
Board Meeting Minutes

The 133rd meeting of the Scottish Funding Council was held on 2 September 2022 at Apex 1, 97 Haymarket Terrace

Present:

- Mike Cantlay (Chair)
- Karen Watt (Chief Executive)
- Lorna Jack (Deputy Chair)
- David Alexander
- Mhairi Harrington
- Professor Ewart Keep
- Dr Paul Little
- Professor Irene McAra-McWilliam
- Professor Peter Mathieson
- Dr Veena O'Halloran
- Sheila Duncan
- Caroline Stuart (attending Virtually)
- Professor John Wallace (attending virtually)
- Professor Lesley Yellowlees

Officers:

- Lynne Raeside (Secretary)
- James Dunphy
- Martin Boyle
- Richard Maconachie
- Tiffany Ritchie
- Rufus Logan (items 22/88 - 22/89)
- Hazel Dalgard (item 22/88) (virtually)
- Cat Ball (items 22/91 – 22/93)
- Morag Campbell (items 22/91 – 22/93) (virtually)

Observers:

Elizabeth
Horsburgh (items
22/91 – 22/94)
(virtually)
Angela Seymour
(Clerk)

Ellie Gomershall (NUS Scotland President)
David Sweeney (UKRI)
Morven Pritchard (Staff Representative)
Pauline Gillen (Audit Scotland) (item 22/96)

Apologies:

Andy Kerr
David Blaney (HEFCW)

22/82 Welcome

The Chair welcomed all present.

22/83 Chair's business: Papers for discussion 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/22/74 to SFC/22/76 were agreed without discussion.

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

22/84 Minutes of the 24 June 2022 meeting (SFC/22/Min04)

The minute of the 24 June 2022 meeting was confirmed as a true record of the meeting.

22/85 Action Tracker (SFC/22/59)

The Board received an update on the actions from previous meetings of the Board.

22/86 Chief Executive's report: items for report (SFC/22/60)

The Board received an update from the Chief Executive on current operational issues.

In discussion, the Board:

- Recognised the acute pressure on the budget for the upcoming year.
- Noted the upcoming Review of the skills delivery landscape.
- Noted the update on South Lanarkshire College.

- Welcomed the work with EHRC on National Equality Outcomes and the interaction with equality, diversity and inclusion policies relevant to staff as well as students.
- Welcomed the update on SFC recruitment and capacity building .

The Board noted the update.

22/87 Strategic Plan (SFC/22/61)

The Board received a paper outlining the changes made to the previous draft and seeking approval of the final draft for publication, subject to final approval from Scottish Ministers.

In discussion the Board:

- Supported the long-term approach, agreeing that the Plan should be high level and visionary, with priorities that can adapt to our external environment over the five-year period, and should demonstrate confidence and leadership.
- Welcomed the focus on an integrated tertiary education and skills system, and that diversity across all areas of interest is threaded throughout.
- Recognised that more detailed metrics and outcome measures would be developed as part of the operating plan.
- Agreed that it is clear, easy to understand and well presented.

The Board:

- Approved the final draft of the Strategic Plan for submission to Scottish Government Ministers for approval and publication.
- Delegated to the Chief Executive any final adjustments that do not substantially alter the direction or meaning of the Plan.

22/88 Net Zero and Sustainability Framework for action (SFC/22/62)

The Board received a paper and draft Net Zero & Sustainability Framework for Action.

In discussion the Board:

- Noted the complexity of the subject matter and the need for clarity of presentation.
- Agreed the need to understand both the target but also the starting point, in order to understand the scale of the gap to be closed.
- Sought assurance on Board oversight.

The Board:

- Considered and commented on the draft Net Zero and Sustainability Framework for Action, including the proposed actions.
- Approved the recommendation that the Framework is adopted as the SFC's approach to Net Zero and published by the end of October 2022.
- Noted the proposed next steps.

22/89 College Infrastructure Strategy (SFC/22/63)

The Board received a paper and the draft College Infrastructure Strategy.

The following members of the Board noted a conflict of interest:

- Dr Paul Little in relation to Glasgow City College
- Caroline Stewart in relation to Dumfries and Galloway College.
- Professor Ewart Keep in relation to Glasgow City College.

