

Minutes of the 171st meeting of the Council held on 3 July 2015 at HEFCW offices, Llanishen, Cardiff

Present:

Members:

David Allen (Chair)
Dr David Blaney (Chief Executive)
Dame Sandra Burslem
Bethan Guilfoyle
David Mason
Dr Arun Midha
Professor Leni Oglesby
Professor Mark Smith
Professor Robin Williams
Ewart Wooldridge
Dr Colin Wyatt

Observers:

Heather Fry, HEFCE
Huw Morris, Welsh Government
Neil Surman, Welsh Government
James Dunn, Communications Officer, National Union of Students Wales (on behalf of Beth Button)

Officers:

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

Apologies:

Professor Steve Tomlinson
Beth Button, President, National Union of Students Wales
Laurence Howells, Chief Executive, SFC

1. Introductory remarks and declarations of interest

- 1.1. The Chair 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.
- 1.3. The Chair explained that Professor Tomlinson had been intending to attend but was unwell. Members sent their best wishes to him for a speedy recovery.

2. Minutes of the meeting held on 8 May 2015 (HEFCW/15/Min170)

- 2.1. The minutes were accepted as a true record of the meeting held on 8 May 2015, subject to the following amendments.

- Minute 5.3.1 – Third sentence amended to read: ‘It was agreed that it was important that **undergraduate** medical education took place in the context of a strong research environment.’
- Minute 9.1 – The final sentence to be marked as non-disclosable (information provided in confidence; prejudice to the effective conduct of public affairs)

3. Matters Arising (HEFCW/15/53)

- 3.1 Council received a report on action since the previous Council meeting held 8 May 2015.

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

3.2 Exempt minute

3.3 Exempt minute

3.4 Exempt minute

3.5 Exempt minute

4. Chair’s Report

- 4.1 Council received the Chair’s Calendar of Meetings since the last meeting of Council on 8 May 2015. The Chair gave an update on the following matters:

The paragraph below is exempt from publication under the Freedom of Information Act 2000 (prejudice to effective conduct of public affairs)

4.2 Exempt minute

4.3 Exempt minute

The paragraph below is exempt from publication under the Freedom of Information Act 2000 (prejudice to effective conduct of public affairs)

4.4 Exempt minute

- 4.5 A Ministerial Advisory Group meeting had been held on 2 July, but the Chair had missed this due to the institutional visit to Cardiff University.

- 4.6 *Committee developments* - The Chair noted that Dr Colin Wyatt had been appointed as a member of the Research, Innovation and Engagement Committee (RIEC). Professor Leni Oglesby would chair the Council’s new Quality Assessment Committee. The Chair was still in discussions about the charring arrangements for the new Student Opportunity and Achievement Committee. *[Post-meeting note: SOAC will be chaired by Bethan Guilfoyle with Dr Arun Midha as deputy.]*

- 4.7 *Welsh Government organisational structure changes* - From 1 July 2015 James Price had been confirmed as the new Deputy Permanent Secretary for the Economy, Skills and Natural Resources Group in the Welsh Government. The Group's responsibilities included Skills, Higher Education and Lifelong Learning, as well as Economic Strategy; Sectors and Business; and the office of the Chief Scientific Adviser. The Chair had sent a thank you message to Owen Evans, who would now oversee the Education and Public Services Group.

5. Chief Executive's Report (HEFCW/15/CE4)

5.1 Quality Assessment Review: outcomes of Wales's consultation event, Cardiff, 30 June (oral report)

- 5.1.1 Professor Leni Oglesby gave an account of this event. It had been organised as a follow-on to the earlier consultation on HEFCE's proposals for reviewing the quality assessment arrangements in higher education, which HEFCW and DELNI were also part of (SFC was observing the review process). The purpose of the review was to test if the quality assessment system was still doing what was intended; was still cost effective and efficient; if any elements of the process were no longer required; and whether the way the system operated was future proof, at least for next 10 years. Wales had responded in full to the earlier discussion document, and a second consultation document, 'Future Approaches to Quality Assessment in England, Wales and Northern Ireland', had been launched on 29 June to explore the issues of increasing external scrutiny and reducing bureaucracy.
- 5.1.2 Professor Oglesby said the Wales consultation event on 30 June had raised some useful points. On the whole, there was a sense from attendees that the argument for change to the quality assessment arrangements had not yet been effectively made. It was suggested that it would be preferable to refine the current system rather than start completely afresh. There was, in principle, agreement about the proposed increased role of governing bodies in the quality assessment process, but that this could not work currently because it was felt governing bodies did not have sufficient expertise to provide the necessary assurances about quality. Bethan Guilfoyle added that there seemed little appetite from the attendees for the proposed risk-based approach to quality assurance.
- 5.1.3 There was an added complexity for Wales in the consultation process in that legal advice had indicated that HEFCW had to consult under the auspices of the 1992 Further and Higher Education Act, but might have to consult further after 1 September 2015 when some of its new responsibilities came in under the Higher Education (Wales) Act 2015.
- 5.1.4 The HEFCE observer commented that the consultation events in England were due to take place in August. The timetable for the introduction of any revised quality assessment process in England was linked to the period of the current QAA contract and would involve piloting new arrangements in 2016/17 with a view to introducing them for

