

OFFICIAL SENSITIVE COMMERCIAL

SFC Board Meeting

The 158th meeting of the Scottish Funding Council was held on Thursday 11 December 2025 via Microsoft Teams.

Present: Professor Cara Aitchison (Chair); Lorna Jack (Deputy Chair); Francesca Osowska (Chief Executive); Dr Richard Armour; Joanna Campbell; Danny Gallacher; Professor Ewart Keep; Professor Elizabeth Gammie; Steven Grier; Linda Hanna; Andy Kerr; Kate Lander; Professor Sir Peter Mathieson; Professor Irene McAra-McWilliam; Alison Nicolson; Professor Sue Rigby.

Apologies: Dame Jessica Corner (Observer); James Owen (Observer); Sai Shraddah Suresh Viswanathan (Observer).

Observers: Dr Rory Stride

In attendance: Martin Boyle (Chief Operating Officer); Dr Jacqui Brasted (Director, Access Learning & Outcomes); Richard Maconachie (Director, Dundee Recovery Team); Helen Cross (Director, Research & Innovation); Tiffany Ritchie (Acting Director of Finance); Lynne Raeside (Deputy Director External Affairs & Policy) (*from item #10*); Louisa Baker (Deputy Director Governance & Planning); Teresa Ironside (Deputy Director Strategic Change) (*item #2 only*); Aoife Keenan (Assistant Director, Policy) (*item #2 only*); Ursula Lodge (Deputy Director Institutional Financial Health) (*items #13 to #14 only*); Hazel McGraw (Senior Policy Officer) (*items #16 and #17 only*); David Lott (Assistant Director Research & Innovation) (*items #17 only*); Frank Mitchell (Chair, SDS) (*item #2 only*); Gillian Phillips (Senior Governance Officer) (Clerk).

1. Private Session of the Board

1.1 A private session of the Board took place which was attended by Board members and the Board Clerk.

2. Post School Education and Skills Reform

2.1 The Chair extended a warm welcome to Mr Mitchell and thanked him for attending the session on Post School Education and Skills Reform. It was noted that the session would be helpful in order to continue the ongoing dialogue in relation to reform at both a strategic and operational level.

2.2 The Chief Executive noted the establishment of the Joint Governance Group (JGG) which comprised membership from within SFC and SDS. It was agreed that continued collaboration would be key to the success of the reform programme and the joint working with the SDS leadership team in collaborative workshops was welcomed and noted. Mr Mitchell was thanked for his engagement to date and the Chief Executive noted that she looked forward to further engagement and collaboration in the future.

2.3 *Minute Redacted*

2.4 *Minute Redacted*

2.5 *Minute Redacted*

2.6 On behalf of the Board, SFC warmly thanked Mr Mitchell for taking the time to attend the meeting.

3. Chair's Business

3.1 The Chair welcomed all present to the meeting, and the relevant apologies were **noted**.

3.2 Board members were informed that following a pause, the Research Excellence Framework (REF) 2029 had resumed on 10 December. The Chair commended members of the SFC Executive for their input into the development of the new criteria which demonstrated that all four UK funding bodies had listened carefully to researchers and universities. It was noted that there would be an opportunity for further discussion on REF 2029 later on in the agenda.

4. Declarations of Interest

4.1 The declarations of interest were **noted** and no new declarations of interest were declared.

5. Minute of the meeting held 25 September 2025

5.1 The minute of the meeting held 25 September 2025 was **approved** as an accurate record.

6. Minute of the meeting held 10 November 2025

6.1 The minute of the meeting held 10 November 2025 was **approved** as an accurate record.

7. Board Action Log

7.1 The Board **received** and **approved** the Board Action Log.

8. Chair's Report

8.1 The Board **received** and **noted** the Chair's Report. The appointment of new Board members to committees was **homologated**.

8.2 The Board noted the intention of the Finance Committee to appoint external members. It was agreed that external members would bring significant sector knowledge and insight to the Committee and add considerable value to discussions. Board members were informed that in order to proceed with a recruitment process, the standing orders of the committee required amendment. The amendments were **approved** by the Board, and it was noted that the proposal to appoint external members to the Finance Committee would be considered by the Remuneration & Nominations Committee at its forthcoming meeting on 17 December.

9. Chief Executive's Report

9.1 The Board received and **noted** the Chief Executive's Report which provided an update on key priorities and engagements since the last meeting of the Board. Board members

were informed that the Chief Executive, SFC Board Chair and other members of the Executive Team had met with the Cabinet Secretary earlier in the morning ahead of wider governmental budget settlement discussions. It was confirmed that the Chair had written to the Cabinet Secretary and had set out the implications of a flat cash scenario on the sector and the Finance team was maintaining detailed and robust monthly meetings with Scottish Government officials to ensure that both they and Ministers continued to be sighted on sector-wide risk.

