

OFFICIAL SENSITIVE COMMERCIAL

SFC Board Meeting

The 162nd meeting of the Scottish Funding Council was held on Thursday 25 June 2026 via Teams

PRESENT: Lorna Jack (Deputy Chair); Linda Hanna; (*to 12.15pm only*); Francesca Osowska (Chief Executive); Dr Richard Armour; Joanna Campbell; Danny Gallacher; Professor Ewart Keep; Elizabeth Gammie; Steven Grier; Andy Kerr; Kate Lander; Professor Irene McAra McWilliam; Alison Nicolson (*to 12 noon only*).

APOLOGIES: Professor Cara Aitchison (Chair); Professor Sir Peter Mathieson; Professor Sue Rigby; Dame Jessica Corner (Observer); James Owen (Observer); Sai Shraddah Suresh Viswanathan (Observer).

IN ATTENDANCE: Rory Stride (Observer); Richard Maconachie (Director, Institutional Performance); Jacqui Brasted (Director, Access, Learning & Outcomes Strategic Transformation & Skills); Helen Cross (Director, Investment & Research); Tiffany Ritchie (Director of Finance); Lynne Raeside (Interim Co-Director of Corporate Services); Louisa Baker (Deputy Director Governance & Planning) (Board Secretary); Diane Greenlees (Director of National Training Programmes *items #5 and #6 only*); Gillian Phillips (Senior Governance Officer) (Board Clerk); Kirsty Grant (Governance Officer); Karen Smart (Corporate Governance Officer).

1. General Business

- 1.1 The Deputy Chair Chaired this meeting in the absence of the Chair. The Deputy Chair welcomed all present to the meeting and extended a particular welcome and congratulations to Ms Ritchie, attending in her new, permanent capacity of Finance Director.
- 1.2 The Deputy Chair informed the Board the term of the current NUS Scotland President comes to an end 30 June 2026, and the incoming President will be welcomed at the next meeting.
- 1.3 Board members were informed the Chair has agreed the last working day of the Chief Executive will be 11 September 2026 and, as such, this will be her final Board meeting.
- 1.4 The Board was informed that Diane Greenlees, Skills Development Scotland (SDS) Director of National Training Programmes, would be joining for the standing discussion around Transformation/Strategy.

2. Declarations of Interest

- 2.1 No interests were declared.

3. Minute of the meeting held 14 May 2026 and Board Action Log

- 3.1 The minute of the meeting held on 14 May 2026 was **approved** as an accurate record.
- 3.2 The Board received and noted the Board Action Log. It was confirmed two actions on the log are in progress. One, relating to where Institutional Governance sits within our committee structure, will be addressed later in the year when the organisation's strategic plan is further developed.

4. Minute of the Board Sub-Group meeting held 12 June 2026

- 4.1 The SFC Sub-Group established under Chair's Urgent Action (as set out in the Board Standing Orders) to determine whether the University of Dundee had met the conditions of funding associated with the Section 25 Funding met on 12 June 2026 and the minute of the meeting was **approved**.

5. Chair's Report and Chief Executive's Report

- 5.1 The Board received and considered the Chair and Chief Executive's report which provided an update on key priorities and engagements since the last meeting of the Board.
- 5.2 The position regarding Board recruitment was noted. The Board also noted that expressions of interest are sought for the role of Deputy Chair and that the advert for external members of the People Committee is now live.
- 5.3 The Chief Executive reported that she had attended a recent conference for public sector leaders, noting the emphasis on service delivery, efficiency and the potential implications for the size and shape of public bodies.
- 5.4 *Minute redacted.*
- 5.5 Regarding the Audit Scotland Report, the Board noted the media coverage of post-16 reform. The Board noted that the fieldwork had taken place some months ago and that further progress had since been made, but also recognised financial sustainability remained challenging and would require continued focus. It was agreed that SFC should respond appropriately to Audit Scotland to reflect the progress made.

6. Transformation: Strategy, People, Reform and Target Operating Model

- 6.1 *Minute redacted.*

7. SFC Strategic Plan

- 7.1 *Minute redacted.*

ACTION: Strategic plan and associated key performance indicators should be brought to the Board in September **Deputy Director, Governance and Planning**

8. Update on Other Programme Funds

- 8.1 The Board received and considered the paper. It was noted that PSR initiatives should be considered as part of the wider picture and should support positive strategic change.

- 8.2 Board members discussed the need to consider the programme funds collectively and strategically, including whether the proposed initiatives were sufficiently broad across the tertiary system and adaptable across different geographies and settings. Members noted the importance of micro-credentials, a single learner record, and the potential impact of AI, digital and automation on future education and skills provision.
- 8.3 The Board noted that a small group of Board members had volunteered to support further consideration of the programme funds, including identifying any gaps and considering how the initiatives could be bundled strategically.

9. College Funding Allocation Model Review Update

- 9.1 The Board received and considered the paper on the review of the college funding model. The Board noted work was progressing with the sector to define the problem, inputs and outputs before considering how the funding model is used, with the aim of securing the best outcomes for learners, Scotland and institutions.
- 9.2 Board members noted the assurance provided through the Finance Committee on the work being undertaken. Members discussed the importance of considering economic impact and the benefit of a more integrated tertiary system approach.
- 9.3 The Board discussed the wider question of the respective roles of providers within the tertiary system, and the competition between sectors. Members considered SFC should seek, over time, to strengthen its influence over investment decisions across different parts of the sector.
- 9.4 Board members were informed the funding model work was expected to be a two-year project and would not affect the next year's allocations. It was agreed that the work should continue at pace and be aligned with related strategic work.

10. Institutions Requiring Additional Support

10.1 Minute redacted.

11. University of Dundee: Compliance with Conditions of Funding

11.1 Minute redacted.

12 Any Other Business

12.1 The Board noted thanks to members participating in the all-staff update and members were reminded to complete the effectiveness review questionnaire.

12.2 The Chair took the opportunity to place on record the Board's thanks to the Chief Executive for her leadership, openness with the Board and Executive Team, strategic thinking and support for colleagues, noting she leaves with the warmest thoughts and wishes of the Board.

12.SFC Board Long Term Agenda

12.1 The Board noted the long-term agenda.

13.Closed Session of the Board

13.1 A closed session of the Board took place following the conclusion of the meeting.