Scottish Funding Council
Promoting further and higher education

Chair's Report

Purpose

1.   This paper provides Council with a report from the Chair on her key external engagements and other relevant business.

External Engagements

2.   The Chair's key external engagements are noted at Annex A.

Capital Decision Point Committee revised standing orders

3.   The Capital Decision Point Committee met for the first time on 13 July 2017. At that meeting some amendments were made to the Committee's standing orders.

4.   The revised standing orders are attached at Annex B for the Board's consideration.

Risk assessment

5.   There are no risks associated with this paper.

Recommendations

6.   The Council is invited to:

- Note the content of the report.
- Approve the revised standing orders of the Capital Decision Point Committee.

Financial implications

7.   There are no direct financial implications associated with this paper.

Publication

8.   This paper will be published on the Council's website.

Further information

9. Contact: Alice Brown, Chair (email: abrown@sfc.ac.uk).

Chair's key external engagements

Presentation at SFC National Access event, Perth, 20 June

Gave a keynote presentation at SFC's Annual Access event, jointly run with the NUS Scotland. Maggie Kinloch chaired and spoke at the event, as did Professor Peter Scott (Commissioner for Fair Access) and Vonnie Sandlan and Luke Humberstone, President and President Elect NUS Scotland.

Board Members Appraisals, 21 June

Conducted an appraisal with one member of the Board.

Meeting with Shirley-Anne Somerville (with John Kemp), 21 June

John Kemp and I met with the Minister to discuss her approach to intensification of Outcome Agreements. We reported verbally on this meeting at the June Council meeting.

Attended Dinner, Edinburgh Napier University, 22 June

John Kemp and I attended this dinner. The dinner and presentations were to launch a collaborative South-East Scotland Hub to support people with experience of care in accessing further and higher education. The initiative was developed by one of SFC's staff on secondment to the University, Dee Bird, who gave a presentation at the event. The event was attended by representatives from the different organisations involved in the Hub (the region's 5 universities, including the Open University, Edinburgh and Borders Colleges, Edinburgh City and East Lothian Councils, CELCIS and a number of third sector bodies including Who Cares? Scotland, Barnardos and The Prince's Trust.

Discussion over dinner with visiting RCUK CEOs, 26 June

Attended the dinner with John Kemp and Stuart Fancey. The dinner was chaired by the Deputy First Minister and the Minister for Business, Innovation and Energy also attended. Sir Mark Walport, the Chief Executive designate at UK Research and innovation (UKRI) spoke at the dinner setting out his vision for the work of UKRI.

Lunch discussion with RCUK CEOs, 27 June

Hosted a lunch discussion with the RCUK CEOs together with John Kemp and Stuart Fancey. This provided an opportunity to review the progress towards establishing UKRI and importantly how to enhance collaboration between RCUK and SFC in order to maximise research excellence in Scotland and the UK.

Meeting of Enterprise and Skills Review Implementation Board, 28 June

Attended the first meeting of the Implementation Board with Martin Fairbairn. The meeting was chaired by Professor Lorne Crerar, Chair of HIE. Keith Brown, the Cabinet Secretary for Economy, Jobs and Fair Work also attended. The Agenda covered the Remit and Terms of Reference for the Board; Priorities and Timelines, Short Life Project Groups on the Strategic Plan, Supporting Governance, and the Analytical Unit and Performance Framework; and the proposals for a South of Scotland Enterprise Agency.

Chancellor's Dinner, University of Stirling, 28 June

Attended the Chancellor's Dinner at the University at which both the Principal and the Chancellor spoke. They set out the University's achievements over the past year and the challenges and their plans for the future.

Lunch with Paul Johnston, 29 June

Met with Paul Johnston, Director General, Learning and Justice. We discussed my role as Chair and I shared with him the feedback from Board members. I also had the opportunity to reflect on my time as Chair and some of the challenges for the Board going forward.

University of Edinburgh Graduations and Dinner, 5 July

I gave the Laureation for the award of an Honorary Degree to Professor Yvonne Galligan, Queen's University Belfast. Yvonne and I worked together in the past in researching women's political representation in Ireland and Scotland. We had the opportunity to meet the Prime Minister of Canada, Justin Trudeau, who was also receiving an Honorary Degree from the University that morning. I also attended the Graduation Dinner in the evening.

Board Members Appraisals, 6 July

Conducted an appraisal with one member of the Board.