10. Reports from Committees

10.1 It was reported that the following committees had met since the last meeting of the Board:

- Capital Committee: 1 October 2025.
- Skills, Enhancement, Access and Learning (SEAL) Committee: 4 November 2025.
- Finance Committee: 27 October 2025, 31 October 2025 and 1 December 2025.
- Research and Knowledge Exchange Committee (RKEC): 3 December 2025.
- Audit & Risk Committee (ARC): 10 December 2025.

10.2 The Committee Chairs provided an update on the developments and activities of their respective committees.

10.3 The Chair thanked members of the Board and SFC Executive for the significant and transformative work which was being undertaken by Committees. It was noted that the next meeting of the Remuneration and Nominations Committee (RNC) was scheduled to take place 17 December and the Board would be provided with a full update on the work and activity of that Committee in February.

11. SFC Performance Report

11.1 The Board received and considered the report which set out progress towards SFC's priorities as outlined in Strategic and Delivery Plans. Board members were informed that the Performance Report brought together quarterly outputs from the Delivery Plan, KPIs, risk report, management accounts and people metrics. It was reported that the Performance Report would continue to develop and evolve based on comments and feedback from the Board and further improvements would be made.

11.2 *Minute Redacted*

11.3 Following discussion, it was agreed that further changes would be made to the risk register based on comments from both the ARC and Board.

12. University of Dundee: Update

12.1 The Board received and noted the update, which provided an overview of activities and developments at the University of Dundee.

12.2 It was confirmed that the conditions of funding were issued to the University on 26 November 2025. Board members were informed that the conditions had been initially considered at the University Court meeting of 2 December and would be considered again, at the Court meeting scheduled to take place 22 December. It was noted that the first four deliverables contained within the terms and conditions were due to be delivered by 31 December and Board members would be kept apprised of progress in this area.

12.3 It was reported that a new Chair of Court had recently been appointed and had attended her first Court meeting on 2 December. It was noted that the Board Chair and Chief Executive were planning to meet with her imminently.

13. Institutional Financial Health: Sustainability Reports

13.1 The Board received and discussed a presentation, delivered by the Deputy Director Institutional Financial Health (IFH) which set out the analysis and assessment of institutions' financial health and sustainability.

13.2 *Minute Redacted*

13.3 *Minute Redacted*

14. Investment Models and Decisions

(i) Scottish Government Budget 2026-27

14.1 The Board received and discussed the paper, presented by the Acting Director of Finance which provided an update ahead of the Scottish Government publishing its budget for the Financial Year 2026-27.

14.2 The efforts of colleagues across SFC in clarifying the impact of a flat cash settlement for the sectors was reiterated and emphasised to the Board. It was reported that the Finance team had maintained detailed and robust monthly meetings with Scottish Government officials to ensure that both they and Ministers continue to be sighted on sector-wide risk.

14.3 Board members welcomed the comprehensive update and commended the Acting Director of Finance and her team for the proactive approach adopted. The need to create a credible narrative for transformation was noted and it was agreed that expertise within the sector could be helpful in identifying innovative and creative approaches to change.

14.4 *Minute Redacted.*

(ii) Institutions Requiring Additional Support

14.5 *Minute Redacted.*

14.6 *Minute Redacted.*

14.7 *Minute Redacted.*

15. Teaching Funding Allocations AY 2026 27

15.1 The Board received and considered the paper, presented by the Director, Research & Innovation which provided an indication of teaching funding for colleges and universities in AY 2026-27 in line with a “flat cash” scenario. Board members were reminded that the

principles for allocations had been approved in September and the current paper set out the option for varying the tolerance threshold for delivery in the event of a flat cash scenario. It was confirmed that the variance on tolerance would provide institutions with additional flexibility and more time to develop credible transformation plans.

15.2 It was reported that the Finance Committee had considered the proposal for varying thresholds earlier in the month and whilst the profoundly challenging time for institutions was recognised, the Committee had agreed that allocations should be more closely linked to delivery. In light of the challenges facing institutions, including continued inflationary pressures, the Board agreed that the unit of resource for teaching should be prioritised and uplifted and that allocations should be more closely linked to delivery.

15.3 It was noted that following the announcement of the budget in the new year, the indicative allocations would be considered by the Board, and it was agreed that these would focus strongly on purpose, outcomes and impact.

