

Minutes of the 178th meeting of the Council held on 22 September 2016 at the HEFCW office, Bedwas

Present:

Members:

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

Observers:

Mario Ferelli, Director of Analytical Services, HEFCE
Chris Jones, Welsh Government
Fflur Elin, President, National Union of Students Wales

Officers:

Dale Hall (Council Secretary)
Celia Hunt
Bethan Owen
Dr Alyson Thomas
Nick Williams

Apologies:

Professor Leni Oglesby
Dr John Kemp, Interim Chief Executive, SFC
Huw Morris, Welsh Government
Neil Surman, Welsh Government
Emma Rączka

1. Introductory remarks and declarations of interest

- 1.1 The Chair welcomed all to HEFCW's new office in Bedwas, and on behalf of the Council extended his thanks to HEFCW staff for all their hard work in responding to a range of current pressures, and for achieving such a smooth transition to the new office.
- 1.2 Council members expressed their best wishes to Professor Leni Oglesby and wished her a speedy recovery.
- 1.3 No specific members' interests were declared in relation to any of today's agenda items above and beyond those currently published on HEFCWs' website.

2. Minutes of the meeting held on 14 July 2016 (HEFCW/16/Min177)

- 2.1 The minutes were accepted as a true record of the meeting.

3. Matters Arising since the meeting of 14 July 2016 (HEFCW/16/72)

- 3.1 *Electronic Council papers* – The executive were currently in discussions with Welsh Government officials about HEFCW’s running costs position, and therefore it should soon be possible to make a decision on whether or not to proceed with the purchase of an electronic papers management system.

4. Chair’s Report (HEFCW/16/CH5)

- 4.1 Council noted the Chair’s calendar of recent meetings. This had included a meeting in August with the in-coming Vice-Chancellor of Cardiff Metropolitan University, Professor Cara Aitchison, who was due to take up post from 1 October.

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

Exempt minute

- 4.2 Exempt minute

5. Chief Executive’s Report (HEFCW/16/CE5)

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

- 5.1 Exempt minute

- 5.2 Exempt minute

5.3 Review of Coleg Cymraeg Cenedlaethol: oral update

The Welsh Government had announced in August that a review of the Coleg was to take place. The Welsh Government observer said there were currently no details about who would chair the review or when it would begin. It was noted that the Welsh Government’s recently published programme for government (‘Taking Wales Forward’) included a commitment to “Explore potential expansion of the remit of the Coleg Cymraeg Cenedlaethol to include further education.” The period of agreed funding by HEFCW for the Coleg had expired. It was possible that sponsorship and funding of the Coleg could in future move from HEFCW to elsewhere, though this might depend on how the Welsh Government decided to respond to the Hazelkorn Review.

5.4 Diamond Review: oral update

The Diamond Report was due to be published by the Welsh Government on 27 September, with a statement by the Cabinet Secretary in plenary on the same day.

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

Exempt minute

5.5 Hazelkorn Review: oral update

The Welsh Government would be issuing a consultation on the way forward this autumn, and before year end. The logic of single oversight of both post

compulsory and higher education appeared to be supported, though the precise form that might take remained unclear.

5.6 HE policy developments in England: oral update

The Higher Education and Research Bill was progressing through the various Parliamentary stages. The agreed changes to arrangements in England would need to be considered in terms of their impact on Wales, not least in relation to research. The HEFCE observer said that also in the mix were considerable changes to the machinery of government which were still settling down, not least the creation of the Department for Business, Energy and Industrial Strategy. The impact of the UK government's new schools proposals and how those might interact with HE developments would also be important to monitor. The UK government's response to the Teaching Excellence Framework (TEF) technical consultation was due to be published at the end of September. The Council noted in this context that the job description for the Chief Executive of UK Research and Innovation revealed much about the UK government's expectation of the new body.

The Cabinet Secretary for Education had formally written to the Minister of State for Universities, Science, Research and Innovation to say that Welsh institutions could take part in TEF2, and HEFCW staff were working with colleagues in HEFCE on details of the process. The TEF panel would include a member from Wales, and there would, in addition, be assessors from Wales. At first sight, the TEF metrics did not show a positive position for Welsh higher education, though this was being looked at in more detail.