The Herald Higher Education Awards Dinner, 6 July

I attended the Herald HE Awards dinner and was honoured to receive the Lifetime Achievement Award this year, presented by Paul Little. The event was well attended and a record number of entries for the Awards were received this year. The Awards showcased the work on excellent initiatives and projects being conducted in our Colleges and Universities.

Installation of QMU Chancellor Prue Leith CBE and Graduation ceremony, 11 July

I attended the installation of QMU's new Chancellor, Prue Leith, with John Kemp and the Graduation ceremony for students.

Meeting with Mary Senior, Murdo Mathison and others from UCU Scotland, 19 July

I met with the representatives from UCU Scotland together with John Kemp. We discussed the Enterprise and Skills Review, work on the Learner Journey, teacher education and a number of other issues.

Meeting with New College Lanarkshire Chair and two Board members, 19 July

I met with the Chair and two Board members together with John Kemp. We met to discuss the role of SFC in addressing the current financial issues at the College and future ways of working.

Meeting with RSE staff, 28 July

I met with Bristow Muldoon and William Hardie at the RSE to discuss a presentation I have been invited to give at the Royal Irish Academy(RIA) in September. The topic is Women and STEM and the RIA are keen to learn from our experience of encouraging more women in STEM in Scotland.

Meeting of Enterprise and Skills Review Implementation Board, 28 June

Attended the second meeting of the Implementation Board with Martin Fairbairn. The meeting was chaired by Professor Lorne Crerar and the agenda included: Remit and Terms of Reference for the Board; Programme Progress Updates; Papers from Short Term Project Groups (Analytical Unit and Performance Framework, Strategic Plan, Governance and Advice) and an oral update on the South of Scotland Enterprise Agency. The Board is due to meet again in August and September.

Meeting with Melfort Campbell, 14 August

Met with Melfort Campbell together with Stuart Fancey to discuss the potential for developing innovation initiatives.

Board Members Appraisals, 15 August

Conducted an appraisal with one member of the Board.

Lunch meeting with Siobhan Jordan, Director of Interface

Met with Siobhan Jordan to discuss future developments in Interface.

SFC Board

I contacted and spoke to a number of people with a view to encouraging high quality candidates to apply for the position of Chair or one of the Board member vacancies.

Capital Decision Point Committee Standing Orders

Legislation and background

1. The Further and Higher Education (Scotland) Act 2005 established the Scottish Further and Higher Education Funding Council. Schedule 1 of the Act makes provision for certain administrative and other matters with respect to the Council, including the establishment of committees.

2. Schedule 1 states that:

   - The Council may establish committees for any purposes relating to its functions [section 13]
   - The Council is to determine the composition of its committees, the terms and conditions of committee membership, and the procedure (including any quorum) of its committees [section 14(1)]
   - Any of the committees of the Council may include persons who are not members of the Council [section 14(2)]
   - 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 [section 14(3)]
   - The Council is to keep under review the structure of its committees and the scope of the activities of each [section14 (4)].

3. Schedule 1 also states that the Council may authorise any of its committees to exercise such of its functions to such extent as it may determine [section 15(1)]. Delegated authority for each committee is contained in the remit for each committee as agreed by the Council.

4. At its meeting on 17 March 2017, the Council agreed to establish a Capital Decision Point Committee. The remit, membership, and standing orders were also approved by the Council at its meeting on 17 March 2017. The remit of the Committee is reviewed on an annual basis.

Committee membership - general

5. As set out in the Council's Standing Orders, the membership of a committee will be determined by the Chair of the committee and the Chair of the Council.

6. Council committees must have Council representation. The Chair, who will be determined by the Council, will be a Council member. Other committee members who are not members of the Council will be referred to as "external members"; and the Scottish Government's guidelines for appointing members should be followed in their selection.

7.   The Chief Executive, although a member of the Council, will not normally be a member of any committee.

8.   A Council member's term of office on a committee will run concurrently with their Council term of office. Each external member will be appointed initially for a period of three years, with the possibility of serving for a further period thereafter.

9.   On the expiry of a period of appointment of an external member, that member may be invited to serve for a single further period not exceeding three years. Where appropriate, periods of reappointment will be staggered to ensure some continuity of membership.

10. An external member may, by giving notice in writing to the Chair of the committee, resign as a member of a committee. A Council member may, by giving notice in writing to the Chair of the Council, resign as a member of a committee.