16. Future Funding for the Royal Society of Edinburgh

16.1 *Minute Redacted*

16.2 *Minute Redacted*

16.3 *Minute Redacted.*

16.4 *Minute Redacted.*

17. The UK White Paper and REF 2029 Development

17.1 The Board received and discussed the paper which provided (i) an update on the elements of the UK Government White paper on post-16 Education and Skills that have an implication for the Scottish higher education research base and (ii) actions taken in the development of the Research Excellence Framework (REF).

17.2 Board members were reminded that the White Paper applied primarily to England, except for changes to UK and Research policies, which are applied across the UK. The implications of the White Paper for research in Scotland were therefore set out and discussed by the Board. It was noted that measures which were “England only” would shape the strategies of institutions and therefore competition and collaboration across the UK. Board members were also advised that measures which were UK only would influence UKRI strategy and policy and that a new UKRI strategy would be published in Spring 2026.

17.3 The update in relation to REF 2029 was noted and discussed. It was reported that the end of the REF 2029 pause was announced at the UUK conference on 10 December. Board members were reminded that the pause had been put into effect to ensure alignment with UK and devolved governments’ priorities for higher education and to reflect on feedback from the sector.

17.4 It was noted that there was a Ministerial expectation that the published REF timetable would remain, despite the pause, with a submission deadline in autumn 2028 and publication of results in late 2029. Board members were informed that SFC had worked with other funding bodies since the pause to explore the impacts of the pause, assess feasibility, rescope timelines and prepare guidance materials. Engagement with the sector had continued throughout. It was confirmed that RKEC had received assurance of SFC’s active engagement in the REF development.

17.5 Board members welcomed the comprehensive update and commended the Director of Research and Innovation for her recent presentation at the UUK Conference. Whilst RKEC’s continued engagement and effective discussion in relation REF was welcomed, it was agreed that the Board should continue to be sighted on REF issues and both the REF and the research environment should feature strongly in SFC’s evolving strategic plan.

18. Annual Review of SFC’s Risk Management Framework: Role of Audit & Risk Committee (ARC)

18.1 The Board received and considered the paper which set out the broad responsibilities of ARC and its role in providing assurance to the Board.

18.2 The good work undertaken by the Governance team was noted and it was agreed that SFC's Risk Management Framework had been subject to significant enhancements over the last 18 months. Despite this, it was noted that there remained a number of areas where further improvements could be made.

18.3 The roles and responsibilities of both the Board and ARC in relation to risk were outlined and it was clarified that the fundamental role of the ARC was to provide assurance to the Board that the risk management framework, processes and internal controls of SFC were appropriate to maintain the risks within the risk appetite set by the Board. It was also confirmed that in order to provide assurance, the ARC would use internal and audit teams, Deep Dive sessions, other committees, the Executive Team or commission external advice if needed.

18.4 *Minute Redacted.*

18.5 Board members welcomed the comprehensive summary and confirmed their support for the approach outlined. It was agreed that the collaborative and joined-up approach would provide the Board and Executive team with a higher degree of confidence in what were considered to be uniquely challenging times.

19. Next Steps in the Development of the Strategic Plan

19.1 The Board received and considered the paper which set out the outcomes of the November Board Strategy Event and next steps in the development of the strategic plan.

19.2 Board members welcomed the update and noted the vision statements. It was agreed that these could be shortened and simplified in order to be more accessible. It was confirmed that engagement with key stakeholders on the plan would commence in early 2026 and SFC colleagues were eager to be involved in the development of the strategy.

19.3 The next steps in relation to the development of the strategic plan were noted and thereafter the Board agreed to delegate authority to the Chair and Chief Executive to finalise the draft vision, purpose and strategic objectives, in consultation with SFC

colleagues. It was confirmed a further iteration of the plan would be brought to the Board following engagement with key stakeholders.

20. Any Other Business

20.1 The Chair took the opportunity to thank members of the Board for their commitment, diligence and resilience over the last 12 months. There was a broad acknowledgement that 2025 had been a challenging year, but the support and dedication of Board members had been significant in driving forward important decisions.

20.2 The Chair also expressed her thanks to the SFC Executive Team; it was acknowledged that the team had worked incredibly hard over the last year and the dedication and professionalism they had shown in the toughest of situations was considered to be remarkable. The Board endorsed these sentiments and noted their gratitude for SFC colleagues' unwavering commitment.

21. Use of Delegated Authority

21.1 The Board **noted** the use of delegated authority.

22. SFC Board Long Term Agenda

22.1 The Board **noted** the long-term agenda.

23. SFC's Carbon Reduction Strategy

23.1 The Board **noted** the Carbon Reduction Strategy.

24. Date of Next Meeting

Thursday 12 February 2026 from 10am in the Boardroom, Apex 1.