In discussion the Board:

- Noted concerns about backlog maintenance and the impact on learning and teaching.
- Raised concerns about the lack of capital funding to deliver the strategy and noted the need to find new funding models.
- Stressed the importance of digital infrastructure and asked that more emphasis be placed on this.
- Suggested that the introductory narrative might provide a greater sense of emergency.

The Board agreed that:

- the strategy is adopted, subject to the changes discussed, as SFC's approach to delivering a ten-year Infrastructure Investment Plan for Scotland's colleges; and
- the strategy is published in a co-ordinated way with Colleges Scotland and the Scottish Government.

22/90 Risk Register (SFC/22/64)

The Board received a paper presenting the most up-to-date version of the SFC Risk Register.

The Board:

- Noted the updated Risk Register and agreed that it should be reviewed more fully at the November Board meeting.

22/91 Review of non-core funds (SFC/22/65)

The Board received a paper clarifying the current non-core funding process and current investments; and providing an update on SFC's review of non-core funds and emerging themes of the review.

In discussion the Board:

- Noted the work underway to better articulate and evaluate the use of non-core funds.
- Noted the discussion at SFC's Finance Committee on the split across colleges and universities; on the level of delegated authority; and on the principles supporting investment in non-core activity.

The Board:

- Noted the paper and agreed that the Finance Committee would further discuss the principles, before progress is reviewed again at a future full Board meeting.

22/92 Museums, Galleries and Collections Grant (SFC/22/66)

The Board received a paper seeking approval for a further one and a half years' investment in the Museums, Collections and Galleries Grant, from

February 2023 to the end of AY 2023-24, as part of the wider review of non-core investments and process.

The following members of the Board expressed a conflict of interest and left the room while this item was discussed:

- Professor Irene McAra-McWilliam in relation to Glasgow School of Art and as an Advisory Board Member of the University of Edinburgh.
- Professor Peter Mathieson in relation to the University of Edinburgh.

In discussion the Board:

- Discussed the value of the Grant and its status within SFC's non-core funds.
- Sought clarity on the baseline figures.
- Noted the communication challenges.

The Board:


- Noted the final findings from the review of the grant, conducted between April 2021 and August 2022;
- Agreed, with the exception of one Board member, to the continued investment in the Museums, Galleries and Collections grant for a minimum period of one and a half years; and
- Delegated authority to the Chief Executive to finalise the Funding Agreement and, subject to Ministerial approval, make the appropriate funding award from non-core funds.

22/93

Royal Society of Edinburgh Grant (SFC/22/67)

The Board received a paper seeking the Board's approval for a further three Financial Years' investment in the Royal Society of Edinburgh, FY2023-24 to 2025-26 inclusive.

The following members of the Board expressed a conflict of interest and left the room while this item was discussed:

- Professor Lesley Yellowlees, Fellow of RSE
- Professor John Wallace, Fellow of RSE.
- Dr Paul Little, Fellow of RSE 
- Professor Peter Mathieson, Fellow of RSE.

In discussion the Board:

- Discussed the value of the Grant and its status within SFC's non-core funds.
- Noted that this grant is similar to ring-fenced funds in that there is an expectation that funds set aside for the RSE cannot be used for other purposes.
- Recognised that the RSE is actively considering how funds might be secured from other sources.
- Suggested that the RSE should engage regularly with SFC and be able to demonstrate alignment with SFC priorities.
- Agreed that it would be helpful to signal our commitment to the RSE, beyond one year, subject to budget settlements.

The Board:

- agreed in principle that funding of £2,764,900 should be offered to the Royal Society of Edinburgh for FY 2023-24 with a continuance of our current policy that we match any general university uplift for future years, dependent on the availability of funding;
- delegated authority to the Chief Executive to finalise the Funding Agreement and, subject to Ministerial approval, make the appropriate funding award from HE Strategic Funds

22/94

Colleges Scotland Employers' Association (SFC/22/68)

The Board received a paper seeking the Board's approval to a one-off investment in the Colleges Scotland Employers' Association (CSEA) in Academic Year (AY) 2022-23 of £350k.

The following members of the Board expressed a conflict of interest and left the room while the item was discussed:

- Dr Paul Little in relation to Glasgow City College
- Caroline Stewart in relation to Dumfries and Galloway College.

