

Finance Committee

Minute

The thirty eighth meeting of the Finance Committee of the SFC was held on Friday, 25 February 2022 at 10.00am by video-conference.

Present: Lorna Jack (Chair)
Mhairi Harrington
Professor John Wallace
Professor Ewart Keep
Dr Veena O'Halloran

Officers: Andrew Millar
Chris Brown (Secretary)
Duncan Condie
Fiona O'Neill
Gavin Bruce
Gordon McBride
Karen Watt
Martin Boyle
Morag Campbell (items 22/10-22/18)
Stuart Fancey (items 22/10-22/18)
Sybille Rush (Clerk)
Tiffany Ritchie

In attendance: Peter Hookway (Scottish Government Finance)
Lesley Yellowlees (SFC Board member)
Mike Cantlay (SFC Chair)
Owen McKinstry (Scottish Government Finance)

Apologies: Kamran Durrani (Scottish Government, Tertiary Education)

22/10 Welcome

The Chair welcomed members, officers and visitors to the meeting. The Chair also welcomed Lesley Yellowlees and Mike Cantlay as observers.

22/11 Chair's business: papers for discussion and declarations of interest

The Chair reminded members and those in attendance of their responsibility to indicate if they have, or may be perceived to have, a conflict of interest under any item.

The following declarations of interest were made:

- Dr Veena O'Halloran – in relation to her role at the University of Strathclyde
- Professor Ewart Keep – in relation to his role at the University of Strathclyde and with the City of Glasgow College
- Professor John Wallace – in relation to his role at the University of St Andrews

22/12 Minutes of the previous meeting: 27 January 2022 (FC22Min01)

The minute of the meeting on 27 January 2022 was **agreed** as a true record of the meeting.

22/13 Matters arising (FC/22/05)

The Committee **noted** the paper and actions taken since the last meeting.

22/14 College indicative funding allocations for AY 2022-23 (FC/22/06)

The Committee received a paper providing details on the indicative budget plans and funding allocations for colleges in AY 2022-23.

This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002; Section 27: Information intended for future publication, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee **noted** the key points of the indicative funding allocations for FY 2022-23.

The following 10 paragraphs are 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.

{10x paragraphs}

The Committee **welcomed** the changes proposed by SFC and **agreed to** the basis presented to be put forward to the SFC Board.

The Committee also agreed to the proposed Capital allocations.

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.

{1x paragraph}

22/15 University indicative funding allocations for AY 2022-23 (FC/22/07)

The Committee received a paper providing details on SFC's indicative university funding allocations for AY 2022-23.

This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002; Section 27: Information intended for future publication, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee **noted** the key points of the indicative funding allocations for FY 2022-23.

The following 9 paragraphs are 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.

{9x paragraphs}

The Committee **agreed** to the principles on revenue proposed by SFC to be put forward to the SFC Board.

22/16 Tertiary funding – comparison across sectors (FC/22/08)

The Committee received a paper providing a comparison between the approaches taken with both sectors in terms of the indicative funding allocations for AY 2022-23.

This paper 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.

The Committee welcomed this paper and **noted** the comparison of approaches and examples set out in the paper.

22/17 Update on REG/REF (FC/22/09)

The Committee received a paper providing an update on REG/REF.

The following 7 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{7x paragraphs}

The Committee **agreed** to support the principles suggested in the paper.

22/18 Discussion on the remit of the Committee (FC/22/10)

The Committee **noted** that the SFC Board had carried out an evaluation which included its committees.

The Committee **agreed** that there were no changes to be proposed to the Board at this stage and that it would await the 2022 committee evaluation after which all proposed changes to the remit would be put to the Board.

22/19 Governance and financial sustainability in the college sector

The Committee received an oral update on the financial sustainability in the college sector and **noted** the key points.

The following 6 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{6x paragraphs}

22/20 Governance and financial sustainability in the university sector

The Committee **received** an oral update on the financial sustainability of the university sector.

The Committee **noted** that SFC would report on university accounts and audit reports at the Committee's April meeting.

22/21 Available funds reconciled to latest Grant-In-Aid letter (FC/22/11)

The Committee **received** a paper setting out the Council's budget allocation for Financial Year 2021-22 following the Spring Budget Revision. The Committee **noted** the paper and the overall budget of £1,977,619,000.

This paper will be published on the website but Appendix 1 and 2 are withheld from publication under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

The Committee **noted** the key points.

The following 4 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{4x paragraphs}

The Committee **noted** that SFC would provide a further estimate at its next meeting on the re-profiling ask.

The following paragraph will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{1x paragraph}

22/22 Resource return (FC/22/12)

The Committee received and **noted** a paper providing SFC's Resource Return as at 14 February 2022.

This paper will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

22/23 Year-to-date spend and projected outturn (FC/22/13)

The Committee **noted** a paper presenting the latest financial monitoring information for Financial Year 2021-22 for FE revenue (RDEL), HE revenue (RDEL), FE and HE capital (CDEL) funds and details on the Council's running costs.

This paper will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30, prejudicial to the effective conduct of public affairs.

22/24 Scottish Government update on 2026-27 Spending Review

The Committee **received** an oral update on the 2026-27 Spending Review and the main publication planned for May 2022.

22/25 Recovery and penalties for funded student places in AY 2019-20 (FC/22/14)

The Committee **received** a paper providing details on the recovery and penalties for funded student places in AY 2019-20.

The following three paragraphs are 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.

The following 3 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{3x paragraphs}

The Committee **agreed** to the principles set out in the paper around the recovery amounts.

22/26 European Social Fund update (FC/22/15)

The Committee **received** a paper providing an update on the European Social Fund (ESF) and **noted** the issues outlined therein.

This paper will be withheld from publication on SFC's website under the Freedom of Information (Scotland) Act 2002; Section 30: Prejudicial to the effective conduct of public affairs.

The following 2 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{2x paragraphs}

22/27 Capital Decision Point Committee update (FC/22/16)

The Committee **noted** the minute of the last meeting of the Capital Decision Point Committee (CDPC).

The Committee welcomed the CDPC minutes being shared in order to stay abreast of the committee's work.

22/28 Finance Risk Register

The Committee **received** an oral update on SFC Finance Risk Register.

The following paragraph will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{1x paragraph}

The Committee **agreed** that SFC would bring the Finance Risk Register to every meeting going forward.

22/29 Recent appointments of senior Finance staff (FC/22/17)

The Committee **received** a paper providing details on recent appointments within SFC's Finance Senior Management team.

This paper will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

The following 4 paragraphs will be withheld from publication on the Council's website under the Freedom of Information (Scotland) Act 2002, Section 30: prejudicial to the effective conduct of public affairs.

{4x paragraphs}

22/30 Long-term agenda (FC/22/18)

The Committee **noted** and **agreed** to the long-term agenda.

22/31 Future meetings

The Committee **noted** the date of the next meeting: **22 March 2022**