



The 106th meeting of the Scottish Further and Higher Education Funding Council was held on Thursday 26 April at 10.00am, at 99 Haymarket Terrace, Edinburgh.

- Present:** Mike Cantlay (Chair)
John Kemp (Interim Chief Executive)
David Alexander
Mhairi Harrington
Professor Maggie Kinloch
Paul Little
Douglas Mundie
Dr Keith Nicholson
Dr Veena O'Halloran
Caroline Stuart
Marlene Wood
Professor Lesley Yellowlees
- Officers:** Michael Cross
Stephen Crowe (items 18/30 to 18/45)
Martin Fairbairn (Secretary)
Dr Stuart Fancey
Robin Lee (items 18/30 to 18/45)
Lorna MacDonald
Sheila Meehan (Clerk)
Martin Smith
- Scottish Government:** Danielle Hennessy
Paul Smart
- Observers:** David Sweeney (UKRI, Research England)
Cliona O'Neill (HEFCW)
Luke Humberstone (NUS (Scotland))
Michael Willis (Institute of Directors)
- Apologies:** Professor Sir Anton Muscatelli

18/30 Welcome

The Chair welcomed David Sweeney of UKRI and Research England, Luke Humberstone of NUS (Scotland), Cliona O'Neill of HEFCW, Michael Willis of the Institute of Directors and Danielle Hennessy and Paul Smart of the Scottish Government to the meeting.

18/31 SFC input to the Strategic Board for Enterprise and Skills (Oral)

The Interim Chief Executive updated the Council on progress with the work of the Strategic Board for Enterprise and Skills and sought members' views on input to the Strategic Board on the key themes of skills and innovation.

The Council **agreed** that an update on progress with the Enterprise and Skills agenda take place at every Council meeting.

18/32 Chair's introductory remarks, apologies and declarations of interest

The Chair invited members to indicate if they wished to discuss any of the starred items on the agenda. The recommendations contained within papers SFC/18/28, SFC/18/30, SFC/18/32 and SFC/18/33 were **agreed** without discussion.

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

The following members noted potential conflicts of interest:

- David Alexander for agenda items 6, 8, 9 and 15 (references to national bargaining and West College Scotland)
- Maggie Kinloch for agenda item 11
- Veena O'Halloran for agenda items 8 and 10
- Lesley Yellowlees for agenda items 8, 10 and 11
- Caroline Stuart for agenda items 8 and 10
- Paul Little for agenda item 8 and 9 (references to national bargaining, City of Glasgow College/Glasgow Colleges Regional Board)
- Mhairi Harrington for agenda items 8 and 9.

18/33 Minutes of the 1 February 2018 and 22 March 2018 meetings (SFC/18/Min01 and SFC/18/Min02)

The minutes of the 1 February 2018 and 22 March 2018 meetings were confirmed as true records of the meetings.

18/34 Action tracker (SFC/18/19)

The Council received an update on the actions from previous meetings of the Board and noted progress on those actions.

In discussion the Council noted that the national map of innovation would include information on college sector innovation.

18/35 Chair's report (SFC/18/20)

The Council received and noted a paper providing a report from the Chair on his recent external engagements.

The Council discussed the reasons behind the use of Urgent Action for the approval of deployment of Financial Transactions funding and noted that, where possible, approvals would be taken through the Board.

The Council **agreed:**

- To homologate the Urgent Action taken by the Chair to approve the deployment of Financial Transactions funding for the projects as noted in the paper, understanding that, following Chair approval, one application had been withdrawn.
- That a paper highlighting the timeframes and process involved in the funding allocations be provided to the Board in advance of the next funding round.

18/36 Long-term agenda planning (SFC/18/21)

The Council received a paper informing members of substantive agenda items proposed for future meetings.

18/37 SFC Strategic Plan Performance Report and Risk Register (SFC/18/22)

The Council received a paper providing the latest version of SFC's Strategic Plan Performance Report and Risk Register.

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

[] × 3 paragraphs

The Council **agreed** with the Interim Chief Executive's assessment that progress was on track.

18/38 Chief Executive's report (SFC/18/23)

The Council received and noted a paper providing a report from the Interim Chief Executive on matters of current interest.

18/39 Outcome Agreements 2018-19: update on progress and strategic issues (SFC/18/24)

The Council received a paper describing progress with the outcome agreements (OAs) for 2018-19, the link between OAs and our proposed final funding allocations, and identifying planned next steps in the publication of the 2018-19 OAs.

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

[] × 1 paragraph

The Council **agreed** to delegate authority to the Interim Chief Executive to sign off the final outcome agreements for AY 2018-19.

18/40 Finance Committee minutes (SFC/18/31)

The Council received the unconfirmed minutes of the Finance Committee meeting of 18 April 2018.

