



The thirteenth meeting of the Finance Committee of the SFC was held on Wednesday 24 May 2017, 9.30am, at 99 Haymarket Terrace, Edinburgh.

Present: Robin Crawford (Chair)
Douglas Mundie
Anton Muscatelli (by teleconference)

Officers: Gavin Bruce
Michael Cross
Stuart Fancey
John Kemp
Lorna MacDonald
Sheila Meehan (Clerk)
Andrew Millar (items 17/45 to 17/51)
Fiona O'Neill
Martin Smith

In attendance: Kerry Twyman (Scottish Government)
Audrey Parfinowska (Scottish Government)

17/45 Welcome

The Chair welcomed members and officers to the thirteenth meeting of the Scottish Funding Council's Finance Committee.

17/46 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.

Douglas Mundie declared an interest in relation to part time work for the University of St Andrews.

Anton Muscatelli declared an interest as Principal and Vice-Chancellor of the University of Glasgow.

The members confirmed that they would absent themselves if there was any discussion on their relevant areas of conflict.

17/47 Minutes of previous meeting, 4 April 2017 (FC/17/Min03)

The minutes of the 4 April 2017 meeting were **agreed** as a true record of the meeting.

17/48 Matters arising (FC/17/26)

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

17/49 Governance and financial health of the university sector: Update on analysis of 2015-16 financial statements (FC/17/27)

The Committee received a paper on the governance and financial sustainability of the university sector.

The following eight 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

[] × 8 paragraphs

17/50 Governance and financial health of the college sector: Update on analysis of 2015-16 financial statements (FC/17/28)

The Committee received a paper on the governance and financial sustainability of the college sector.

The following five 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

[] × 5 paragraphs

17/51 College underlying operating position (FC/17/29)

The Committee received a paper setting out the methodology for calculating colleges' underlying operating position.

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

17/52 2016-17 Year End Re-profiling (FC/17/30)

The Committee received a paper providing the 2016-17 financial year end correspondence between SFC and the Scottish Government.

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

17/53 2016-17 Draft Statutory Accounts (Oral)

The Council executive confirmed that the 2016-17 draft Statutory Accounts had been issued to Committee members and the Chair of the Audit and Compliance Committee by email and comments were being considered and incorporated into the second draft of the document. The second draft would be issued to the Audit and Compliance Committee and all Council members for further feedback in advance of finalisation.

17/54 Reconciliation of 2016-17 March Projected Spend to 2016-17 draft SFC Statutory Accounts (FC/17/31)

The Committee received a paper presenting the financial monitoring information for the Financial Year 2016-17 together with a full reconciliation of the financial monitoring statement to

the draft SFC 2016-17 Statutory Accounts.

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

[] × 2 paragraphs

17/55 Final SFC Summary Resource Return (Oral)

The Committee received an oral update and were advised that the final end year position would be provided to the October Committee meeting.

17/56 Final clawback and penalties for funded student places in AY 2015-16 (FC/17/32)

Anton Muscatelli confirmed a potential conflict of interest in relation to the University of Glasgow and it was noted that discussion would be general and not at an institutional level on this item.

The Committee received a paper setting out the final position for colleges and universities relating to over and under recruitment in AY 2015-16.

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

[] × 2 paragraphs

17/57 European Social Funds update (FC/17/33)

The Committee received a paper providing an update on European Social Funds (ESF).

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

[] × 2 paragraphs

17/58 Finance Risk Register (Oral)

The Committee received an oral update on the finance risk register.

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

[] × 2 paragraphs

17/59 Long term agenda (FC/17/34)

The Committee received and noted proposed agenda items for future meetings of the Committee.

The Committee **agreed** that:

- A paper providing information on the outcome of national bargaining and the colleges settlement be added to the October meeting.
- *'The differential effect for institutions of the potential impacts of Brexit'* paper on the long-term agenda for October should provide the emerging position and modelling of the impact:
 - To higher education.
 - To individual institutions.
 - On overseas students.
 - On immigration numbers and student mobility (if students are considered part of the immigration numbers).
 - On research generally incorporating any up-to-date relevant findings.

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

17/60 Finance Committee reporting to the Council Board (Oral)

The Committee **agreed** that the minutes of the meeting, the re-profiling summary and the Strategic Funding Academic Year position (as presented at the previous Finance Committee meeting) be provided to the Council Board at its June 2017 meeting.

17/61 Any Other Business

The Interim Chief Executive informed the Committee that the Chair of the Finance Committee would be stepping down from the Board in October 2017 and that this was his last Finance Committee meeting. He thanked the Chair for his work since the inception of the Finance Committee and stated that the huge amount of valuable work that he had done for the Council over the years had provided a high level of oversight and assurance.

17/62 Next meeting

10 October 2017, 10.00am