
Scottish Funding Council Standing Orders

Who we are

1. The Further and Higher Education (Scotland) Act 2005 established the Scottish Further and Higher Education Funding Council (SFC). SFC's purpose is to create and sustain a world-leading system of tertiary education, research and innovation that changes lives for the better, enriches society and supports sustainable and inclusive economic growth.
2. The SFC is the national strategic body that invests around £2.0 billion annually towards tertiary education, research and knowledge exchange for colleges and universities in Scotland. SFC is a Non-Departmental Public Body (NDPB) of the Scottish Government and was established through the Further and Higher Education (Scotland) Act 2005¹. SFC has two core statutory duties:
 - To secure the coherent provision by Post-16 education bodies of high quality and fundable further and higher education.
 - To secure the undertaking of research.
3. Schedule 1 of the 2005 Act makes provision for the constitution of the Board and for certain administrative and other matters with respect to the Board. It contains provisions detailing the status, membership, structure, and proceedings of the Board. Where not referred to below, relevant legislative provisions are attached to these Standing Orders.
4. The Board's Standing Orders will be reviewed by the Board on an annual basis.

Introduction

5. This document sets out the rules and procedures for SFC's Board. All Board members and Executive Team members must be aware of them and be familiar with their details.
6. It is the duty of the Deputy Director, Governance and Planning to ensure that Board members and SFC staff are notified of and understand their responsibilities within the Board Standing Orders, the Scheme of Delegation² and the Code of Conduct³. Copies will be made available to the whole organisation and on the SFC website.
7. These Board Standing Orders are made pursuant to the Further and higher Education (Scotland) Act 2005. Any meaning in this Act shall have the same meaning in these Standing Orders, unless otherwise set out.

¹ [Further and Higher Education \(Scotland\) Act 2005 \(legislation.gov.uk\)](https://www.legislation.gov.uk/ukpga/2005/12/section/1)

² [Our governance \(sfc.ac.uk\)](https://www.sfc.ac.uk/our-governance)

³ [Our governance \(sfc.ac.uk\)](https://www.sfc.ac.uk/our-governance)

Membership of the Board

8. As set out in Schedule 1 [section 2(1)] the Board is to consist of the following members:
 - The Chair.
 - The Chief Executive.
 - No fewer than 11 nor more than 14 other members.
9. Arrangements for the appointments of the Chair, Chief Executive and Board Members are laid out in Schedule 1 of the Further and Higher Education (Scotland) Act 2005.
10. The Chair will nominate a Deputy Chair and this appointment will be subject to the approval of the Board. The appointment will be on a fixed term basis.
11. The role of the Deputy Chair is to deputise for the Chair as necessary.

Proceedings of the Board

12. The legislation governing the Board states that it may regulate its own procedure (including any quorum) [section 10(1)] and that the validity of any proceedings of the Board are not affected by a vacancy in membership or by any defect in the appointment of a member [section 10(2)].

Quorum

13. The quorum for a Board meeting is seven members. However, when not quorate the members present may decide to proceed with a meeting at which items on the agenda are considered and any recommendations reached are put to the next Board meeting for decision.
14. A Board member is not counted towards the quorum for any item in respect of which they have a declared conflict of interest and is not entitled to take a decision.
15. Other attendees, eg SFC staff, who attend meetings will not form part of the quorum.
16. If the Chair is unavailable to Chair a Board meeting, or has declared themselves to have a conflict of interest in relation to any matter, the deputy Chair will Chair the meeting. If both are unavailable, the members present shall appoint one of their number to take on the role as Chair of the meeting.

Meetings

Scheduled (or ordinary) meetings

17. The Board will meet at least 6 times a year, including at least one strategic focused session.

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18. The schedule of meetings for each year will be agreed by the Board in the previous year, following consultation with the Chair by the Clerk to the Board. Meetings will normally be held in person or virtually. Meetings can be hybrid (i.e. in person and virtual) where required.

Extra (or special) meetings

19. At the request of the Chair, the Clerk may convene a special meeting of the Board to deal with business that will not wait until the next ordinary meeting. A special meeting may also be convened in response to a written request to the Chair from a minimum of five non-conflicted members of the Board specifying the business to be transacted and confirming why it cannot wait until the next ordinary meeting.

