

Minutes of the 122nd meeting of the Council held 14 March 2008 in HEFCW offices, Llanishen, Cardiff

Present:

**Members:**

Professor Sir Roger Williams (Chairman),  
Dr Len Arthur  
Professor Philip Gummett (Chief Executive)  
Professor Mari Lloyd-Williams  
Mr Tim Rees  
Professor Garel Rhys  
Professor Sir Brian Smith  
Mrs Tina Stephens  
Dr Geoffrey Thomas

**Observers:** Dr David Bacon, Welsh Assembly Government  
Dr John Selby, Director (Education and Participation), HEFCE  
Mr Roger Thomas

**Officers:**

Dr David Blaney  
Mr Roger Carter  
Mr Dale Hall  
Mr Richard Hirst  
Ms Celia Hunt  
Mrs Bethan Owen  
Ms Emma Raczka

**Apologies:** were received from Ms Niina Hammond, Mr Ken Richards, Professor Nigel Stott and Mrs Pauline Thomas.

**1 Introductory remarks, apologies and declarations of interest**

- 1.1 Council welcomed Mr Roger Thomas to the meeting, who was attending in observer capacity before taking up post as the new Chairman of HEFCW in May. Members were saddened to hear about Professor Nigel Stott's absence on health grounds, and all wished him a speedy recovery.
- 1.2 The Chairman thanked Dr David Bacon, this being his last attendance at a HEFCW Council meeting before moving to a different position in the new DCELLS structure, for his contributions over the past two years.

1.3 The following standing members interests were declared in relation to agenda item 11 ('Reconfiguration and Collaboration' HEFCW/08/19:

- Professor Philip Gummett whose partner is employed at Swansea Metropolitan University.
- Dr Len Arthur as a part-time member of staff at the University of Wales Institute, Cardiff,
- Professor Garel Rhys as Professor Emeritus at Cardiff University.
- Professor Sir Brian Smith as international ambassador for Cardiff University.
- Dr Geoffrey Thomas as an Honorary Fellow of Trinity College Carmarthen.
- Tim Rees as Honorary Fellow at the University of Glamorgan

## **2 Minutes of the meeting held on 1 February 2008 (HEFCW/08/MIN121)**

2.1 Resolved: that the Minutes be accepted as a true record of the meeting held on 1 February 2008.

## **3 Matters arising**

### Recruitment of new Chair [Min 3]

Council noted:

3.1 that the New Chair of HEFCW had been announced as Mr Roger Thomas, formerly Chair of Governors at the University of Glamorgan, who would take up the position on 5 May 2008.

### HEFCW's written response on the Skills Strategy consultation [Min 5.8]

3.2 PG reported that this response now would be considered at the joint meeting of the Learning and Teaching, Third Mission and Widening Access Committees on 18 March, rather than at Council as originally anticipated.

## **4 Chief Executive's Report (HEFCW/08/CE2)**

### Proposed agenda: Members' Workshop 8 May 2008

4.1 Council received and noted the proposed agenda for the next Members' Workshop in May. Given that the Remit Letter 2008-09 now had been received, it was agreed that the morning session include a discussion of this in the context of the broader HE policy environment in Wales..

#### 2008-09 Operational Plan and Remit Letter

- 4.2 Council noted the recent receipt of its Remit Letter for 2008-09 [see below under 'Any other business'].

#### House of Commons Welsh Affairs Select Committee: Call for evidence

- 4.3 Council received an oral update on the call for evidence from the House of Commons Welsh Affairs Select Committee on the provision of cross-border services for Wales, the scope of which included further and higher education. While HEFCW had not been called to provide oral evidence as yet, officers proposed to prepare a broadly positive note which explained the nature of provision post-devolution, how HEFCW worked with other UK funding bodies and the cross-border flow of students. HEFCW would share an early draft with colleagues at HEFCE.

#### University of Wales, Lampeter update

- 4.4 Council received and noted the correspondence between the Chief Executive and the Vice-Chancellor of University of Wales, Lampeter.

#### Capital handling under new Welsh Assembly Government arrangements (SCIB)

- 4.5 Council received a tabled paper from the Welsh Assembly Government on its new Strategic Capital Investment Board (SCIB), which outlined how arrangements might work in practice. The process had not been determined fully and many of the details had still to be worked out.

#### Learning and Teaching Fund

- 4.6 Council received and noted a proposal for the use of Learning and Teaching Funding for 2007/08 and 2008/09.

