

Minutes of the 176th meeting of the Council held on 12 May 2016 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
Dr Colin Wyatt

Observers: Mario Ferelli, Director of Analytical Services, HEFCE
Huw Morris, Welsh Government
Neil Surman, Welsh Government
Fflur Elin, President Elect, NUS Wales

Officers: Lydia Bennett
Dale Hall (Council Secretary)
Celia Hunt
Bethan Owen
Emma Rączka
Nick Williams

Apologies: Laurence Howells, Chief Executive, SFC
Beth Button, NUS Wales

1. Introductory remarks and declarations of interest

- 1.1 The Chair welcomed the observers to the meeting, which included Fflur Elin who was President Elect of NUS Wales and attending her first HEFCW meeting. The Council extended its thanks and gratitude to Beth Button for all that she had contributed during her time as NUS Wales' President.
- 1.2 Professor Mark Smith declared an interest in relation to the 'Additional funding for the data futures programme' item in the Chief Executive Report as Chair of the HESA Data Futures programme (minute 5.10 refers). No further 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. Minutes of the meeting held on 18 March 2016 (HEFCW/16/Min175)

- 2.1 The minutes were accepted as a true record of the meeting held on 18 March 2016.

3. Matters Arising (HEFCW/16/35)

- 3.1 Council received a report on action since the previous Council meeting held 18 March 2016.
- 3.2 *Pay negotiations* – The previous Minister had approved the revised business case and staff were currently being balloted on the pay proposals for 2013-14 and 2014-15. Gill George, independent member of the Council's Human Resources Committee, had agreed to undertake a review of the pay negotiation process and make suggestions for potential areas for improvement.
- 3.3 *GO Wales Student Employability Programme* – The Competitiveness application had now been signed off and both GO Wales programmes (covering convergence and competitiveness areas) had commenced on 1 April 2016, therefore this Matters Arising issue was now fully actioned.

4. Chair's Report

- 4.1 Council noted the Chair's Calendar of Meetings since the last meeting of Council on 14 March 2016.
- 4.2 The Chair congratulated Professor Mark Smith on achieving a Top 10 position for Lancaster University in the latest Guardian and Complete University guides, and Arun Midha on being appointed a Lay Member of the Committee on Standards in the House of Commons.

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

5.1 Reflection on Council Workshop 11 May

- 5.1.1 The Council agreed that all the discussions at the Workshop had been important and engaging. On the development of a Higher Education Strategy for Wales (remit letter 2016-17), clarity was needed on defining the scope and coverage of the Strategy. The discussion on HEFCW's dual role as both a regulator and a funder had highlighted sharply the changing nature of the organisation. The Council also welcomed the opportunity to discuss its risk appetite and how this should inform the development of its approach on risk management going forward. The Chair commented that the Workshop discussions had demonstrated the considerable experience which Council members brought to the discussions.

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

5.1.2 Exempt minute

5.1.3 Exempt minute

5.1.4 Exempt minute

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

5.2 Exempt minute

5.3 Exempt minute

5.4 Update on HE policy developments in England (oral report)

A White Paper would likely be issued around the time of the Queen's speech on 18 May. It would likely include most of the proposals from the Green Paper, with implications for the future role of HEFCE and of research funding. The Chair observed that there might be some opportunity to gain a competitive advantage in Wales should England introduce an open market approach to higher education as indicated. The HEFCE observer said they had been preparing a draft consultation on the future of teaching funding, which might have to be modified depending on the contents of the White Paper. The consultation would be issued before the start of the EU Referendum pre-election period on 27 May.

5.5 Proposed discussion items for Institutional Visit to Swansea University, 13 July 2016

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

Exempt minute

5.6 Changes to Council and committee members' Travel and Subsistence (T&S) Policy and Procedures (oral report)

Council was informed that the current T&S arrangements needed to be amended in order to address HMRC requirements relating to the tax treatment of expenses for mileage. One of the implications of the new process would be that members would be required to provide more information about each claimed journey. The new procedures would be introduced from July and further details brought to the Council's next meeting. Council requested that in introducing the new arrangements the opportunity be taken to redesign the T&S form.

5.7 Update on new regional reporting process: consultation and responses Resolved:

The Council approved the proposed approach set out in the paper to regional collaboration from 2015/16.