11. If the Chair of the committee and the Chair of the Council are satisfied that a member's attendance at meetings has been unsatisfactory or that the member is otherwise unable or unfit to discharge the functions of a member, they may, by giving notice in writing to the member, remove that person from the committee.

Background to and remit of the Committee

Background

12. All capital projects should be the product of a business case in order to be considered for funding. The Council's Capital Projects: Decision Point Process guidance examines a project at critical stages in its procurement and delivery to provide an assurance that it is consistent with the agreed initial aims and it can progress successfully to the next stage.

13. The key stages in the decision point process are:

- Decision Point review 0: strategic assessment
- Decision Point review 1: business justification/outline business case
- Decision Point review 2: procurement strategy/full business case
- Decision Point review 3: pre-tender
- Decision Point review 4: pre-contract/ pre-construction
- Decision Point review 5: post-occupancy evaluation.

14. The decision point process provides assurance that each project:

- Is on target to meet the pre-agreed aims and objectives
- Can successfully progress to the next stage of development or implementation
- Remains within the cost, quality and budget parameters set
- Represents value for money
- Governance and resource arrangements are effective for its delivery.

15. For this purpose, major capital projects are defined as capital projects above £5 million.

16. ~~The decision point process has been adopted for 2 major capital projects originally intended to be revenue-funded through the Scottish Government's non-profit distributing (NPD) model. As both these projects were intended to be NPD-funded, there is a Scottish Government requirement that they are scrutinized by the executives of both SFC and the Scottish Futures Trust (SFT), and that Scottish Ministers are provided with a recommendation from the Board of SFC that the project can progress to the next stage, for 2 key stages – Decision Point review 2 and Decision Point review 4. The other Decision Point review stages will be evaluated and approved by the executives of SFC and SFT.~~

17. ~~There are other major capital projects at earlier stages of the process. The intention is for these projects to be scrutinized using the same Decision Point process, with SFC executive seeking technical advice and support as required, either from Scottish Futures Trust or other sources (including the Property Support Service).~~

Remit

~~18.~~16. ~~The Committee will meet as required in order to provide recommendations to the SFC Board at Decision Point review points 2 and 4 (or equivalents) for each major capital project progressing through the Decision Point review process.~~ Where major capital projects are revenue-funded, the Committee will provide assurance to the SFC Board that, at each of the two key Decision Point review stages (2 and 4), the executives of SFC and SFT have undertaken the necessary scrutiny and due diligence to satisfy themselves that the project can progress to the next Decision Point review stage.

~~19.~~17. ~~For the 2 live projects originally intended to be revenue-funded~~Where major capital projects are funded through direct capital grant, the Committee will provide assurance to the SFC Board that, at each of the two key Decision Point review stages (2 and 4), the SFC executive~~s of SFC~~ ~~and SFT have~~, supported by its independent professional advisors, has undertaken the necessary scrutiny and due diligence to satisfy themselves that the project can progress to the

next Decision Point review stage.

Membership of the Committee

20.18. The Chair of the Committee will be a non-executive member (but not the Chair) of the Council. There will be at least two other members, who may be external or non-executive members of the Council.

21.19. The profile of the membership should include experience and expertise in the following fields:

- Development of major infrastructure projects
- Current knowledge of the college and/or university sectors.

22.20. There will also be regard to equalities issues in the membership composition.

Proceedings of the Committee

23.21. The validity of any proceedings of the Committee is not affected by a vacancy in membership or by any defect in the appointment of a member.

24.22. The secretariat function is provided by the lead group – Research & Innovation Directorate.

25.23. The catering costs of the Committee are the responsibility of the lead group – Research & Innovation Directorate. Fees and T&S expenses are the responsibility of the Secretariat branch.

Quorum

26.24. The quorum for a Committee meeting is two members.

Role of the Chair in Committee meetings

27.25. It is the role of the Chair to see that Committee business is conducted in an orderly fashion and to ensure that members obtain a fair hearing. Members wishing to speak shall do so through the Chair.

28.26. The Chair is also responsible for leading the meeting to reach decisions. The Committee 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 may be asked to count and record a vote by a show of hands.

29.27. As set out in the Council's Scheme of Delegation, generally committees are expected to take matters as far as appropriate before making recommendations to the Council. The Chair of the Committee will normally

have responsibility for judging when it is appropriate to make recommendations to Council: where items are routine, they will stay with the Committee until the final stage of decision-making; and where items are novel, unusual or potentially contentious, proposals should be considered by Council at an earlier stage.

