

Minutes of the 163rd meeting of the Council held on 14 March 2014 at HEFCW offices, Llanishen, Cardiff

Present:

Members:

Mr Roger Thomas (Chairman)
Dr David Blaney (Chief Executive)
Mr David Allen
Dame Sandra Burslem
Mrs Bethan Guilfoyle
Mr David Mason
Professor Leni Oglesby
Professor Mark E Smith
Professor Stephen Tomlinson
Professor Robin Williams
Mr Ewart Wooldridge

Observers:

Mr Chris Jones, Head of HE Finance & Performance Improvement, Welsh Government
Ms Stephanie Lloyd, President, National Union of Students Wales
Mr Neil Surman, Head of HE Division, Higher Education and Lifelong Learning, Welsh Government

Officers:

Mr Dale Hall (Council Secretary)
Ms Celia Hunt
Ms Bethan Owen
Ms Emma Rączka
Mr Nick Williams

Apologies:

Prof Madeline Atkins, Chief Executive, HEFCE
Mr Laurence Howells, Acting Chief Executive, SFC

1. Introductory remarks and declarations of interest

- 1.1 The Chairman welcomed the observers to the meeting.
- 1.2 No specific members' interests were declared in relation to any of today's agenda items above and beyond those currently published on HEFCW's website.

2. Draft minutes of the meeting held on 24 January 2014 (HEFCW/14/Min162)

- 2.1 The draft minutes were accepted as a true record of the meeting held on 24 January 2014, subject to the following amendments:

The paragraphs below are exempt from publication under the Freedom of Information Act 2000 (future publication; prejudice to the effective conduct of public affairs)

- Exempt minute
- Exempt minute
- Exempt minute

3. Matters Arising (HEFCW/14/16)

- 3.1 Council received a report on action taken following the previous Council meeting held 24 January 2014. It was noted that due to a number of changes to the agenda some references in the Matters Arising report were out of line with the finalised agenda.

Noted:

- 3.2 In addition to the items noted in the report the following matters had also now been actioned:

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- Exempt minute
- Sector agency funding arrangements (24 January 2014, minute 6.2) – An agreement had been finalised with HEW that would cover the next two years. Discussions were continuing with HEW about what each agency would be asked to deliver.

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- Exempt minute
 - Higher Education (Wales) Bill (24 January 2014, minute 8.5) – An estimate of the additional running costs required had been sent to Welsh Government. The matter of the absence in the Bill of means to control the costs of the tuition fee grant had been raised with the Minister by the Chairman and Chief Executive at their meeting with him on 12 March. The Welsh Government observer thanked the Council for the input it had provided to inform the development of the Bill, a draft of which would soon be shared with the HEFCW executive.
- 3.3 On the Tabberer review of ITT (24 January 2014, minute 3.4), Council noted Welsh Government's intention to convene a group to discuss next steps, which would include HEFCW, and that officers would also be

discussing with the Welsh Government the matter of future delivery structures for ITT in Wales. Professor John Furlong had recently been appointed as the Welsh Government's new ITT advisor.

4. Chairman's Report

- 4.1 Council received an oral report from the Chairman on meetings and events attended since the last meeting of Council:

18 February - Coleg Cymraeg Cenedlaethol Annual Assembly, at which former HEFCW staff member Dr Alison Allan received an honorary fellowship. The Council acknowledged the contributions Dr Allan had made to the development of the Coleg. It was noted that Andrew Green had been appointed as the new Chairperson of the Coleg's Board of Directors.

21 February – The Chairman, Chief Executive and Director of Institutional Engagement had met with the Vice-Chancellor and the Deputy Vice Chancellor (Strategic Resources) of the University of Wales, and the Vice Principal (Resources) of the Royal Welsh College of Music and Drama.

26 February – The Chairman had attended the Royal Anniversary Trust Prize Winners' Dinner in London at which Cardiff University and Coleg Cambria had received awards.

6 March – Visit to Glyndŵr University (*see minute 5.2 below*)

12 March – Chairman and Chief Executive's quarterly meeting with the Minister. The discussion had focussed chiefly on HE funding and the forthcoming Diamond review, and the North East Wales review.

- 4.2 The Audit and Risk Assurance Committee had met on 5 March; there were no matters to draw to the attention of the Council that did not already feature on the agenda. The Strategic Development Committee had met on 10 March (minute 5.6 refers).

5. Chief Executive's Report (HEFCW/14/CE2)

- 5.1 Members' Workshop 8 May 2014: proposed agenda items
Council agreed discussion topics for the next Members' Workshop: Corporate Strategy targets; the Corporate Risk Register; plans for reviewing the funding method; preparations for the visit by the Chief Scientific Adviser for Wales to the Council's meeting on 9 May; and a general discussion on the operation and governance arrangements of the Council, subject to the new Chair being in post.