The NUS observer asked whether, if Welsh HEIs joined the TEF, they would be able to charge higher tuition fees as in England. The Welsh Government observer said that the Cabinet Secretary had made clear this would not be the case in Wales. He added that Welsh Government was due to announce on 23 September some changes to the regulations with respect to fee grants for Welsh domiciled students studying at English institutions.

The Council noted in this context the UUK review of higher education sector agencies, including Jisc; the HE Academy; Leadership Foundation for Higher Education; Equality Challenge Unit; etc. It was due to report at the end of November.

5.7 Council Workshop 9 November

Council agreed the discussion topics for the Workshop.

5.8 Counter-Terrorism and Security Act 2015 - Issue and implementation of the Prevent Monitoring Framework

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

Resolved: The Council delegated authority to the Chief Executive to issue the Prevent Monitoring Framework consultation circular in October; to subsequently issue and implement the finalised Framework; and thereafter to report on levels of compliance to government.

5.9 Quality Assessment Committee

Resolved: The Council approved the proposed amendment to the Committee's terms of reference to add Estyn to the list of observers.

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

- Chief Executive's Calendar of Meetings since the last meeting of Council on 14 July 2016.
- Higher Education (Wales) Act 2015 update
- Chief Executive's Miscellaneous Fund
- Correspondence between University of South Wales and Royal Welsh College of Music and Drama (RWCMD)
- 2017/18 fee and access plan process update
- Appointments Committee actions
- Report on exercises of delegated authority through the Scheme of Delegation
- Draft note of Institutional Visit to Swansea University, 13 July.

6. Development of the Draft Higher Education Strategy (HEFCW/16/73)

6.1 The paper presented a first draft of a Higher Education Strategy for Wales, which the Council had discussed in detail at its Workshop on 21 September. The Strategy had been drafted as a high-level document, focussing on the question of what the needs for higher education in Wales would be over the next 10 years, to 2026. It was structured around the goals of the *Well-being of Future Generations (Wales) Act 2015*, and for each goal attempted to answer three key questions: 'What will Wales need?'; 'What does the HE system currently provide?'; and 'What else is needed?'. If accepted, it would become a Welsh Government Strategy that HEFCW and HE providers would need to respond to.

6.2 Discussions on the Strategy were on-going with a number of stakeholders. A written consultation exercise would be launched at the end of September, and a consultation event was scheduled for 19 October in Cardiff, which the Cabinet Secretary had agreed to address. The Welsh Government observer commented that the Diamond and Hazelkorn reviews would affect how Welsh Government responded to the HE Strategy.

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

6.3 Exempt minute

6.4 Exempt minute

6.5 Exempt minute

6.6 Exempt minute

6.7 Exempt minute

6.8 Resolved: The Council:

- Noted the update on the development of the HE Strategy.
- Delegated authority to the Chief Executive to finalise the draft Strategy for consultation

7. Research update: Stern Review of the Research Excellence Framework (REF) and outcomes of survey on use of QR Funding (HEFCW/16/74)

7.1 The Council welcomed the summary of responses to HEFCW’s survey on institutions’ use of QR funding, which clearly demonstrated the value of QR. The analysis of institutions’ responses indicated continued support for the concept of a dual support system for research funding. The Council agreed that QR funding had served, and continued to serve, well both Wales and UK higher education.

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

7.2 Exempt minute

7.3 Exempt minute

7.4 Resolved: The Council noted:

- The outcomes of the Stern Review of the Research Excellence Framework.
- The material on the survey on the role of QR funding, at Annexes B and C.

8. Funding modelling 2016/17 & 2017/18 (HEFCW/16/75)

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

8.1 Exempt minute

8.2 Exempt minute

8.3 Exempt minute

8.4 Exempt minute

8.5 Exempt minute

8.6 Exempt minute

8.7 Exempt minute

8.8 Exempt minute

8.9 Exempt minute

8.10 Exempt minute

Resolved: The Council:

- 8.11 Noted the Student Loans Company forecast fee grant for 2016-17 FY in Annex A
- 8.12 Exempt minute
- 8.13 Exempt minute
- 8.14 Exempt minute
- 8.15 Noted the potential impact of each scenario on individual institutions, as set out in Annex D.
- 8.16 Noted the recent correspondence with the Cabinet Secretary for Education attached at Annex E and Annex F.