Agenda items

20. Any member can, by contacting the Clerk to the Board, suggest items of business. In addition, 'Any Other Business' will be a standing item on the Board agenda and any member can use this item to suggest items of business. The agenda and designation of business will be decided by the Chair.

Distribution of agenda and papers

21. The agenda of business and accompanying papers will normally be distributed no later than one week before a scheduled Board meeting.
22. The Chair may ask the Clerk to the Board to redact or withhold a paper from any person or member if it contains information which, if disclosed, causes a conflict of interest. Confidential papers will be handled in any way necessary to keep the information contained in them secure.

Publishing papers

23. Board agendas, and minutes will be published routinely and promptly on the SFC's website. In some cases, information may be considered exempt from publication and this will be highlighted. Should a Freedom of Information request be made for papers, in some cases, particular documents may be subject to disclosure restrictions under the terms of the Freedom of Information (Scotland) Act 2002. Where this applies, the particular exemption(s) will be stated.

Procedure for urgent action

24. As stated in paragraph 19 above, a special meeting of the Board may be convened to deal with business that will not wait until the next ordinary meeting. Alternatively, where it is necessary for decisions normally requiring the approval of the Board to be taken in the period between Board meetings, the Chair may take appropriate action. Normally this will be authorising urgent action by the Chief Executive. Depending on the time available, the Chair may seek the views of Board members before authorising such

urgent action.

25. In the event that the Chair is unavailable, the Chief Executive will have the power to take urgent action with the authorisation of the Board's Deputy Chair, if there is one, or, in the absence of the Deputy Chair, of one of the Chairs of the Board's standing committees, who shall be a member of the Board.
26. In the event of all of the above mentioned Board members being unavailable, the Chief Executive may take such action as they deems necessary in an emergency, where a failure to act swiftly might seriously jeopardise the achievement of the SFC's objectives.
27. In any of the above circumstances, the views of Board members must be sought if time allows and the action taken will be reported to the next ordinary meeting of the Board for homologation.

Approval of minutes of Board meetings

28. Minutes of a Board meeting are a formal record of the decisions made by the Board at that meeting and will be submitted to the Chair for preliminary approval, and thereafter to the subsequent ordinary meeting of the Board for formal approval.
29. If it is necessary for the Board to make any decisions between meetings then a formal electronic record of individual members' approval will be maintained by the Clerk to the Board. This will be reported in the minutes of the next ordinary meeting of the Board.

Role of the Chair in Board meetings

30. It is the role of the Chair to see that Board business is conducted in an orderly fashion, to ensure that members obtain a fair hearing and discussions take place in accordance with the Code of Conduct for Members of the SFC. Members wishing to speak shall do so through the Chair.
31. The Chair is also responsible for leading the meeting to reach decisions. The Board will normally make decisions on the basis of agreement by consensus, but where the Chair believes it to be in the interest of the progress of a debate, or where it is proposed and seconded by two members present, the Clerk to the Board may be asked to count and record a vote by a show of hands.

Chief Executive

32. The Chief Executive's responsibilities as a NDPB Accounting Officer include ensuring that appropriate advice is offered to the Board. In the event that the Board is contemplating a course of action that would infringe the requirements of financial propriety and regularity or the Accounting Officer's wider responsibilities for economy, efficiency and effectiveness, then it is their duty to draw this to the attention of the Board.

Secretary to the Board

33. The Secretary to the Board will advise the Chair on the conduct of Board business and agenda planning. The Secretary will also advise Board members on formal matters relating to the Board.

Collective responsibility

34. Board members should be encouraged to express any differing views within the Board's internal decision-making process. In the event that a member has a reservation regarding a particular decision, they may ask for their dissent to be formally recorded in the minute. Once a decision has been reached, all members should support it.