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5.2 Exempt minute

5.2.1 Exempt minute

5.2.2 Exempt minute

5.2.3 Exempt minute

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5.2.8 Exempt minute

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5.2.10 Exempt minute

5.2.11 Exempt minute

The paragraph below is exempt from publication under the Freedom of Information Act 2000 (for future publication)

5.3 Exempt minute

5.4 Remit letter 2014-15

The Council received a copy of the Minister's remit letter to HEFCW for FY 2014-15 and noted the analysis of the key elements in the letter and how these would be taken forward. The discussion focussed on two specific areas of the remit letter:

(i) *Develop a comprehensive assessment of the contribution to Wales of Welsh HEIs*

The Council welcomed the opportunity to pull together a comprehensive account of the various contributions made by universities in Wales. The intention would be to publish an annual 'state of the nation' report on the sector's performance which would complement the main statutory HEFCW Annual Report. The executive would work closely with the sector on developing the report, but HEFCW would retain editorial control.

(ii) *Cost of provision: resource allocation methods adopted by the sector & an assessment of the actual cost of degree provision, reporting by December 2014*

Council members commented that calculating the actual cost of degree provision was too complex a task given the many variables and uncertainties. At best, it was suggested that subject-related

cost information might be obtainable from HEFCE, extracted from TRAC(Teaching) data. The Welsh Government observer said that this task was primarily about contributing evidence to inform the Diamond review of HE funding in Wales, and as such it would be as valuable to have identified what was, and what was not, known about the costs of degree provision as to have produced detailed cost figures.

5.5 Open Educational Practices

Council agreed to use £150k from its Learning and Teaching fund to support work led by HEW on embedding open educational practices within the Welsh sector. The project was expected to run for 12 months from January 2014 to January 2015.

5.6 Strategic Development Committee Remit

Following the steers from Council at its Workshop in November 2013, the Strategic Development Committee (SDC) at its meeting on 10 March had discussed a proposed revised remit and terms of reference for the Committee. The Council provisionally agreed the proposed amendments to the SDC's remit and terms of reference, pending the appointment of the new Chair of Council.

5.7 Council received and noted a number of items for information:

- Chief Executive's Calendar of Meetings since the last meeting of Council on 24 January 2014.
- Appointments Committee approvals: Professor John Grattan had been appointed to the Quality Assurance and Enhancement Sub-Group of the SETQ Committee for the period to February 2017.
- Draft note of Institutional Visit to University of Wales Trinity Saint David, 23 January 2014.

6. Recurrent funding for AY 2014/15 (HEFCW/14/17)

6.1 Following the Council's steer at its meeting on 23 January 2014, the paper provided a revised set of budget allocation principles for the funding allocations for 2014/15.

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6.2 Exempt minute

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6.17 Exempt minute

6.18 Exempt minute

6.19 Exempt minute

6.20 Exempt minute

6.21 Exempt minute

6.22 Exempt minute

Resolved:

6.23 Exempt minute

6.24 To note the total amount of grant available for distribution in 2014/15 AY, and to delegate authority to the Chief Executive to approve the final distribution to be used in translating FY resources into AY

6.25 To endorse the actions proposed in relation to per capita and premium payments for PT and PGT students and agree that officers determine the final levels for approval at the May Council meeting depending on overall affordability

6.26 To approve £1.764m for Reaching Wider for 2014/15, and to delegate authority to the Chief Executive to agree the detail of the allocations.

- 6.27 To approve that the remaining proposed provisional budget allocations as set out in Annex B should be subject to further consultation with the sector.
- 6.28 To confirm the amount of money to be assumed as the PIF allocation, prior to actual fee grant obligation being confirmed.
- 6.29 To confirm the proposal that the PIF allocation should be the first funding line considered for adjustment to compensate for changes in year in the fee grant obligation.
- 6.30 To note the agreed methodology for the allocation of the PIF and agree the rates proposed to be applied as the higher rates of the expensive subject premium.
- 6.31 To agree the consultation proposals and delegate authority to the Chief Executive to approve the consultation document, with the expectation that further detailed individual institutional allocation information would be presented to the Council's meeting on 9 May 2014.

7. Framework Document (HEFCW/14/18)

- 7.1 The paper presented the latest draft of the Framework Document. This would replace the Management Statement and Financial Memorandum as the formal document setting out the relationship between HEFCW and the Welsh Government.
- 7.2 It was noted that the Framework Document would likely have a relatively short life due to the forthcoming changes to the role of HEFCW arising from the HE Bill.

