

**Minutes of the 175<sup>th</sup> meeting of the Council held on 18 March 2016 at the 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  
Dr Colin Wyatt

**Observers:** Susan Lapworth, Director Regulation and Assurance, HEFCE  
Chris Jones, Welsh Government  
Colette Eley, Welsh Government  
Beth Button, President, National Union of Students Wales

**Officers:** Dale Hall (Council Secretary)  
Celia Hunt  
Bethan Owen

**Apologies:** Huw Morris, Welsh Government  
Neil Surman, Welsh Government  
Laurence Howells, Chief Executive, SFC

**1. Introductory remarks and declarations of interest**

1. The Chair welcomed the observers to the meeting. Laurence Howells had recently announced he would be retiring as Chief Executive of the Scottish Funding Council: the Council expressed their best wishes to Laurence for the future. It was further noted that this would be the last Council meeting attended by Beth Button, who later this year would be stepping down as President of NUS Wales. The Council thanked Beth for all she had achieved in the role.

1.2 With respect to the Chief Executive's report item 'UUK sector agency review' (minute 5.7 refers) Professor Mark Smith noted his declared interests as a Board member of both HESA and the Higher Education Careers Services Unit, and as a Trustee of Jisc. No further members' interests were declared in relation to any of today's agenda items above and beyond those currently published on HEFCW's website.

## **2. Minutes of the meeting held on 22 January 2016 (HEFCW/16/Min174)**

- 2.1 The minutes were accepted as a true record of the meeting held on 22 January 2016, subject to the following amendment:

Minute 4.1, second bullet: 'Mark Smith had been reappointed for a further three-year term on the Council, to 31 December **2018**.'

## **3. Matters Arising (HEFCW/16/14)**

- 3.1 Council received a report on action since the previous Council meeting held on 22 January 2016.

Noted:

- *Sêr Cymru 2 (previously Spearhead)* - The executive was having constructive conversations with the Chief Scientific Adviser for Wales on the mechanics of funding the programme, and the sector was keen to take part.
- *Analysis of income* – The analysis had been shared with the Minister and was discussed at the last Diamond Panel meeting.
- *GO Wales: Achievement through Work Experience Programme* – Noted that WEFO had now approved the programme for the West Wales and the Valleys region, with a start date of 1 April 2016. It was also hoped that WEFO would approve the business plan for a similar programme in East Wales in time for the same start date. HEFCW had retained its GO Wales staff, as had some institutions.
- *Prevent Duty* – It was still anticipated that the responsibility for this area would fall to HEFCW. Confirmation of this was awaited from Welsh Government.

## **4. Chair's Report**

- 4.1 Noted the Chair's Calendar of Meetings since the last meeting of Council on 22 January 2016.
- 4.2 The Chair commented that the significant volume of papers for this meeting reflected the developing new responsibilities for HEFCW under the Higher Education (Wales) Act. Staff were under a lot of pressure at the moment due to addressing the various requirements of the Act; the unresolved pay situation; the uncertainties around the Hazelkorn Review; and the forthcoming office move. Council members expressed their thanks and appreciation to staff for all they were doing.
- 4.3 Professor Graham Upton would complete his contract with Glyndŵr University at the end of March. The Chair would write to Professor Upton on behalf of the Council to thank him for his work as interim Vice-Chancellor.
- 4.4 Further to the recent change in leadership at Aberystwyth University (Chief Executive's Report For discussion, paragraph 4.9 refers), the University was now making arrangements to seek a new Vice-Chancellor.

- 4.5 Professor Tony Chapman, Vice-Chancellor and Principal of Cardiff Metropolitan University, had announced he would be retiring at the end of August. The Chair would write to Professor Chapman on behalf of the Council to extend their thanks and best wishes to him on his retirement.
- 4.6 The Chair had agreed in discussion with members that Arun Midha would serve on the Audit and Risk Assurance Committee and as HEFCW's representative on the UK Healthcare Education Advisory Committee, and that Colin Wyatt would chair the Human Resources Committee.