Attendance at meetings: Staff of the SFC's Executive

35. The Clerk to the Board, Secretary to the Board and the other Directors of the SFC's Executive will normally attend Board meetings and may have a role in introducing papers, providing clarification, and contributing to discussions. The Deputy Director, External Affairs and Policy will also normally attend.
36. In addition, other members of staff may attend meetings as required for agenda items for which they are presenting information, to be available to respond to questions on matters arising from papers, to hear the debate where the Board discussion will inform their work, or as part of their on-going professional development. Attendance will be agreed by the Chair in advance of a Board meeting.
37. Staff representatives nominated by SFC's recognised trade union, Unite are invited to attend Board meetings in an observational capacity. In line with SFC's statutory framework and legislation, the staff representative will receive copies of papers that do not contain commercially sensitive and/ or confidential information, however they do not have voting rights. The arrangements for staff representatives mirror those in place for external observers as set out below.

Attendance at meetings: Observers

38. External observers may be invited to attend Board meetings, as agreed by the Chair in advance. External observers invited to be in attendance will receive copies of papers that do not contain commercially sensitive and/or confidential information. Observers will be asked to leave the meeting for agenda items which relate to commercially sensitive and/or confidential items.
39. Observers are encouraged to take part in discussions, but may not take part in decisions.

Register of interest

40. All members are required to complete a register of interests on appointment. Members must notify the Clerk to the Board when any changes to this need to be made.

Members' registers of interests will be made publicly available on the SFC website.

41. If any member has, or could be perceived to have, an interest in a matter that is being considered by the Board, then it is their duty to declare that interest at the start of the meeting or as soon as they become aware of it, whether or not that interest has already been recorded in their register of interests. This declaration will be recorded in the minutes by the Clerk to the Board. As set out in the Board Code of Conduct, members will not remain in the meeting nor participate in any way in those parts of meetings where they have declared an interest. However, it is recognised that in some cases the Board may benefit from members' insight in such discussions. In such circumstances, the Chair, in consultation with the Chief Executive and the Board member (and if required, seek legal advice) will determine whether a member remains present for the discussion. Members who have declared an interest in a matter being considered must not participate in decisions.
42. Whilst individual members have a responsibility to consider their position with regard to any registration of interest, prior to the meeting the Clerk to the Board will consider the agenda in the context of the register of members' interests and advise the Chair accordingly.

Committees

43. Schedule 1 of the Further and Higher Education Act makes provision for two policy committees, now called:
- Research and Knowledge Exchange Committee (RKEC)
 - Skills, Enhancement, Access and Learning (SEAL) Committee:
44. Schedule 1 of the Act also sets out that:
- The Board may establish committees for any purposes relating to its functions. In addition, an Audit Committee is required under the terms of the Framework Document between Scottish Government and the SFC.
 - The Board will determine the composition and the procedure (including any quorum) of its committees and the terms and conditions of committee membership.
45. The Chair of a Committee will be agreed by the Board.
46. The membership of a committee will be discussed by the Chair of the committee and the Chair of the Board, prior to seeking approval by the Board as set out in the 2005 Act.
47. Confirmed minutes of meetings of the Board's committees will be reported to the Board at the next scheduled meeting for noting. Each committee will also conduct an annual self-evaluation and report the outcomes to the Board. The Audit and Risk Committee

shall present its annual report to the Board for consideration.

- 48. The process for appointing and reappointing external members⁴ to Committees is overseen by the Remuneration and Nominations Committee. External members will be approved by the Board following consultation with the relevant Chair of the Committee.
- 49. The Board will keep under review the structure and remit of its committees, as set out on the 2005 Act.

Self-assessment

- 50. Annually the Board will undertake an internal effectiveness review and triennially commission an external review and consider the implications of the review for improving its effectiveness. In addition, triennially the Board will review the effectiveness of its committees.

⁴ The Capital, Research and Knowledge Exchange and Skills, Enhancement, Access and Learning Committees have external members

Annex A: Definitions

Accountable Officer: Appointed by the Permanent Secretary of the Scottish Government to ensure the proper stewardship of public funds and assets.

Board: The Board of the SFC, which consists of the Chair, Chief Executive and no fewer than 11 and up to 14 other members appointed by the Minister for Further and Higher Education.

Board Member: Any person appointed as a Member of the SFC Board, appointed by Scottish Ministers.

Chair: The person appointed to lead the Board by Scottish Ministers.