real in 2017/18. Wales would wish to align with this timetable, subject to the implications of the HE (Wales) Act.

- 5.1.5 The NUS Wales observer said he had attended the consultation event along with the Deputy President of NUS Wales. The NUS had welcomed assurances that future quality assessment processes in Wales would continue to be student focussed.
- 5.1.6 The Welsh Government observer (HM) added that the Welsh Government's view was that there was great benefit to be gained by Wales continuing to be part of a UK-wide quality assurance system.
- 5.1.7 Professor Oglesby pointed out that the quality assessment review process was entirely separate to the issues raised in the speech *Teaching at the heart of the system* given on 30 June to UUK by Jo Johnson MP, the UK Minister for Universities and Science. However, it was clear that the two issues would impact one upon the other. There would likely be a green paper published by the UK government in the autumn setting out more detail on the issues covered in the speech, including the idea of a Teaching Excellence Framework.
- 5.2 Skills and Employability Action Plan event, Cardiff, 18 June (oral report)
The purpose of the successful event was to take stock of sector activity and share best practice on employability. The Deputy Minister was in attendance. An e-publication would be published shortly highlighting the good practice in the Welsh sector.

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

- 5.3 GO Wales Student Employability Programme update (oral report)
Exempt minute
- 5.4 Review of HEFCW (oral report)
Exempt minute
- 5.5 Investors in People (IIP) (oral report) – Following a recent review, HEFCW had successfully retained its IIP accreditation, and had received positive feedback from the assessor. The Council offered its congratulations to the organisation and thanks to staff who had organised the assessment process.
- 5.6 Prevent Duty Guidance: for England and Wales (oral report)
Council noted the recently published guidance from HM Government for authorities in England and Wales in relation to their duties under the Counter-Terrorism and Security Act 2015. For HE and FE institutions, the guidance was planned to come into force from 1 September 2015. It was likely that the funding councils would be the 'appropriate bodies' appointed to assess HEIs' compliance with the Prevent duty, however there were currently no precise details about what the role and responsibilities might entail. The Welsh Government observer (NS) commented that Wales was regarded as being ahead of the game in

terms of progress on these issues (e.g. RAD protocol for external speakers), and therefore that Westminster was keen to look at the Welsh approach. The HEFCE observer said that HEFCE had not yet been appointed as the appropriate body, but expected that it would be. For FE in England, Ofsted would be the main monitor.

5.7 Reflections on Cardiff University Institutional Visit, 2 July 2015 (oral item)
The paragraph below is exempt from publication under the Freedom of Information Act 2000 (commercial interests; prejudice to effective conduct of public affairs).

Exempt minute

5.8 The Higher Education Academy (HEA)
The paragraphs below are exempt from publication under the Freedom of Information Act 2000 (information provided in confidence).

Exempt minute

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

5.9 University update

5.9.1 Exempt minute

Resolved:

5.9.2 Exempt minute

5.9.3 Exempt minute

5.9.4 Exempt minute

5.9.5 Exempt minute

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

5.10 Exempt minute

Resolved:

5.10.1 Exempt minute

5.10.2 Exempt minute

The paragraphs below are exempt from publication under the Freedom of Information Act 2000 (information provided in confidence; prejudice to the effective conduct of public affairs).

5.11 Exempt minute

5.11.1 Exempt minute

5.11.2 Exempt minute

5.11.3 Exempt minute

5.11.4 Exempt minute

Resolved:

5.11.5 Exempt minute

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

- Chief Executive's Calendar of Meetings since the last meeting of Council on 8 May 2015.
- An update on the Sêr Cymru Programme.
- Update on full electronic distribution of Council papers.
- 2015 National Teaching Fellowships – Council was pleased to note the latest Fellowship successes for staff at Welsh universities for the quality of their learning and teaching. It had been HEFCW that had initially persuaded the Welsh sector to participate in the scheme, and since 2011 a total of 23 Teaching Fellowships had been awarded to staff at Welsh universities.
- A report on Appointments Committee actions and other committee changes.
- Report on exercises of delegated authority through the Scheme of Delegation.
- Note of Council Workshop, 7 May 2015 (confidential: members only).