#### Resolved:

- 4.7 to approve the use of £222,581 from the Learning and Teaching fund from 2007/08 to 2010/11 to support the implementation of the e-learning strategy;
- 4.8 to approve the use of approximately £100,000 of the £200,000 originally allocated for e-learning, to pay the additional QAA costs in 2007/08 and a similar amount in 2008/09.

#### Welsh Language Mainstreaming Strategy 2008- 09

- 4.9 Resolved: to delegate authority to the Chief Executive to approve the final version of the Welsh Language Mainstreaming Strategy to be submitted to the Welsh Assembly Government by 30 April 2008.

### JISC Development and Innovation Programme

- 4.10 Council received and considered a proposal for the allocation of the JISC Infrastructure Programme funds 2008/09 to 2010/11.

Resolved: to approve the allocation of funding for this work: £500k in 2008/09; £600k in 2009/10; £700K in 2010/11.

### University of Glamorgan Institutional Visit 31 January 2008

- 4.11 Resolved to receive the notes of the Institutional Visit to the University of Glamorgan on 31 January 2008.

### Student Finance seminar

- 4.12 Resolved: to note that a Council seminar on Student Finance would be held following the meeting of 9 May 2008, led by Mr Ken Richards.

- 4.13 Second Annual Public meeting

Resolved: to note that there would not be a second Annual Public meeting for the 2007/08 session.

- 4.14 Applied Education Research

***The following paragraph is exempt from disclosure under section 35 of the Freedom of Information Act as it contains information relating to the formulation of Welsh Assembly Government policy.***

- 4.15

### Evaluation of the Higher Education Academy

- 4.16 Resolved: to note the outcome of the HE Academy interim evaluation and future action.

### Organisational Development

- 4.17 Council received and noted an update on the HEFCW Organisational Design proposals.

### 2008-09 Budget Settlement

- 4.18 Resolved to note the higher education provision in the Assembly budget settlement in respect of capital allocation and the grant in aid for 2008-09 onwards.

### Exercise of Delegated Authority

- 4.19 Resolved to note the publication of HEFCW's Equality and Diversity Report 2007.

## **5 ITT Reconfiguration (HEFCW/08/08)**

5.1 Council received and considered a preliminary assessment of the initial teacher training (ITT) reconfiguration plans submitted by institutions.

Council noted:

5.2 that HEFCW would submit a progress report to the Welsh Assembly Government at the end of March 2008; and

5.3 the ongoing discussions between HEFCW and HEIs on transitional costs, which would be incurred as a result of reconfiguring the ITT sector in Wales. While officers and the Assembly were broadly content with the proposed direction in which institutions were moving, HEIs were reluctant to make major changes or confirm final figures for these changes until they received confirmation of transitional funding from the Assembly. Similarly, the Assembly was not yet in a position to confirm the extent of transitional funding available.

5.4 Resolved:

i) to agree to seek a high-level meeting with Welsh Assembly Government officials to:

- try and secure an approval in principle for institutional developments to move forward;
- provide institutions with a clearer timetable for transition; and
- consider the risks involved in significantly delaying the confirmation of transitional funding to the affected institutions, given that the new schools of ITT should be in place by AY 2009/10.

ii) to delegate authority to the Chairman and the Chief Executive to approve the progress report to be submitted to the Welsh Assembly Government at the end of March 2008.

## **6 ITT accreditation procedures (HEFCW/08/09)**

6.1 Council received and considered revised procedures for the accreditation by HEFCW of providers of initial teacher training (ITT).

6.2 Council noted the implications of reconfiguring the ITT sector on the accreditation of ITT providers in Wales. While there was no requirement to reaccredit partners in the new schools of ITT as a result of reconfiguration,

any future outcomes of inspection would apply to the school as a whole, not just the individual institutional providers within the school.

Resolved:

- 6.3 to approve in principle the revised procedures;
- 6.4 to delegate authority to the Chief Executive to approve the finalised procedures for publication; and
- 6.5 to confirm the position on ensuring compliance and the withdrawal of accreditation for the new Schools of ITT, subject to further discussions with Estyn and the Welsh Assembly Government.

**7 Baseline grant settlement 2008 and recurrent grant 2008/09 (HEFCW/08/10)**

- 7.1 Council received and considered HEFCW's baseline grant settlement for 2008-09.

***The paragraphs below are exempt from disclosure under sections 36 and 43 of the Freedom of Information Act as they contain information which is for future publication***

*Council noted:*

*7.2 to 7.21*

**8 Financial Year budget 2008-09 (HEFCW/08/11)**

- 8.1 Council received and considered the financial year running costs budget for HEFCW, including an estimate of the amount of cash brought forward, for the period 2008-09.

