

Disclosable in edited form.

Finance Committee Meeting Minutes

The 45th meeting of the Finance Committee of the Scottish Funding Council was held on 28 February 2023 at Apex 1, 99 Haymarket Terrace, Edinburgh.

Present:

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

Officers:

- Richard Maconachie (Secretary)
- Gavin Bruce (items 23/14 – 23/22)
- Gordon Craig
- Gordon McBride
- Karen Watt (items 23/14 – 23/21)
- Lesley Aitkenhead
- Rufus Logan
- Sybille Rush (Clerk)
- Tiffany Ritchie
- Ursula Lodge

Observers: Susan McKenzie

Scottish Government: Owen McKinstry

Apologies:

- Liz Welch
- Martin Boyle
- Paula Haynes

23/14 Welcome

The Chair welcomed members, officers and visitors to the meeting.

The Chair also welcomed Susan McKenzie who recently joined SFC as Assistant Director Strategic Finance.

23/15 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 members declared an interest:

- **Professor Ewart Keep** – in relation to his role as Associate Fellow at a research centre at the University of Strathclyde, and in his role with the City of Glasgow College Board of Management.
- **Professor John Wallace** – in relation to his role at the University of St Andrews.
- **Dr Veena O'Halloran** – in relation to her role as Special Adviser to the Principal of the University of Strathclyde, and her role in supporting the Committee of Scottish Chairs in its review of the Scottish Code of Higher Education Governance.

23/16 Minutes of the previous meeting: 24 January 2023 (FC/23/Min01)

The minute of the meeting on 24 January 2023 was **agreed** as a true record of the meeting with a slight amendment to p.6 as **agreed** by the Committee.

The Chair **requested** that the minute be added to the Board agenda for 10 March.

23/17 Matters arising (FC/23/10)

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

This paper will be published on the Council website in edited format, as it contains information which will be withheld under the Freedom of Information (Scotland) Act 2002, Section 30: Prejudicial to the effective conduct of public affairs.

Members **noted** the updates set out in the paper.

23/18 Strategic finance overview and budget update

The Committee **received** an oral report with an overview on strategic finance issues and **noted** the key points.

{8x paragraphs}

23/19 Revised Financial Risk Register (FC/23/11)

The Committee **received** a paper presenting the latest revised Financial Risk Register.

This paper will be withheld from publication on the SFC website as it includes information which, if disclosed, would be prejudicial to the effective conduct of affairs (Freedom of Information (Scotland) Act 2002, Section 30).

The Committee **noted** the paper.

{5x paragraphs}

23/20 College Indicative Funding Allocations for AY 2023-24 (FC/23/12)

The Committee **received** a paper setting out indicative budget plans and funding allocations for colleges in Academic Year (AY) 2023-24.

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 messages.

{10x paragraphs}

Action: SFC to add narrative to paragraph 13 of the paper on funding allocations for colleges.

The Committee was **content to recommend approval** of the information set out in the paper to the SFC Board.

23/21 University indicative funding allocations for AY 2023-24 (FC/23/13)

The Committee **received** a paper setting out indicative budget plans and funding allocations for universities in AY 2023-24.

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 **considered** the paper.

{3x paragraphs}

The Committee **was content to recommend approval** to the Board.

23/22 SFC Budget Allocation and Monitoring letter reflecting Spring Budget Revisions (SBR) (FC/23/14)

The Committee **received** a paper setting out the SFC Budget allocation including the Autumn Budget transfers (ABR) and the Spring Budget transfers (SBR) for Financial Year 2022-23.

This paper will be published on the SFC website, but Appendices 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 budget allocation for AY 2022-23.

23/23 Financial Year 2022-23 projected spend and re-profiling (FC/23/15)

The Committee **received** a paper providing:

- i. a summary of the February resource return to the Scottish Government, based on financial information to 31 January 2023; and
- ii. a latest estimate of the potential scale of re-profiling SFC can propose at year-end.

This paper will be withheld from publication on the SFC website as it includes information which, if disclosed, would be prejudicial to the effective conduct of affairs (Freedom of Information (Scotland) Act 2002, Section 30).

The Committee **noted** the update provided and **was content to support** the level of re-profiling suggested in the paper.

23/24 Running Costs (FC/23/16)

The Committee **received** a paper setting out:

- i. the forecast out-turn for FY 2022-23; and
- ii. the initial draft FY 2023-24 budget.

This paper will be withheld from publication on the SFC website as it includes information which, if disclosed, would be prejudicial to the effective conduct of affairs (Freedom of Information (Scotland) Act 2002, Section 30).

The Committee **noted** the update provided.

{1x paragraph}

The Committee **was content** with the information set out in the paper.

23/25

Recovery and penalties for funded student places

AY 2020-21 for universities - update (FC/23/17)

The Committee **received** a paper setting out the final position for university under-recruitment in AY 2020-21.

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 Committee **noted** the update provided.

AY 2021-22 for colleges - progress (FC/23/18)

The Committee **received** a paper setting out the position for colleges relating to under-recruitment in AY 2021-22 following the analysis of Further Education Statistics (FES) data.

This paper will be withheld from publication as it contains information which – if disclosed – is likely to prejudice substantially, the free and frank provision of advice, the free and frank exchange of views for the purposes of deliberation or would otherwise prejudice the effective conduct of public affairs (Section 30: Prejudicial to effective conduct of public affairs).

The Committee **noted** the update.

{2x paragraphs}

Action: SFC to add progress update on AY 2021-22 for colleges to long-term agenda for May meeting.

23/26 Non-core investments over £1m for colleges and universities in AY 2023-24 (FC/23/19)

The Committee **received** a paper seeking the Committee's consideration of non-core funding allocations that lie outside the Chief Executive's delegated authority limits, i.e. above £1 million.

This paper will be withheld from publication as it contains information which – if disclosed – is likely to prejudice substantially, the free and frank provision of advice, the free and frank exchange of views for the purposes of deliberation or would otherwise prejudice the effective conduct of public affairs (Section 30: Prejudicial to effective conduct of public affairs).

The Committee **considered** the paper.

{4x paragraphs}

The Committee was **content to recommend approval** of the approach set out in the paper to the Board.

23/27 Long-term agenda (FC/23/20)

The Committee **noted** the long-term agenda.

Committee members **agreed** that certain items for upcoming meetings can be dealt with via correspondence to free up space for other discussion items.

Actions:

- i. SFC to identify agenda items to be dealt with via correspondence.
- ii. SFC to identify which committee is best placed to consider matters relating to the climate crisis.

23/28 Date of next meeting

The Chair **thanked** Lesley Aitkenhead for her work with SFC before her departure at the end of March 2023.

Members **noted** that the next meeting of the Committee would take place on Tuesday, 25 April 2023 via Microsoft Teams.