The Chair of the Finance Committee provided an update on the discussions that had taken place at the Finance Committee meeting.

The Council executive confirmed that clarification on the future use of Arms-Length Foundations would be provided to colleges.

18/41 College Final Outcome Agreement Funding Allocations for AY 2018-19 (SFC/18/25)

The Council received a paper that set out the final outcome agreement funding allocations for colleges in Academic Year (AY) 2018-19, outlining proposed changes from the indicative funding announcement in February 2018.

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

[] × 1 paragraph

The Council **agreed:**

- To approve the final college outcome agreement funding allocations for AY2018-19.
- To delegate authority to the Interim Chief Executive to finalise all funding allocation details and their announcement to the sector, subject to the receipt of satisfactory college outcome agreements.

18/42 University Final Outcome Agreement Funding Allocations for AY 2018-19 (SFC/18/26)

The Council received a paper setting out the final outcome agreement funding allocations of universities in AY 2018-19, outlining the proposed changes from the indicative funding announcement that was made in February 2018.

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

[] × 1 paragraph

The Council **agreed:**

- To approve the final university outcome agreement funding allocations for AY2018-19.
- To delegate authority to the Interim Chief Executive to finalise all funding allocation details and their announcement to the sector, subject to the receipt of satisfactory university outcome agreements.

18/43 Royal Society of Edinburgh Outcome Agreement and final funding (SFC/18/27)

The Council received a paper presenting the Outcome Agreement between the Royal Society of Edinburgh (RSE) and SFC for the Financial Years 2018-19 to 2020-21 inclusive.

Lorna MacDonald temporarily left the meeting.

In discussion the Council noted the potential and proposed future programmes to be undertaken by RSE.

The Council advised that:

- RSE should seek additional sources of funding where possible to reduce its proportional dependence on SFC support.
- The RSE's proposed work programme was aligned with SFC's objectives.

Maggie Kinloch and Lesley Yellowlees temporarily left the meeting.

The following two paragraphs are withheld from publication on the Council website under the Freedom of Information (Scotland) Act 2002, Section 27: Information intended for future publication

[] × 2 paragraphs

The Council also **agreed** to invite the new President of the RSE to a Council Board meeting in 2019.

Lorna MacDonald, Maggie Kinloch and Lesley Yellowlees returned to the meeting.

18/44 Use of delegated authority (SFC/18/28)

The Council received a paper reporting on the Interim Chief Executive's use of delegated authority during the period 1 December 2017 to 31 March 2018.

18/45 Access and Inclusion Committee minutes (SFC/18/29)

The Council received the unconfirmed minutes of the Access and Inclusion Compliance Committee meeting of 8 March 2018 and a briefing paper on future skills needs and the implications for access and inclusion.

The Council **agreed** that an update on actions to address the issues raised in the briefing paper be provided to the May Access and Inclusion Committee meeting.

18/46 Private meeting of the Board (Oral)

There followed a private meeting of the Board. The Interim Chief Executive left the meeting for this item.

The Council discussed the Chief Executive appointment process and **agreed** to delegate authority to the Chair and Remuneration Committee to draw up and submit the business case to the Scottish Government, consistent with the requirements of the Scottish Government's Pay Policy for Senior Appointments.

18/47 Audit and Compliance Committee minutes (SFC/18/30)

The Council received the unconfirmed minutes of the Audit and Compliance Committee meeting of 6 March 2018.

18/48 Remuneration Committee minutes (SFC/18/32)

The Council received the unconfirmed minutes of the Remuneration Committee meeting of 13 February 2018.

18/49 Research and Knowledge Exchange Committee minutes (SFC/18/33)

The Council received the unconfirmed minutes of the Research and Knowledge Exchange Committee meeting of 14 March 2018.

18/50 Update from observers (Oral)

The Council received updates from the observers present, Cliona O’Neill, David Sweeney and Luke Humberstone.

Cliona O’Neill informed on the latest position in Wales with the new student funding loan/grant arrangements.

David Sweeney informed on progress with the development of UK Research and Innovation (UKRI) and Research England, and stressed the UK-wide focus of most of UKRI, Research England excepted. He welcomed the effective partnership of SFC with Research England and the other UK funding bodies on UK-wide matters.

Luke Humberstone provided an update on the National Union of Students elections and the new President and Deputy who would be taking up their roles in the summer, as well as the returning Women’s Officer and the new Trans Officer. He also advised of the NUS’ policy shift to opposing Brexit.

18/51 Any Other Business (Oral)

The Council noted that 2019 meeting dates would be amended and that a paper would be presented to the June Council Board meeting.

18/52 Next meeting: 21 June 2018