9. Financial Management Code (HEFCW/16/76)

- 9.1 The Chair apologised to Council members for the late distribution of this paper, which provided a summary analysis of responses to the consultation circular on the Financial Management Code. Overall there had been a positive response from stakeholders to the consultation questions. It was noted that it was not yet possible to identify precise borrowing thresholds due to the new financial arrangements under FRS 102.
- 9.2 HEFCW now would provide the Cabinet Secretary with a detailed account of the consultation process and of how it intended to deal with any points of disagreement. The approval process laid down by the HE Act required approval of the Financial Management Code first by the Cabinet Secretary, and then for the Code to be laid before the National Assembly for Wales. It was therefore important to try and future proof the document as far as possible since any subsequent changes would necessitate repeating the full approval process.
- 9.3 Council members were invited to submit any further comments on the Code by the week ending 7 October.
- 9.4 Resolved: The Council
- Reviewed the consultation responses on the Financial Management Code, and noted the intended approach to updating the Code as a result of the responses.
 - Delegated authority to the Chair, Chair of ARAC and Chief Executive to finalise the document for submission to the Cabinet Secretary for Education for approval.

10. Statement of Intervention (HEFCW/16/77)

- 10.1 The paper summarised the responses received to the consultation on the full Statement of Intervention, and the proposed HEFCW decisions in respect of the points made in the responses. The consultation had highlighted some issues of consistency between the Statement of Intervention and the Financial Management Code, which were being addressed. The Council agreed that the

drafting of the Statement, the consultation process and the proposed response to it had all been handled well by HEFCW staff.

- 10.2 Resolved: The Council delegated authority to the Chief Executive to finalise the full Statement of Intervention for publication.

11. National Student Survey (NSS) 2016 results (HEFCW/16/78)

- 11.1 The paper presented the outcomes of the 2016 NSS. The Council commended institutions for what were a good set of results for Wales.

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

- 11.3 Resolved: The Council:

- Noted the 2016 NSS outcomes for Wales.
- Noted the approval by the Chief Executive, acting under delegated authority, of the proposed new NSS questions from 2017.

12. HR Action Plan: Pay negotiation process (HEFCW/16/79)

- 12.1 The paper presented the HR action plan arising from the recent Pay Negotiation Process Report. The Chair of the HR Committee indicated that the Committee had accepted the report and the recommendations for further actions. The HR Committee would now monitor the process and implementation of the action plan on an on-going basis, and would report back to the Council as necessary.

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

- 12.2 Exempt minute

- 12.3 Resolved: The Council noted:

- The contents of the HR action plan and the latest position in respect of those actions.
- That the implementation of the action plan would continue to be monitored by the HR Committee.

13. Any other business

None.

14. Date of next meeting

- 14.1 Council Workshop – 9 November 2016 at the HEFCW office, Bedwas.

- 14.2 Council Meeting – 10 November 2016 at the HEFCW office, Bedwas

Papers provided for information:

15. Finalised annual report and accounts 2014-15 (HEFCW/16/80)

16. **Cash expenditure report April 2015 to March 2016 (HEFCW/16/81)**
17. **Cash expenditure report April to June 2016 (HEFCW/16/82)**
18. **Sêr Cymru II – update on first round of appointments (HEFCW/16/83)**
19. **Widening Access Programme of Action (HEFCW/16/84)**
20. **Unconfirmed Minutes of the Audit and Risk Assurance Committee held on 22 June 2016 (HEFCW/16/85)**
21. **Minutes of the Student Opportunity and Achievement Committee meeting held 21 June 2016 (HEFCW/16/86)**
22. **Minutes of the Quality Assessment Committee meeting held 4 July 2016 (HEFCW/16/87)**
23. **Minutes of the HR Committee meeting held 21 June 2016 (HEFCW/16/88)**

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