



The 104th meeting of the Scottish Further and Higher Education Funding Council was held on Thursday 1 February at 10.00am, at 99 Haymarket Terrace, Edinburgh.

- Present:** Mike Cantlay (Chair)  
John Kemp (Interim Chief Executive)  
David Alexander  
Mhairi Harrington  
Paul Little (items 18/01 to 18/10)  
Douglas Mundie  
Professor Sir Anton Muscatelli (items 18/01 to 18/10)  
Dr Keith Nicholson  
Caroline Stuart  
Marlene Wood  
Professor Lesley Yellowlees
- Officers:** Michael Cross  
Stephen Crowe (items 18/01 to 18/12)  
Martin Fairbairn (Secretary)  
Dr Stuart Fancey  
Martin Kirkwood (items 18/01 and 18/04 to 18/13)  
Lorna MacDonald  
Sheila Meehan (Clerk)  
Callum Morrison  
Martin Smith
- Scottish Government:** Shirley-Anne Somerville (Minister for Further Education, Higher Education and Science) (item 18/01)  
Grant Moncur (item 18/01)  
Aileen McKechnie (item 18/01)  
Roddy Macdonald (items 18/01 to 18/12)  
Danielle Hennessy (items 18/01 to 18/13)
- Observers:** David Sweeney (HEFCE)  
Celia Hunt (HEFCW)  
Luke Humberstone (NUS (Scotland)) (items 18/01 to 18/12)
- Apologies:** Dr Veena O'Halloran  
Professor Maggie Kinloch  
Dr David Blaney (HEFCW)

**18/01 Board discussion with the Minister for Further Education, Higher Education and Science**

The Chair welcomed the Minister for Further Education, Higher Education and Science to the Council Board meeting and thanked the Minister for meeting SFC staff to discuss widening access, outcome agreements and innovation.

The Minister thanked the Board for inviting her to the meeting and, following her introductory speech, discussions on the themes of Strategy; Inclusive Economic Growth; and Excellence and Equity took place.

The Chair thanked the Minister for her time and the Minister left the meeting.

**18/02 Welcome**

The Chair welcomed David Sweeney of HEFCE, Luke Humberstone of NUS (Scotland), Celia Hunt of HEFCW, Danielle Hennessy and Roddy Macdonald of the Scottish Government to the meeting.

**18/03 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. Papers SFC/18/10 and SFC/18/16 were unstarred for discussion and the recommendations contained within papers SFC/18/13 and SFC/18/15 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 8, 10 and 12 (references to national bargaining and West College Scotland)
- Anton Muscatelli for agenda items 9, 11 and 16
- Lesley Yellowlees for agenda items 9 and 11
- Caroline Stuart for agenda items 9 and 11
- Paul Little for agenda item 10 (references to national bargaining, City of Glasgow College/Glasgow Colleges Regional Board)
- Mhairi Harrington for agenda items 10 and 12.

**18/04 Minutes of the 22 December 2017 meeting (SFC/17/Min08)**

The minute of the 22 December 2017 meeting was confirmed as a true record of the meeting.

**18/05 Action tracker (SFC/18/01)**

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

In discussion the Council executive informed that it would be taking forward the setting up of SFC's new Learning and Quality Enhancement Committee.

**18/06 Chair's report (SFC/18/02)**

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

The Chair advised that SFC's strategy, which was in development and due for completion by the end of summer 2018, would then be dovetailed into the Strategic Board's strategy.

**18/07 Long-term agenda planning (SFC/18/03)**

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

**18/08 SFC Strategic Plan Performance Report and Risk Register (SFC/18/04)**

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

The following four 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

[ ] × 4 paragraphs

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

**18/09 Development of SFC's Strategic Plan 2018-23 (SFC/18/05)**

The Council received a paper providing the broad structure and content of SFC's next Strategic Plan.

The following two 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

[ ] x 2 paragraphs

The Council **approved** the process for the development of the new strategic plan.

**18/10 Chief Executive's report (SFC/18/06)**

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

**18/11 Finance Committee minutes (SFC/18/14)**

The Council received the unconfirmed minutes of the Finance Committee meeting of 23 January 2018.

The Chair of the Finance Committee provided an update on the discussions that had taken place at the Finance Committee meeting and explained the reasons for the lateness of the College indicative allocations paper.

**18/12 University Indicative funding allocations and Outcome Agreements for 2018-19 (SFC/18/07)**

The Council received a paper setting out the indicative budget plans and allocations for universities in 2018-19 following the Scottish Government's draft budget announcement on 14 December 2017.

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

[ ] x 3 paragraphs

Lesley Yellowlees and Caroline Stuart temporarily left the meeting.

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[ ] × 1 paragraph

Lesley Yellowlees and Caroline Stuart returned to the meeting.

**18/13 College Indicative funding allocations and Outcome Agreements for 2018-19 (SFC/18/08) and Outcome of Rurality Funding consultation (SFC/18/10)**

The Council received papers that:

- Set out the indicative budget plans and allocations for colleges in 2018-19 following the Scottish Government's draft budget announcement on 14 December 2017.
- Provided proposals for future funding for rural and remote colleges/regions.

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[ ] × 2 paragraphs

Mhairi Harrington and David Alexander temporarily left the meeting.

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[ ] × 1 paragraph

Mhairi Harrington and David Alexander returned to the meeting.

**18/14 Royal Society of Edinburgh Draft Outcome Agreement and funding allocation (SFC/18/09)**

The Council received a paper summarising the Royal Society of Edinburgh's (RSE's) outcome agreement and funding allocation.

Lorna MacDonald temporarily left the meeting.

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[ ] × 2 paragraphs

Lesley Yellowlees temporarily left the meeting.

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[ ] × 1 paragraph

Lorna MacDonald and Lesley Yellowlees returned to the meeting.

**18/15 SFC monitoring and evaluation of strategic projects: annual update (SFC/18/11)**

The Council received a paper providing the annual update on SFC's Strategic Investment and evaluation activity.

**18/16 Risk management: Statement of SFC's risk appetite (SFC/18/12)**

The Council received a paper on the development of a statement of risk appetite for SFC and **agreed:**

- That one specific risk classification should be used for each function.
- To approve the statement of risk appetite for SFC.

**18/17 Audit and Compliance Committee minutes (SFC/18/13)**

The Council received the unconfirmed minutes of the Audit and Compliance Committee meeting of 12 December 2017.

**18/18 Research and Knowledge Exchange Committee minutes (SFC/18/15)**

The Council received the unconfirmed minutes of the Research and Knowledge Exchange Committee meeting of 23 November 2017.

**18/19 Updated SFC Board meeting dates (SFC/18/16)**

The Council received a paper providing the SFC Board meeting dates and noted that confirmation of the dates would be provided by correspondence following the meeting.

**18/20 Update from observers (Oral)**

The Council received updates from the observers present, Celia Hunt and David Sweeney.

David Sweeney, Executive Chair Designate of Research England, updated the Council on progress with the development of the Office for Students and UK Research and Innovation.

**18/21 Any Other Business (Oral)**

The Council noted that the Chair was considering the membership of SFC's committees.

**18/22 Next meetings: Strategy – 22 March 2018  
Business – 26 April 2018**

**18/23 Private meeting of the Board (Oral)**

There followed a private meeting of the Board.

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