Resolved:

- 7.3 To note the contents of the draft Framework Document.
- 7.4 To delegate authority to the Chief Executive to agree final amendments to the Framework Document, subject to any further discussions with the Welsh Government.

8. Fee Plan Proposals from 2015/16 (HEFCW/14/19)

- 8.1 The paper invited the Council's views on proposals for the fee plan process from 2015/16.

The paragraphs below are exempt from publication under the Freedom of Information Act 2000 (for future publication)

- 8.2 Exempt minute
- 8.3 Exempt minute
- 8.4 Exempt minute

8.4 **Exempt minute**

Resolved:

8.5 To note the outcome of the recent consultation on fee plan arrangements in 2015/16.

8.6 To note the various developments which potentially impacted on the implementation of the 2015/16 fee planning arrangements.

8.7 To delegate authority to the Chairman and Chief Executive to finalise the fee plan guidance for 2015/16.

9. Part-time Undergraduate Fee Waiver Scheme (HEFCW/14/20)

9.1 The paper provided information on the current HEFCW Part-Time Undergraduate Fee Waiver Scheme and invited Council to agree a revised scheme to be introduced when the new student finance system for part-time study was introduced by Welsh Government in 2014/15.

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Resolved:

9.2 **Exempt minute**

9.3 **Exempt minute**

9.4 To delegate authority to the Chief Executive to finalise the arrangements for the fee waiver scheme when the consultation had been completed.

10 Any other business

As it was his final Council meeting, the Chairman thanked all Council members for the expertise and advice they had brought to the work of the Council, and HEFCW staff for their support, knowledge and commitment over the past six years. He wished everyone well for the future and said that he hoped the HEFCW Council would continue, in all that it did, to think of the Welsh higher education sector within the broader UK context. Council members in turn expressed their thanks to the Chairman for the leadership and guidance he had provided.

The Welsh Government observer expressed thanks to the Chairman on behalf of the Minister and the Welsh Government for his contributions to higher education in Wales over many years, and for his valued contributions to Welsh public life more broadly.

11 Dates of next meetings

11.1 Council Members' Workshop - Thursday 8 May 2014.

11.2 Council meeting - Friday 9 May 2014.

12. Corporate Risk Register (HEFCW/14/21)

Resolved:

12.1 To note the paper is marked as non-disclosable to reflect sensitivities in its content.

12.2 To note the changes made to the Corporate Risk Register since September 2013.

12.3 To endorse the latest update to the Corporate Risk Register and the distribution of those risks.

12.4 To endorse the commentary on the current distribution of risks and on likely developments in the immediate future.

13. HEFCW programme and running costs budget for financial year 2014-15 (HEFCW/14/22)

13.1 The paper presented for approval the financial year programme and running costs budget for HEFCW, on a cash basis, including an estimate of the cash brought forward, for the period 2014-15. Council noted that for QR and some of the other funding lines the amounts shown reflected the payment profile needed to ensure that HEFCW remained within its carry-forward limit at the end of the financial year.

Resolved:

13.2 To approve the 2014-15 financial year budget.

14. Welsh Studies (HEFCW/14/23)

Resolved:

14.1 To note actions taken to date in response to the remit letter tasks in relation to Welsh Studies.

14.2 To approve proposals for next steps.

14.3 To delegate authority to the Chief Executive to finalise a circular for publication.

15. HEFCW's Equality Annual Report 2012-13 (HEFCW/14/24)

Resolved:

15.1 To note and approve for publication the HEFCW Equality Annual Report for the period 2012-13.

16. HEFCW's Part-time Higher Education Position Statement (HEFCW/14/25)

- Resolved:
16.1 To approve HEFCW's Part-time HE Position Statement.

For information papers:

17. **Reconfiguration and Collaboration (HEFCW/14/26)**
Noted that the Strategic Development Committee had received at its meeting on 10 March an update on the progress report received from the University of South Wales on the merger between the University of Glamorgan and the University of Wales, Newport.
18. **Institutional Financial Health Assessment (based on results 2012-13) (HEFCW/14/27)**
19. **Cash expenditure report for the period April to December 2013 and update on financial year 2013-14 (HEFCW/14/28)**
20. **April to December Accruals Based Management Accounts report 2013-14 (HEFCW/14/29)**
21. **Coleg Cymraeg Cenedlaethol Progress Report (HEFCW/14/30)**
22. **Minutes of the special meeting of the Audit and Risk Assurance Committee, 14 January 2014 (HEFCW/14/31)**
23. **Minutes of the SETQC meeting held 29 January 2014 (HEFCW/14/32)**