Collective responsibility

30. 28. Committee members should be encouraged to express any differing views within the Committee'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.

Nomination of a Vice-Chair

31. 29. The Chair may nominate a Vice-Chair to act as deputy in the absence of the Chair at Committee meetings. This nomination will be subject to the approval of the Committee.

Clerk to the Committee

32. 30. The Clerk to the Committee will advise the Chair on the conduct of Committee business and agenda planning. The Clerk will also advise Committee members on formal matters relating to the Committee.

Conflict of interest

33. 31. All external members are required to complete a register of interests on appointment (Council members complete this form on appointment to the Council) and must notify the Clerk when any changes to this need to be made. Members' registers of interests will be made publicly available on the Scottish Funding Council website.

34. 32. If any member has, or could be perceived to have, an interest in a matter that is being considered by the Committee, 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. The member must decide, taking advice from the Chair, whether they should:

- Remain in the meeting and participate fully
- Remain in the meeting but make no contribution
- Withdraw from the meeting for the discussion of, and any decision on, the relevant item.

35.33. The Chair may, in any event, ask a member to leave the meeting if s/he thinks it is appropriate.

36.34. Whilst individual members have a responsibility to consider their position with regard to conflict of interest, prior to the meeting the Clerk will consider the agenda in the context of the register of members' interests and advise the Chair accordingly.

Attendance at meetings

37.35. Meetings will be attended by members of the Research & Innovation Directorate as appropriate.

38.36. In addition, other members of staff of the Council's executive 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 Committee's discussion will inform their work, or as part of their on-going professional development.

39.37. Attendees may have a role in introducing papers, providing clarification, and contributing to discussions, but may not take part in Committee decisions.

40.38. As set out in the legislation, a representative of the Scottish Ministers is entitled to participate in any deliberations (but not in decisions) of any committee of the Council [section 16 of Schedule 1].

Observers

41.39. Any member of the Council has the right to attend Committee meetings as an observer by agreement with the Chair.

42.40. External observers may be invited to attend Committee meetings. External observers invited to be in regular attendance will receive copies of all papers.

43.41. Observers may, with the permission of the Chair, speak and contribute to discussions, but may not take part in Committee decisions.

Timing of meetings

Scheduled (or ordinary) meetings

44.42. The Committee will meet when required to consider specific business cases in accordance with the Remit section above.

45.43. The schedule of meetings for each year will be agreed by the Committee in the previous year, following consultation with the Chair by the Clerk and taking into account the dates of Council meetings.

Extra (or special) meetings

~~46.~~44. The Chair may convene additional meetings as s/he deems necessary.

Agenda and papers

Agenda items

~~47.~~45. Any member can, by contacting the Clerk to the Committee, suggest items of business. The agenda and designation of business will be decided by the Chair.

~~48.~~46. Items for endorsement or for noting will be starred (*) on the agenda and the Chair will ask at the start of the meeting whether members wish to discuss any of the starred items. (Members should notify the Clerk to the Committee of this wish in advance of the meeting.) Unless members specifically ask to discuss these items, the Chair will assume that they have been endorsed or noted.

Distribution of agenda and papers

~~49.~~47. The agenda of business and accompanying papers will normally be distributed no later than one week before a scheduled meeting of the Committee.

Freedom of Information

Publishing papers

~~50.~~48. Committee agendas will be published on the Council's website. Disclosable papers will be made available on request.

Disclosure status

~~51.~~49. In some cases, particular documents maybe subject to disclosure exemptions under the terms of the Freedom of Information (Scotland) Act 2002. Where this applies, the particular exemption(s) will be stated.

Approval of minutes of Committee meeting

~~52.~~50. Minutes of a Committee meeting will be submitted to the Chair for preliminary approval, and thereafter to the subsequent meeting of the Committee for formal approval.

Reporting to the Council

~~53.~~51. The minutes of each Committee meeting will be reported to the Council at the next scheduled Council meeting for noting – whether they have been confirmed or are unconfirmed but approved by the Chair.

54.52. At each Council meeting there will be the opportunity for the Chair to raise orally matters that s/he thinks the Council needs to be aware of.

55.53. If the Committee has met at least once during the course of a year, it will conduct an annual self-evaluation.