Chief Executive: The most senior employee in the organisation. The Chief Executive is appointed by and accountable to the Board of SFC.

Committee: A Committee created by the Board.

External members: are persons appointed by the Board as members of specific committees (RKEC, SEAL and the Capital Committee). Although they are not Board Members, the Board Standing Orders, Scheme of Delegation and Code of Conduct for Board Members all apply to them as they do to Board members.

Directors: The most senior employees in SFC, accountable directly to the Chief Executive with responsibility for a significant range of business.

Annex B: Further and Higher Education Act: Schedule 1

The Board should be aware of the legislative requirements below, which are not included in the Standing Orders. These appear in Schedule 1 of the Further and Higher Education (Scotland) Act 2005.

Membership of the Council

2 (2) Each member (apart from the chief executive) is to be appointed for a period not exceeding 4 years.

2 (3) The Scottish Ministers may, on the expiry of a period of appointment of a member (apart from the chief executive), extend that appointment for a single further period not exceeding 4 years.

2 (4) A member (apart from the chief executive) –

(a) may by giving notice in writing to the Scottish Ministers resign office as a member of the Council; and

(b) otherwise, holds and vacates office in accordance with the terms and conditions of appointment.

2 (5) If the Scottish Ministers are satisfied that a member (apart from the chief executive) –

(a) has been absent from meetings of the Council for a period longer than 6 consecutive months without the permission of the Council; or

(b) is otherwise unable or unfit to discharge the functions of a member, the Scottish Ministers may by giving notice in writing to the member remove the member from office.

2 (6) A person is, on ceasing to be a member, eligible for reappointment.

Remuneration, allowances and pensions for members

5 (1) The Council is to pay to its members (apart from the chief executive) such remuneration as the Scottish Ministers may in each case determine.

5 (2) The Council is to pay to its members such allowances as the Scottish Ministers may in each case determine.

5 (3) The Council is, in respect of any person who is or has been a member (apart from the chief executive), to pay, or make such payments towards the provision of, such pensions, allowances and gratuities as the Scottish Ministers may in each case determine.

5 (4) Where a person ceases to be a member (apart from the chief executive), the Scottish Ministers may, in special circumstances, direct the Council to make to the person a payment of such amount of compensation as the Scottish Ministers may determine.

Committees

11 A (1) The Council must establish a committee (a “skills committee”) for the purposes of advising the Council on matters relating to skills.

11 A (2) The Council is to appoint one of its members to chair meetings of the skills committee.

11 A (3) In appointing members of the skills committee, the Council is to have regard to any guidance issued to it under sub-paragraph (4) (a).

11 A (4) The Scottish Ministers may issue to the Council guidance about –

(a) the composition of the skills committee; and

(b) the committee's functions.

12 (1) The Council must establish a committee (a "research committee") for the purposes of advising the Council on matters concerning research.

12 (2) The Council is to appoint one of its members to chair meetings of the research committee.

12 (3) In appointing members of the research committee, the Council is to have regard to the desirability of including persons who –

(a) have experience, and have shown capacity, relating to research or the application of research; and

(b) are currently engaged in research or the application of research.

13 The Council may establish other committees for any purposes relating to its functions.

14 (1) The Council is to –

(a) subject to paragraphs 10A(2) and (3) and 11(2) and (3), determine the composition of its committees;

(b) determine the terms and conditions of committee membership;

and

(c) determine the procedure (including any quorum) of its committees.

14 (2) Any of the committees of the Council may include persons who are not members of the Council.

14 (3) The Council is to pay to the members of its committees (whether or not they are also members of the Council) such allowances as the Scottish Ministers may determine.

14 (4) The Council is to keep under review the structure of its committees and the scope of the activities of each.

Participation of Scottish Ministers at meetings

16 A representative of the Scottish Ministers is entitled to participate in any deliberations (but not in decisions) at meetings of the Council or of any committee of the Council.⁵

⁵ Following the Ryan Review, which recommended that the routine attendance of Ministers and Scottish Government officials at NDPB Board meetings should not continue as it can undermine the 'proper accountabilities within the system', Ministers no longer attend Board meetings.