Council noted:

- 8.2 The use of some carry-forward funds to ease the pressure of organisational redesign; and
- 8.3 That officers predicted that the forecast was sustainable.

Resolved:

- 8.4 to approve the financial year budget 2008-09; and
- 8.5 to include a retrospective picture of running costs for the previous year in future papers, to enable Council to make comparisons.

## **9 Analysis of financial health: sector and institutions (HEFCW/08/12)**

*Dr Geoffrey Thomas reiterated his interest and left the room for the discussion about Trinity College, Carmarthen.*

- 9.1 Council received and considered the paper on the financial health of the higher education sector and individual institutions as indicated by the audited financial statements received December 2007 for the period 1 August 2006 to 31 July 2007.

Council noted:

- 9.2 the financial position of those institutions whose categorisations had changed or had remained static;
- 9.3 that the effects of SIS and Fee income were starting to become apparent in the sector's financial health statements;
- 9.4 the significant effect of the National Pay Framework on institutions' finances;
- 9.5 that financial risk categorisations were made separately, against a well-defined set of data and criteria, from other judgements about institutions such as the robustness of management systems.

***The paragraphs below are exempt from disclosure under sections 36 and 43 of the Freedom of Information Act as they contain information which has been provided in confidence and information which is commercially sensitive.***

Resolved:

9.6 to 9.7

## **10 Skills and Employment Strategy consultation (HEFCW/08/13)**

- 10.1 Council received and considered the skills and employment strategy issues being highlighted for discussion at the joint meeting of the Learning and Teaching, Third Mission and Widening Access Committees convened for 18 March 2008. Officers welcomed further comments and steers on HEFCW's response to the consultation outside the meeting.
- 10.2 Resolved: to delegate authority to the Chair and Chief Executive, together with the Chairs of the Council's Learning and Teaching, Third Mission and Widening Access Committees, to finalise HEFCW's response to the consultation.

## **11 Revised research funding method (HEFCW/08/14)**

- 11.1 Council received and considered a number of adjustments to its research funding method, to be implemented following the 2008 Research Assessment Exercise (RAE).

Council noted:

- 11.1 the implications of volume thresholds on small pockets of research;
- 11.2 that further changes to the research funding method would be required in the longer term if proposed arrangements for metrics-based research assessment were implemented and that the Council would consult on such changes at the appropriate point;
- 11.3 the need to mention the importance of future collaborations in research when reporting on Council's decisions about the revised research funding method.

Resolved:

- 11.4 to agree that, in determining the quality weightings in the revised QR formula, priority should be given to ensuring that funding for top-rated research in Wales is competitive with that elsewhere in the UK;
- 11.6 to agree to retain PGR numbers as one of the minor volume measures in the QR funding formula;
- 11.7 to agree to leave open the possibility of imposing minimum volume thresholds for eligibility for QR funding, depending on the 2008 RAE outcomes;
- 11.8 to agree, subject to modelling using the 2008 RAE outcomes, to discontinue use of the UK average rating factor;
- 11.9 to note the level of funding potentially available for QR, as indicated;
- 11.10 to agree, in principle, to re-establish the link between eligibility for QR funding and eligibility for the separate PGR funding stream.

## **12 E-learning strategy (HEFCW/08/15)**

- 12.1 Council received and considered the revised Strategy for enhancing learning and teaching through technology including responses to the consultation on the draft strategy. Council noted the extent of the work that had gone into producing this.

Resolved:

- 12.2 to delegate authority to the Chief Executive to approve the final version of the strategy for publication.

## **13 HEFCW Equality Scheme (HEFCW/08/16)**

- 13.1 Council received and considered the draft HEFCW Equality Scheme which amalgamated HEFCW's Disability, Gender and Race Equality Schemes.

Council noted:

- 13.2 that this was not quite the final version of the Scheme before it went out for consultation before the end of May; and
- 13.3 that use of the term 'diversity' had gathered considerable momentum and was now just as important as 'equality', and that this should be increasingly reflected in the body of the document. Officers would, given the legal position, retain 'equality' in the title, but would look at how best to use references to both terms in the document itself.

Resolved:

- 13.4 to agree to delegate authority to the Chief Executive to finalise the Equality Scheme for publication; and
- 13.5 to share the final version of the Scheme with the HR Committee for information, and to keep HR Committee informed on equality and diversity matters.