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

4.7 Exempt minute

- 4.8 The Chair had met one-to-one with the Minister on 10 February at which the Minister had indicated that he would not be standing in the May Assembly elections. The discussion had also touched on the recent budget settlement, the Hazelkorn and Diamond reviews, and the role of the HEFCW Council going forward. At the quarterly meeting with the Minister on 16 March discussion topics had included the Diamond and Hazelkorn reviews; the quality assessment review led by HEFCE and its implications for Wales; and Council membership. The Minister had agreed it would be helpful to the Council if the two vacancies could be filled, possibly by individuals with schools/FE and business backgrounds. CJ confirmed that the issue of Council vacancies would be discussed with the new Welsh Government after the election.

**5. Chief Executive's Report (HEFCW/16/CE3)**

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

5.1 Exempt minute

5.2 Welsh Government consultations and Diamond

Council noted the two new consultations, one on support for PG study and PT engineering, technology or computer science degrees, and the other on options to reduce or remove student support for those studying on foundation year ('year zero') courses. On the latter, the Council's view was that this was an issue to be addressed but that the system as a whole should be looked at in order to avoid potentially damaging consequences which could arise from failure to adopt an holistic perspective to the issue and the consequences of rapid change to current arrangements. HEFCW would respond to each consultation and members were invited to submit any additional views to the Chief Executive.

5.3 Members Workshop 11 May 2016: proposed discussion topics

The Council agreed the proposed topics for the May Workshop. The Corporate Strategy item would include discussion on the draft remit letter 2016-17 request that HEFCW develop proposals for a higher education strategy by the end of this calendar year. The Chair of ARAC mentioned that the Committee had had a full discussion on risk management issues at its

last meeting and that it was hoped the Council would have a detailed discussion on the same at its Workshop. There would be some space on the Workshop agenda for reflection on the Assembly election outcomes.

5.4 Update on Glyndŵr University

Council noted the latest developments, including that Dr Claire Taylor of St Mary's University had recently been announced as Glyndŵr's new Deputy Vice-Chancellor. The NUS observer commented that the Glyndŵr University Guild - soon to become Glyndŵr University Students Union – was due shortly to submit its progress report to NUS Wales.

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

Exempt minute

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

5.5 Exempt minute

5.6 Update on HE policy developments in England

The Green Paper consultation had generated 600+ responses. The Queen's Speech on 18 May would likely announce a White Paper. The HEFCE observer (SL) said that a number of the proposals in the Green Paper could be implemented without legislation. She added that HEFCE had now received its grant letter, which set out a better settlement than had been originally anticipated, including funding increases for research and innovation; a continuation of capital funding; some cuts to teaching funding and a re-focus of student opportunity funding.

5.7 UUK sector agency review

The review should provide a useful opportunity to look at the cost bases of each sector body and potentially find options for achieving efficiencies. HEFCW would keep in touch with Professor Julie Lydon who was Wales' representative on the review group.

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

5.8 Exempt minute

5.9 Terms of Reference of Research, Innovation and Engagement Committee Resolved:

To amend the terms of reference of the Committee to include an observer from the office of the Chief Scientific Adviser for Wales.

5.10 Corporate Strategy 2017-20: revised timetable update

Resolved:

To approve the revised timetable for the development of the HEFCW Corporate Strategy 2017-20.

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

- Chief Executive's Calendar of Meetings since the last meeting of Council on 22 January 2016.
- Open Educational Resources funding.
- Note of presentation to Council on 'What it means to become a regulator'.
- Draft note of Institutional Visit to the Open University in Wales, 21 January 2016.
- Update on electronic distribution of Council papers.
- Revised Council Members' Travel and Subsistence Procedures.
- Adjustment of funding Cardiff University: Innovation and Engagement Fund.
- Stern Review of the Research Excellence Framework (REF).
- Appointments Committee actions and notifications.

## **6. Remit Letter 2016-17 (HEFCW/16/15)**

6.1 HEFCW was still awaiting its remit letter for 2016-17, though had recently received a draft version. CJ said they would try and submit the final version of the remit letter to the Minister in the week beginning 21 March, subject to receipt of comments from HEFCW on the draft.