5.8 Update on electronic Council paper system

Council was advised that the procurement process being run by Jisc had recently completed and that HEFCW had made arrangements to be able to draw down provision from that procurement. Further information, including on costs, was being sought from the three suppliers included in the Jisc Framework. The off-setting of initial purchase and annual costs from savings made from reduced printing and postage was unlikely to be significant, and

there would continue to be a staff time commitment for administering and providing support for a new system. Further information would be provided in due course, once costing information was available.

5.9 Recent correspondence with ChUW

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

Exempt minute

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

5.10 Exempt minute

5.10.1 Exempt minute

5.10.2 Exempt minute

5.11 Council received the following items for information:

- Chief Executive's Calendar of Meetings since the last meeting of Council on 14 March 2016.
- Draft note of Institutional Visit to the University of South Wales on 17 March 2016.
- The Environment (Wales) Act 2016.
- Borrowing approval update: University of Wales Trinity Saint David, Cardiff Metropolitan University and Swansea University.
- Appointments Committee actions.
- Report on exercises of delegated authority through the Scheme of Delegation.

6. HE (Wales) Act update (HEFCW/16/36)

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

6.1 Exempt minute

6.2 Exempt minute

6.3 Exempt minute

Resolved:

6.4 To delegate authority to the Chief Executive to approve, or otherwise, the 2017/18 fee and access plans.

6.5 To note the update on HEFCW's implementation of the Higher Education (Wales) Act 2015.

7. HEFCW funding academic year (AY) 2016/17 (HEFCW/16/37)

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; information provided in confidence).

7.1 Exempt minute

7.2 Exempt minute

7.3 Exempt minute

7.4 Exempt minute

7.5 Exempt minute

7.6 Exempt minute

7.7 Exempt minute

7.8 Exempt minute

7.9 Exempt minute

Resolved:

- 7.10 To note the responses at Annex A and endorse the conclusion that the responses did not indicate a need to revisit the planning proposals discussed in March 2016.
- 7.11 To confirm the overall allocation of funding for 2016/17 as set out in Table 1.
- 7.12 To note the verified amount of reclaim of teaching funds in 2015/16 and agree that the funding should now be reclaimed.
- 7.13 To delegate authority to the Chief Executive to endorse the final pattern of reclaim for each institution over the AY 2016/17.
- 7.14 To maintain the ring-fence on the former University of Wales Press funding within QR for 2016/17.
- 7.15 To agree the QR allocations for 2016/17 set out in Table 2.
- 7.16 To agree the PGR allocations to institutions set out in Table 3.
- 7.17 To note the provisional PT UG teaching allocations set out in Table 4.
- 7.18 To agree the FTUG/PGCE allocations set out in Table 5.
- 7.19 To note Table 6 and the HEFCW funding allocations available to the individual institutions.

- 7.20 To provide leeway of 1% for under-recruitment on total funded numbers for PT UG credit based funding in 2016/17, and an overall threshold of the lesser of £50,000 or 10% of teaching funding.
- 7.21 To note the uncertainty of the final resources available for FY 2016-17.
- 7.22 To re-confirm that the first budget that will be rescinded will be the ESP budget, and thereafter any further reclaim will be applied as a pro-rata reduction between research and PTUG.
- 7.23 To endorse the intention to revise the payment profiles to the sector.
- 7.24 That the balance of reclaimed under recruitment funds should be allocated to the Strategic Development Fund (SDF) line to provide capacity to fund transitional costs or short term cash flow support, if required.
- 7.25 To inform the sector of the revision of the payment profiles as part of the allocations circular.
- 7.26 To note the OU position in Table 6 and to delegate authority to the Chief Executive to agree the basis on which the additional OU award is released and monitored.
- 7.27 To delegate authority to the Chair and Chief Executive to agree the final allocations of grant to institutions for 2016/17.
- 7.28 To delegate authority to the Chair and Chief Executive to agree any in-year adjustments required to the funding allocations as a result of any further tuition fee grant transfer.
- 7.29 To delegate authority to the Chief Executive to agree the final communication of allocations of grant to institutions for 2016/17.