The Board:

- Noted the background to this request, including the CSEA business case.
- Approved the proposed one-off contribution of £350k to CSEA in AY 2022-23.
- Delegated authority to the Chief Executive to finalise the Funding Agreement and make the appropriate revised funding award from non-core funds.

22/95 Use of Delegated Authority (SFC/22/69)

The Board received a paper reporting the Chief Executive's use of delegated authority during the period 21 April 2022 until 16 August 2022.

The Board:

- Noted the use of the Chief Executive's delegated authority from 21 April 2022 until 16 August 2022, under the SFC's scheme of delegation.

22/96 SFC Annual Reports and Accounts (SFC/22/70)

The Board was joined by Pauline Gillen of Audit Scotland to receive SFC's audited annual report and accounts for the year ended 31 March 2022, the letter of representation and Audit Scotland's Annual Audit Report 2021-22.

The Board noted:

- That SFC's Audit and Compliance Committee had scrutinised the annual report and accounts in detail and had agreed that there were no matters in respect of audit or internal control that prevented approval of them.
- That the external auditors had given an unqualified opinion on the accounts.
- That the external auditors confirmed that SFC managed its finances extremely effectively and the systems of internal control had operated effectively in 2021-22.
- That annual consideration of accounting policies had taken place.

In discussion the Board

- acknowledged that it had been a very positive process, particularly given staff changes within the Finance Team.
- commended the Finance team for their work on the accounts, noting the pressures arising from the tight timetable.

The Board **agreed** to recommend approval of:

- The letter of representation to enable the Chief Executive to sign it; and
- The annual report and accounts for the year ended 31 March 2022 to allow the Chief Executive to sign them.

22/97 Audit and Compliance Annual Report (SFC/22/71)

The Board was presented with the Audit and Compliance Committee Annual Report by the Chair of that Committee.

In discussion the Board noted that:

- The Committee's Annual Report contained information on the main activities of the Committee, the results of its annual evaluation and a forward look to the priorities for the year ahead.
- The Committee had considered the SFC draft financial statements and the Annual Governance Statement and agreed that the SFC's financial and other control systems had operated effectively during the year ended 31 March 2022.
- The Committee had also received a series of consistent strong reports on assurance and governance during the year and thanked SFC officers for their input and support.

The Board:

- Noted the Audit and Compliance Committee Annual Report

22/98 Business Resilience and Recovery Policy Statement (SFC/22/72)

The Board received a paper presenting the Business Resilience & Recovery Policy Statement.

The Board:

- Approved the Business Resilience & Recovery Policy Statement.

22/99 Fife College Dunfermline Learning Campus (SFC/22/73)

The Board received a paper reporting on the approval in-principle of the Fife College Dunfermline Learning Campus (DLC) Capital Decision Point 4 (DP4) report under the Chair's Urgent Action procedure.

The Board:

- Homologated the Urgent Action taken by the Chair to approve in-principle the Fife College DLC DP4 report. subject to funding being made available from the Scottish Government to fund the project.
- Extended the delegated authority afforded to the Chief Executive by the Board on 2 September 2021 to agree the DP4 assessment and, subject to the conditions of the in-principle approval being met, make a recommendation to Scottish Government Ministers that further funding be made available from the Scottish Government to deliver the project and the project be given approval to advance to the next stage – contract award and construction.

22/100 **Committee minutes: Audit and Compliance Committee (9 June 2022)(SFC/22/74*)**

The Board received the confirmed minutes of the Audit and Compliance Committee meeting of 9 June 2022.

22/101 **Committee minutes: Research and Knowledge Exchange Committee (1 June 2022) (SFC/22/75*)**

The Board received the confirmed minutes of Research and Knowledge Exchange Committee of 1 June 2022

22/102 **Committee minutes: SEAL Committee (14 June 2022) (SFC/22/76*)**

The Board received the unconfirmed minutes of Seal Committee of 14 June 2022.

22/103 **Long Term Agenda (SFC/22/77*)**

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

22/104 **Any other business (oral)**

There was no other business.

22/105 **Date of next meeting**

Members noted that the next meeting of the Board would take place on 11 November 2022 at Stirling University.