## **7. HEFCW funding AY 2016/17 (HEFCW/16/16)**

7.1 The paper set out the Council's baseline grant settlement for financial year (FY) 2016-17 and invited steers on specific proposals for the distribution of HEFCW grant funding for academic year (AY) 2016/17.

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

7.2 Exempt minute

7.3 Exempt minute

7.4 Exempt minute

7.5 Exempt minute

7.6 Exempt minute

Resolved:  
7.7 Exempt minute

7.8 Exempt minute

7.9 Exempt minute

7.10 Exempt minute

7.11 Exempt minute

7.12 Exempt minute

7.13 Exempt minute

7.14 Exempt minute

7.15 Exempt minute

7.16 Exempt minute

7.17 Exempt minute

7.18 Exempt minute

## **8. HE (Wales) Act 2015 update (HEFCW/16/17)**

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

8.1 Exempt minute

8.2 Exempt minute

8.3 Resolved:  
Exempt minute

8.4 Exempt minute

8.5 Exempt minute

## **9. Future quality assessment arrangements (HEFCW/16/18)**

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

9.1 Exempt minute

9.2 Exempt minute

9.3 Exempt minute

9.4 Exempt minute

9.5 Exempt minute

9.6 Exempt minute

Resolved:

- 9.7 To note the high level framework proposals for future quality assessment arrangements for Wales.
- 9.8 To ask the Quality Assessment Committee to consider the detail underpinning the proposals.
- 9.9 To delegate authority to the Chief Executive to approve proposals for consultation.
- 9.10 To thank colleagues in England and Wales for their hard work on this complex issue.

## **10. HEFCW fee and access plan guidance (HEFCW/16/19)**

- 10.1 The paper presented a revised draft of the HEFCW 2017/18 fee and access plan guidance, taking into account legal advice and consultation. It was noted that the fee and access plan was now the key document on which regulation in Wales was based.
- 10.2 A question had been raised by some institutions in the consultation about why HEFCW would be asking for information it already held. On the other hand, others commented that HEFCW could not assume that information previously submitted to it by institutions under previous legislation could be used for regulatory purposes or remained current. In view of these comments, it would be proposed that following an initial request for information HEFCW would seek Governing Body permission to use previously submitted information and thereafter ask institutions to provide updates on a by-exception basis.
- 10.3 Council members would be provided with another opportunity via the Extranet to comment on the draft guidance prior to its publication in early April. The 2017/18 fee and access plans were due to be submitted in May.

### Resolved:

- 10.4 To note the HEFCW draft 2017/18 fee and access plan guidance.
- 10.5 To note the issues on which HEFCW was seeking further legal advice.
- 10.6 To note the draft fee and access plan guidance consultation processes.
- 10.7 To delegate authority to the Chair and Chief Executive to finalise the HEFCW 2017/18 fee and access plan guidance for publication.

## **11. Financial Management Code (HEFCW/16/20)**

- 11.1 The draft Financial Management Code (“the Code”) attached to the paper had also been reviewed by the Audit and Risk Assurance Committee (ARAC) at its meeting on 2 March 2016. The Code was based on the Memorandum of Assurance and Accountability, but with points of detail moved to the Accounts Direction. The paper proposed some changes to be made to the draft Code, which currently was being reviewed by HEFCW’s legal advisors.

It would be published for consultation following receipt of the legal advice. The Code would require Ministerial approval and then had to be laid before the National Assembly.

- 11.2 The Council requested that in future any large documents which required review by the Council on more than one occasion should indicate the paragraphs/sections that were new or changed from the version previously presented. It was further requested that for future timetabling there should be a larger gap between ARAC and Council meetings.

Resolved:

- 11.3 To note the draft Financial Management Code.
- 11.4 To delegate authority to the Chair, Chair of ARAC and the Chief Executive to approve changes to the draft document should legal advice suggest material changes were necessary prior to consultation.
- 11.5 Subject to 11.4, to agree that HEFCW proceeds with consultation.

**12. Draft Full Statement of Intervention (HEFCW/16/21)**

- 12.1 The draft Full Statement of Intervention was based on the same framework as the Interim Statement of Intervention previously reviewed by the Council. It was planned to publish the final Full Statement as soon as possible following legal advice and consultation as the intervention process would apply to the 2017/18 fee and access plans due for submission in May.
- 12.2 The Council approved the draft Statement subject to clarification of the logic of the flow diagram on p.13 in terms of the four issues at the top and the 'failure to comply' arrows. The finalised Statement would be brought to the Council's meeting in July.