8. Remit Letter and Operational Plan 2016-17 (HEFCW/16/38)

- 8.1 The paper attached the remit letter from the Minister for 2016-17 and a draft of the Operational Plan 2016-17.
- 8.2 The paper sought delegated authority for the Chief Executive to approve the Operational Plan in case the document needed to be updated, or adapted in the light of the new Programme for Government. The Council asked whether the remit letter could be amended by the new Minister. NS said that was possible though it would be unusual for a new Minister to change a remit letter in year.
- 8.3 The Council agreed that the proposed Operational Plan was thorough and addressed all the items in the remit letter. It was noted that the outcomes which related to sector delivery reflected the targets in the current corporate strategy, and that Council had already agreed that its next corporate strategy would only include targets for HEFCW (though it would also include sector-related measures).

- 8.4 The Council recalled that its previous operational plan had been noted by the Minister and asked whether the plan should be regarded as being owned by HEFCW and therefore not something which the Minister would normally approve. NS confirmed that was the case, though added that the Welsh Government reserved the right, on a by exception basis, to comment on particular actions in HEFCW's operational plans. The Framework agreement states that HEFCW must submit its draft corporate and operational plans to the Welsh Ministers for approval.

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

8.5 Exempt minute

8.6 Exempt minute

Resolved:

8.7 To note the remit letter 2016-17.

8.8 To note the draft operational plan 2016-17.

8.9 To delegate authority to the Chief Executive to finalise the draft operational plan for submission to the Minister.

9. Capital funding (HEFCW/16/39)

9.1 The paper proposed the approach to be taken to allocate the research capital funding provided by the Department for Business Innovation and Skills (BIS) and the associated match funding provided by the Welsh Government for 2016-17.

Resolved:

9.2 To approve the proposed research capital funding allocations for 2016-17 on the basis outlined in Annex 1 Model 3.

9.3 To note the allocation and reporting proposals set out within paragraphs 8.1 and 9.1 of the paper.

10. Quality Assessment Committee minutes 24 March 2016 (HEFCW/16/40)

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

10.1 Exempt minute

10.2 Exempt minute

10.3 Exempt minute

10.4 Exempt minute

Resolved:
10.5 Exempt minute

10.6 Exempt minute

10.7 Exempt minute

11. Any other business

11.1 HEFCW's move from its current office in Llanishen to the Welsh Government building in Bedwas would likely take place during the week beginning 20 June. As a consequence of the move, there would be a full shut down of HEFCW operations for two or three days while IT and telephone systems, and the physical re-location of office equipment, records and staff took place. Because of the potential disruption, alternative meeting locations were being arranged for the next Council meeting and committee meetings taking place in June and July. The Chief Executive thanked HM for his help on making arrangements for the move. The Chair said he had approached the Vice-Chancellor about the possibility of using the meeting room in the University of Wales Registry in Cathays Park for Council meetings where it might be expedient to do so.

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

11.2 Exempt minute

12. Date of next meeting

12.1 Institutional visit – 13 July 2016, Swansea University

12.2 Council meeting – 14 July 2016 at the New House Hotel, Thornhill, Cardiff.

Papers for approval without discussion:

13. Minutes of the Remuneration Committee meeting held on 21 October 2015 and proposed remit changes (HEFCW/16/41)

Resolved:
13.1 To agree the proposed amendments to the Committee's remit.

Papers provided for information:

14. Operational Plan 2015-16: End of Year Report (HEFCW/16/42)

15. Sources of Research Income of Higher Education Institutions in Wales – 2014/15 (HEFCW/16/43)

16. UHOVI progress report (HEFCW/16/44)

17. **Risks to the Welsh HE sector and to HEFCW from a withdrawal of the UK from the EU (HEFCW/16/45)**
18. **Implications for HEFCW and the HE sector from the work of the EU Funding Ambassadors for Wales (HEFCW/16/46)**
19. **Unconfirmed Minutes of the Audit and Risk Assurance Committee held on 2 March 2016 (HEFCW/16/47)**
20. **Meeting of the Council's Research, Innovation and Engagement Committee held on 13 April 2016 (HEFCW/16/48)**
21. **Appointments Committee Annual Report 2015-16 (HEFCW/16/49)**
22. **HR Committee Annual Report (HEFCW/16/50)**
23. **UK Healthcare Education Advisory Committee Annual Report (HEFCW/16/51)**

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