#### **14 Concordat to support the career development of researchers (HEFCW/08/17)**

- 14.1 Council received and considered the proposal to become a signatory to a revised UK-wide Concordat to support the career development of researchers. Council noted that the Concordat drew together expectations and guidance based on good practice and was designed to be compatible with institutions' HR strategies.

Resolved:

- 14.2 to agree that HEFCW should become a signatory to the Concordat to Support the Career Development of Researchers; and
- 14.3 to agree to support the proposed actions for implementation and review, as set out in Section F of the Concordat.

#### **15 Reducing Regulatory Burden: Report to the Welsh Assembly Government (HEFCW/08/18)**

- 15.1 Council considered the response to the Minister's request in the 2007-08 Remit Letter for a report on the most promising areas for reducing the regulatory burden for the HE sector in Wales.

Council noted:

- 15.2 the areas which were covered in the proposals;
- 15.3 that the HE sector in Wales would benefit from the initiatives driven by the Higher Education Regulation Review Group (HERRG) Concordat in England where signatories have a UK-wide remit;
- 15.4 the possibility of establishing a HERRG-style Concordat for Wales;
- 15.5 that it would be beneficial if the Welsh Assembly Government were to establish a HERRG style gatekeeper group which could consider the regulatory burden of new requirements in Wales. Members of the group would include representatives from the sector in Wales along with the Welsh equivalents of the English Concordat signatories (many of which are within the Welsh Assembly Government); and
- 15.6 that HEFCE was seen by the sector in England as imposing less of a burden on HEIs than some other bodies which impacted upon them, and that it would take some time to encourage those other bodies to consider a lighter touch approach.

Resolved:

- 15.7 to approve the draft response to the Minister; and
- 15.8 to delegate authority to the Chief Executive to approve any amendments to be made following Council's comments.

## **16 Reconfiguration and collaboration (HEFCW/08/19)**

- 16.1 Dr Len Arthur reiterated the declaration that he is employed as a member of staff at the University of Wales Institute, Cardiff. The Chief Executive reiterated the declaration that his partner is employed at the Swansea Metropolitan University.
- 16.2 Council received and noted progress with reconfiguration and collaboration since its last meeting on 1 February 2008.

Council noted:

- 16.3 with some concern, the funding position for 2007-08, as there was little flexibility in the budget until 2010/11, and the impact this might have on potential new developments;
- 16.4 the letter from the Chairman of the Strategic Collaboration Board for South East Wales to the THE in response to an article about the remit of the Strategic Collaboration Board for South East Wales.

***The paragraphs below are exempt from disclosure under sections 36 and 43 of the Freedom of Information Act as they contain information which is potentially prejudicial to the effective conduct of public affairs and information which is commercially sensitive.***

16.5 to 16.13

## **17 Any other business**

### **17.1 Times Higher Education list of VCs' salaries**

Members received a tabled copy of the recently published THE list of VCs' salaries. Not all Welsh VCs' salaries were included in the list. It was recalled that HEFCW had relatively recently reviewed HEIs' processes for setting Vice Chancellors' salaries, which were found to be generally robust. It was also noted that there was CUC guidance available on this issue.

### **17.2 HEFCW Remit Letter 2008-09 from the Welsh Assembly Government**

Council received a tabled copy of the unsigned final version of HEFCW's 2008-09 Remit Letter.

Council noted:

- 17.3 the new key priorities for 2008-09 and the work that would continue in a number of areas;
- 17.4 the need for clarity about the potential financial implications of some of the actions requested through the Remit Letter (e.g. National Research Centres);
- 17.5 that *One Wales* provided the strategic background to the actions in the document;
- 17.6 the inclusion of references to refreshing the *Reaching Higher* strategy for higher education;
- 17.7 the emphasis on learners and provision of learning;
- 17.8 the particular emphasis given to the performance of and delivery by HEFCW and the sector over the planning period;
- 17.9 the inclusion of reference to the significance HE played not only in Wales but also in a UK and worldwide context;
- 17.10 a number of areas where HEFCW was expected to 'deliver', rather than facilitate, which raised questions about whether this implied an expectation on HEFCW to engage in closer strategic planning with the sector;