6. Corporate Strategy 2016 – 2019 (HEFCW/15/54)

6.1 The paper provided an initial draft of the outline Corporate Strategy 2016-19.

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

6.2 Exempt minute.

6.3 Exempt minute

6.4 Exempt minute

6.5 Exempt minute

Resolved:

6.6 Exempt minute

6.7 Exempt minute

7. HE (Wales) Act 2015 update (HEFCW/15/55)

7.1 The paper updated the Council on the progress of HEFCW's implementation of the Higher Education (Wales) Act 2015.

7.2 The key points noted by Council were:

- The guidance on the transitional period for HEFCW from 1 September 2015 had been published as a circular (W15/12HE).
- There had been moderation to the regulations made by the National Assembly in June, which was that institutions would only have to include information relating to financial viability, financial management and quality assessment, and no longer to demonstrate or specify how they would meet a HEFCW-defined threshold in these areas. It remained to be seen what this would mean in practice, and the issue may not be fully clear until after the consultation process has been completed.
- Details of the progress of the various different work streams, as set out in the paper.

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

7.3 Exempt minute

7.4 Exempt minute

7.5 Exempt minute

Resolved:

7.6 To note the transitional guidance from the Minister for Education and Skills.

7.7 To note that HEFCW would no longer have to set thresholds for institutions to meet on application of fee and access plans.

7.8 To note the further information on the progress of implementation plans in the Act work streams.

(12:00pm - Council observed a minute's silence in memory of the victims of the attack in Tunisia on 26 June.)

8. Operational Plan 2015-16 (HEFCW/15/56)

8.1 The paper provided a draft of the Operational Plan 2015-16. This took account of previous steers from Council; HEFCW's Corporate Strategy 2013-16; and a request from Welsh Government that HEFCW develop a revised Operational Plan format.

8.2 Most of the items included in the draft Operational Plans comprised of tasks from the remit letter 2015-16, or from previous remits, or reflected current statutory responsibilities. Each of the remit letter 2015-16 tasks were included in the draft Plan, though in some instances it had been judged expedient to combine these with other planned activities (a separate document had been produced for Welsh Government to highlight explicitly all of the remit tasks). Because of the scope of its coverage, the Operational Plan was, of necessity, very detailed.

Progress reports produced through the year would be traffic-lights colour coded, as in previous years, in order to highlight the current status of each activity.

- 8.3 The draft Operational Plan reflected the current Corporate Strategy, with its associated sector-based targets. However, once the new Corporate Strategy was agreed this would necessitate a review of the format of future Operational Plans.
- 8.4 The Council agreed that the draft Plan was impressive in its scope. It should provide for appropriate and straightforward progress monitoring of HEFCW activities through the quarterly review process with the Welsh Government, and if necessary to allow scope for in-year adjustments to activities. Council made two minor suggestions on the draft document:
- To highlight more clearly the Vision statement at the beginning of the document.
 - To amend the first of the key priorities for 2015-16 for Reconfiguration and Collaboration to: 'Monitor **and evaluate** the delivery of merger, reconfiguration and collaboration....etc.'
- 8.5 The Welsh Government observer (NS) said that he welcomed the work HEFCW had done to re-shape its Operational Plan.

Resolved:

- 8.6 To note the draft Operational Plan 2015-16 and the proposed minor amendments from Council to aid its completion.
- 8.7 To delegate authority to the Chair and Chief Executive to finalise the Operational Plan for submission to the Welsh Government.

9. Annual Report and Accounts 2014-15 (HEFCW/15/57)

- 9.1 The paper presented a draft of HEFCW's annual report and accounts for the year ended 31 March 2015, which had been audited by the Wales Audit Office (WAO) and reviewed by the Audit and Risk Assurance Committee (ARAC) on 24 June. The Chair of ARAC confirmed that the Committee had considered the document in great detail and that, subject to a review of wording against the HEFCW Style Guide, Committee members were content with the accounts. NW thanked ER for her assistance to date in reviewing the style-related aspects of the report.
- 9.2 Council's attention was drawn to the Governance Statement within the accounts, which contained a lengthy account of the payment of tuition fee grant to the Student Loans Company. Due to the level of assurance provided by the Governance Statement on the fee grant processes, the Auditor General had again been able to provide HEFCW with an unqualified audit opinion on its accounts without the need to supplement his opinion with a substantive report. For next year's accounts, for FY 2015-16, with responsibility for making tuition fee grant payments now

with the Welsh Government, there will no longer be a need to include this level of information.

