

The Council received and noted a paper from the Chair on his key external engagements and other relevant business.

**20/56 Chief Executive's Report (SFC/20/35)**

The Council received and noted a paper providing a report from the Chief Executive updating on: current issues; the draft Operating Plan for the next eight months; the flexibilities introduced to sectors; and the current Risk Register.

In discussion the Council:

- commented on the need to keep information up to date so institutions can make informed decisions;

- was reassured about recent new appointments and the support for SFC staff, and emphasised the need for ongoing monitoring of staff wellbeing;
- offered support to the Council executive in meeting the demands made of it;
- noted the need for ongoing funding for additional places; and
- commented on the need to re-assess the gradings of key risks in the Risk Register.

The Council board **agreed** to delegate authority to the Chief Executive to finalise the Gaelic Language Plan.

#### **20/57 Review of coherent provision and sustainability (presentation)**

The Council was shown a presentation setting out the progress made towards the SFC review the coherent provision and sustainability of further and higher education in the context of the COVID-19 pandemic.

The Council welcomed the progress being made and covered the following matters in discussion:

- Recognised that although this review had been commissioned in response to the COVID-19 emergency, there had been a need for a review prior to that.
- The need to continue communication and iteration on key issues with the sectors and stakeholders.
- Reassured by the response to the call for information, amounting to over 100 responses.
- Noted that a significant part of the report would be based on responses to the consultation.
- Emphasised the need for very careful communication planning.
- Advised that the conclusions do not need to take a one-size-fits-all approach.

#### **20/58 Financial sustainability update for colleges and universities (SFC/20/36)**

The Council received a paper summarising the current financial sustainability of both the college and university sector:

In discussion, the Council:

- requested future papers clarify the liquidity risk;

- acknowledged the long term implications of potential institutional cost reduction measures; and
- noted that the Council executive would be considering how to adapt the Strategic Dialogue Meeting arrangements.

**20/59 Use of delegated authority (SFC/20/37)**

The council noted the use of the Chief Executive's delegated authority from 15 November 2019 until 31 July 2020, under the Council's scheme of delegation.

**20/60 Audit and Compliance Committee Annual Report (SFC/20/38)**

The Council received the Audit and Compliance Committee annual report.

The Council noted that:

- the Committee's Annual Report contained information on the main activities of the Committee, the results of its annual evaluation and a forward look to the priorities for the year ahead;
- the Committee had considered the SFC draft financial statements and the Annual Governance Statement, and agreed that the Council's financial and other control systems had operated effectively during the year ended 31 March 2020; and
- the Committee had also received a series of consistent strong reports on assurance and governance during the year and thanked SFC officers for their input and support.

**20/61 Scottish Further and Higher Education Funding Council draft annual report and accounts, year ended 31 March 2020 (SFC/20/39)**

The Council received SFC's draft audited annual report and accounts for the year ended 31 March 2020, the letter of representation and Audit Scotland's Annual Audit Report 2019-20.

The Council noted:

- that SFC's Audit and Compliance Committee had scrutinised the annual report and accounts in detail and had agreed that there were no matters in respect of audit or internal control that prevented approval of them;
- that the external auditors had indicated that they expected to give an unqualified opinion on the accounts;
- the draft 2019-20 Annual Audit Report, Audit Scotland's report summarising the findings from their 2019-20 audit of SFC;
- that the external auditors confirmed that SFC managed its

finances effectively and the systems of internal control had operated effectively in 2019-20; and

- that annual consideration of accounting policies had taken place.

In discussion the Council advised that, considering the current COVID-19 situation, it had been a very positive, if challenging, process and resourcing issues were highlighted.

Members of the Audit and Compliance Committee, Finance Committee and the Audit Scotland representative commended the Finance team for their work on the accounts, but also noted the pressures arising from the tight timetable.

The Council **agreed** to recommend approval of:

- the letter of representation to allow the Chief Executive to sign it; and
- the annual report and accounts for the year ended 31 March 2020 to allow the Chief Executive to sign them.

**20/62 Skills, Enhancement, Access and Learning Committee: Remit and membership (SFC/20/40)**

The Council received a paper proposing revised committee arrangements for SFC's work on Skill, learning and access.

After discussion the Council **approved**:

- standing down the current Learning Enhancement and Skills Committee;
- forming a new Skills, Enhancement, Access and Learning (SEAL) Committee;
- the remit of the new committee;
- the membership of the new committee to be the existing four Council board members; and
- the membership structure to be reviewed before 31 March 2021.

**20/63 Capital Decision Point Committee minutes (SFC/20/41\*)**

The Council **noted** the unconfirmed minutes of the Capital Decision Point Committee meeting of 16 March 2020.

**20/64 Audit and Compliance Committee minutes (SFC/20/42\*)**

The Council **noted** the confirmed minutes of the Audit and

Compliance Committee meeting of 5 March 2020.

**20/65 Audit and Compliance Committee minutes (SFC/20/43\*)**

The Council **noted** the unconfirmed minutes of the Audit and Compliance Committee meeting of 7 August 2020.

**20/66 Finance Committee minutes (SFC/20/44)**

The Council **noted** the unconfirmed minutes of the Finance Committee meeting of 28 May 2020.

**20/67 Long-term agenda and future Council board dates (SFC/20/45)**

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

The Council **agreed** the proposed dates for future meetings.

**20/68 Any other business (Oral)**

Andrew Youngson thanked the Council board for the opportunity to reflect the staff interest in board discussions and commended the board for having supported the introduction of a union-nominated observer.

**20/69 Next meeting: 24 September 2020**