- 17.11 the role that WHEB necessarily played in helping institutions to tap into European funds;
- 17.12 the need for HEFCW officers to discuss other *One Wales* areas to which HE might contribute, but which had not been explicitly identified in the Remit Letter;
- 17.13 the need for clarity on the DCELLS Business Plan and the DCELLS-wide delivery and performance management framework, which had yet to be shared with HEFCW;
- 17.14 the request to develop a framework for funding a sustainable HE sector, which would require detailed discussion with the Minister in the context of the funding gap;
- 17.15 that HEFCW was working to gather information from the sector on how institutions currently maximise funding streams through philanthropy, capital investment and other sources;
- 17.16 the implications of the planned independent review of HEFCW and the context in which it will be undertaken;
- 17.17 the need to draw to Assembly Government officials' attention HEFCW's ongoing sharing of resources with other bodies in the UK, such as JISC; and
- 17.18 the unfeasibility of submitting a plan to the Assembly Government by the end of March as requested and the acknowledgement by the WAG Assessor that any plan would have to be submitted to due Council approval processes which would imply that July would be the earliest point at which a plan might be submitted to the Assembly Government.

Resolved:

- 17.19 that, given that the 30 March deadline was unrealistic for submitting a draft Corporate Plan for 2008-09 to 2010-11 and Operational Plan for 2008-09, the Welsh Assembly Government assessor agreed that HEFCW officers should agree a new submission date with Assembly officials; and
- 17.20 to discuss the 2008-09 Remit Letter and its implications for the Council's next Operational and Corporate Plans in more detail at the Members' Workshop on 8 May.

**18 Date of next meeting**

Council noted the date of the next meeting as 9 May 2008 to be held at HEFCW Offices, Llanishen, Cardiff.

## **19 Reaching Wider funding proposals (HEFCW/08/20)**

Council received and noted the recommendations of the Reaching Wider (RW) Advisory Sub-group on funding allocations for the Reaching Wider initiative in 2008/10.

### Resolved:

- 19.1 to approve RW funding of £2m for the period September 2008 to August 2010, subject to confirmation of resources through the 2008-09 remit letter;
- 19.2 to approve the recommendations of the RW Advisory Sub-group;
- 19.3 to approve an annual GDP rise for the RW initiative from September 2008;
- 19.4 to approve a £50k 'one-off' allocation to RW Partnerships to support the development of regional higher education work with looked after children/ care leavers.

## **20 Welsh medium provision fund (HEFCW/08/21)**

- 20.1 Council received and considered revised arrangements for the Welsh Medium Provision Fund from 2008/09.
- 20.2 Resolved: to confirm the arrangements for the Welsh Medium Provision Fund from 2008/09.

## **21 Corporate risk register (HEFCW/08/22)**

- 21.1 Council received and considered the latest update of its corporate risk register and an updated *Risk Management Policy and Guidelines*.

### Resolved:

- 21.2 to approve the latest iteration of the corporate risk register;
- 21.3 to approve the updated Risk Management Policy and Guidelines.

## **22 ITT intake targets: 2008/09 (HEFCW/08/23)**

- 22.1 Council received institutional primary and secondary initial teacher training intake targets for 2008/09.

### Resolved:

- 22.2 to receive institutional ITT intake target allocations for 2008/09;

22.3 to note the exercise of delegated authority by the Chair in approving the allocations.

**23 Corporate Strategy to 2010 and Corporate and Operational Plan 2007-10: end of year report (HEFCW/08/24)**

23.1 Council received progress as at the end of 2007-08 against activities in HEFCW's *Corporate Strategy to 2010 and Corporate & Operational Plan 2007-08 to 2009-10*.

23.2 Resolved: to note progress as at the end of 2007-08 against activities in HEFCW's *Corporate Strategy to 2010 and Corporate & Operational Plan 2007-08 to 2009-10* and those activities being taken forward for inclusion in the Operational Plan 2008-09.

**24 Minutes of the Learning and Teaching sub-committee meeting held 18<sup>th</sup> January 2008 (HEFCW/08/25)**

24.1 Council received unconfirmed minutes of the Council's Learning and Teaching Committee (LTC), held on 18 January 2008

24.2 Resolved: to note the unconfirmed minutes of the Council's Learning and Teaching Committee (LTC), held on 18 January 2008, subject to confirmation by the Committee.

**25 April to December 2007 (Q3) Cash Expenditure Report HEFCW Financial Year 2007-08 (HEFCW/08/26)**

25.1 Council received the financial monitoring on programme and running costs expenditure for the period April to December 2007 (Q3) and an update on the financial year end position for 2007-08.

25.2 Resolved: to note the third progress report on actual performance against cash profile for 2007-08 financial year.

Signature..... Date.....