- 9.3 Council suggested that the highlights of the year (p.11 of the accounts) might more appropriately be positioned at the beginning of the section. NW said that this would be considered as part of the final drafting, and added that there would be an opportunity to make such changes next year when new requirements would come into force that placed greater emphasis on the narrative in annual reports and accounts.

Resolved:

- 9.4 To approve the annual report and accounts as presented, subject to any further amendments arising from the Style Guide review.
- 9.5 To delegate authority jointly to the Chair of Council and to the Chair of the Audit and Risk Assurance Committee to agree the changes prior to the formal approval of the accounts by the Chief Executive.

10. Institutional Risk Reviews (HEFCW/15/58)

- 10.1 The paper set out the outcomes of the Institutional Risk Reviews conducted by officers in April 2015 and reviewed by the Audit and Risk Assurance Committee on 24 June 2015.

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

10.2 Exempt minute

10.3 Exempt minute

10.4 Exempt minute

10.5 Exempt minute

10.6 Exempt minute

10.7 Exempt minute

Resolved:

10.8 Exempt minute

10.9 Exempt minute

10.10 Exempt minute

11. Consultation on the next Research Excellence Framework (REF) (HEFCW/15/59)

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

11.1 Exempt minute

11.2 Exempt minute

Resolved:

11.3 Exempt minute

11.4 Exempt minute

11.5 Exempt minute

11.6 Exempt minute

12. *Teaching Tomorrow's Teachers (Furlong Report): Minister's response and implications (HEFCW/15/60)*

12.1 The paper provided a summary of the Minister's response to Professor John Furlong's 'Teaching Tomorrow's Teachers' report.

12.2 Key changes accepted by the Minister were to the accreditation role and the length of primary undergraduate Initial Teacher Training (ITT) courses. Responsibility for the accreditation process will change from HEFCW to the Education Workforce Council, though there remained an outstanding question about what would happen on student numbers. The length of primary UG ITT courses was proposed to extend from three to four years. This might affect future HEFCW budgets as it would mean a further year's tuition fee grant commitment for those students.

12.3 The Welsh Government observer (NS) noted that from 5 July responsibility for ITT in the Welsh Government would be returning to the Schools' section.

Resolved:

12.4 To note the contents of the Minister's statement on the Furlong Report and the implications for HEFCW.

13. *Council forward business plan 2016 to 2017 (HEFCW/15/561)*

13.1 The paper invited members to consider a proposed timetable of Council meetings for the period January 2016 to January 2017.

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

13.2 Exempt minute

Resolved:

13.3 Exempt minute

13.4 Exempt minute

13.5 **Exempt minute**

14. Any other business

None.

15. Date of next meeting

15.1 Council meeting – morning of 24 September 2015 at the HEFCW offices, Llanishen, Cardiff.

Papers for approval without discussion:

16. Corporate Risk Register (HEFCW/15/62)

Resolved:

16.1 To note the changes made to the Corporate Risk Register since March 2015.

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

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

17. Annual Governance Assurance Statement to Welsh Government 2015 (HEFCW/15/63)

Resolved:

17.1 To review the Annual Governance Assurance Statement to the Welsh Government 2015.

17.2 To delegate authority to the Chief Executive to finalise the Statement and submit to the Welsh Government.

Papers provided for information:

18. Quality Assessment Committee and Student Opportunity and Achievement Committee: Terms of Reference (HEFCW/15/64)

19. Audit and Risk Assurance Committee Annual Report (including Framework Document Annual Compliance Report) (HEFCW/15/65)

20. Freedom of Information Annual Report 2014-15 (HEFCW/15/66)

21. Complaints against HEFCW and allegations concerning institutions funded by HEFCW: Annual Report 2014-15 (HEFCW/15/67)

22. Cash expenditure report for the period April 2014 to March 2015 and update on financial year 2015-16 (HEFCW/15/68)

- 23. Part-time undergraduate fee-waiver scheme 2013/14 (HEFCW/15/69)**
- 24. Environmental Improvement Plan Annual Report 2014-15 (HEFCW/15/70)**

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