Resolved:

- 12.3 To approve the draft Full Statement of Intervention for consultation.

**13. HEFCW programme and running costs budget for financial year 2016-17 (HEFCW/16/22)**

- 13.1 The paper presented the proposed financial year programme and running costs cash expenditure for 2016-17, and an update on the estimated outturn for 2015-16.

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

13.2 Exempt minute

13.3 Exempt minute

13.4 Exempt minute

Resolved:

13.5 To approve the financial year budget for 2016-17 as set out in Annex A to the paper.

13.6 To note the running costs' financial sustainability implications for HEFCW in the short to medium-term beyond FY 2016-17.

**14. Equality and Diversity: HEFCW's Strategic Equality Plan 2016-20 and Equality Annual Report 2014-15 (HEFCW/16/23)**

14.1 The paper presented a draft of HEFCW's Strategic Equality Plan 2016-20 and Delivery Plan 2016/17, informed by consultations internally and with external groups, and also the draft Equality Annual Report 2014-15.

Resolved:

14.2 To note HEFCW's draft Strategic Equality Plan 2016-20, and the summary of responses to the consultation.

14.3 To note the draft Strategic Equality Delivery Plan 2016/17.

14.4 To delegate authority to the Chief Executive to finalise the Strategic Equality Plan 2016-20 and its Strategic Equality Delivery Plan 2016/17 prior to publication.

14.5 To note the draft HEFCW Equality Annual Report for the period 2014-15, and to delegate authority to the Chief Executive to finalise the report prior to publication.

**15. Any other business**

The NUS observer noted that HEFCW and NUS Wales had developed a Memorandum of Understanding and a launch event was being organised to which all Council members would be invited.

**16. Date of next meeting**

16.1 Council members' workshop: Wednesday 11 May 2016.

16.2 Council meeting: Thursday 12 May 2016.

**Papers for approval without discussion:**

**17. Corporate Risk Register (HEFCW/16/24)**

Resolved:

17.1 To note the changes made to the Corporate Risk Register since November 2016.

17.2 To note the latest update to the Corporate Risk Register and the distribution of those risks.

17.3 To note the commentary on the current distribution of risks and on likely developments in the immediate future.

**18. Financial Regulations 2015 update (HEFCW/16/25)**

Resolved:

- 18.1 To agree the changes proposed to the Financial Regulations as shown in Annex A to the paper.

**19. Student Opportunity and Achievement Committee (SOAC): minutes 14 January 2016 and remit (HEFCW/16/26)**

Resolved:

- 19.1 To note the unconfirmed minutes of the SOAC meeting held on 14 January 2016.
- 19.2 To confirm the amendment to the SOAC membership to include an additional employer representative.

**20. National Student Survey consultation outcomes (HEFCW/16/27)**

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

20.1 Exempt minute

20.2 Exempt minute

- 20.3 To delegate authority to the Chief Executive to agree final questions for the NSS 2017 by September 2016, in conjunction with the Chair of the HE Public Information Steering Group (HEPISG) and other UK funding bodies.

**21. Higher Education Academy Annual report 2014/15 (HEFCW/16/28)**

Resolved:

- 21.1 To approve the final report of the Higher Education Academy on performance against the HEFCW grant letter for 2014/15.

**Papers provided for information:**

**22. Institutional Financial Health Assessment (based on results 2014-15) (HEFCW/16/29)**

**23. Cash expenditure report for the period April to December 2015 and update on financial year 2015-16 (HEFCW/16/30)**

**24. April to December 2015 accruals based management accounts report 2015-16 (HEFCW/16/31)**

**25. Coleg Cymraeg Cenedlaethol progress report (HEFCW/16/32)**

**26. Progress report on Sêr Cymru 1 (2014/15) (HEFCW/16/33)**

**27. Minutes of the Human Resources Committee, 22 January 2016  
(HEFCW/16/34)**

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