

Minutes of the 181st meeting of the Council held on 22 March 2017 at Wrexham Glyndŵr University

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
Dr Colin Wyatt

Observers:

Chris Jones, Steve Nicholls & Colette Eley, Welsh Government
(via teleconference)
Fflur Elin, President, National Union of Students Wales

Officers:

Dale Hall (Council Secretary)
Celia Hunt
Bethan Owen

Apologies:

Professor Robin Williams
Nick Williams
Professor Madeleine Atkins, Chief Executive, HEFCE
Dr John Kemp, Interim Chief Executive, SFC

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

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 HEFCWs' website.

2. **Minutes of the meeting held on 26 January 2017 (HEFCW/17/Min180)**

- 2.1 The minutes were accepted as a true record of the meeting held on 26 January 2017, subject to the following typo amendment:
 - Minute 7.6: "...had recently reviewed **its** various investments..."

3. **Matters Arising since Council meeting of 26 January 2017(HEFCW/17/12)**

- 3.1 *Minute 5.1 initial teacher education bids* – The Welsh Government observer (CJ) said the expressions of interest submitted were currently being considered by Welsh Government and that a stakeholder event had been held recently to provide more details on the process. A further update would be given at the next Council meeting.

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

3.2 Exempt minute

- 3.3 *Minute 5.7 HE policy developments in England* – The Higher Education Bill was currently on its third reading in the House of Lords. The House of Lords had proposed four substantive changes: to disassociate TEF outcomes and increased tuition fees; that the Office for Students could not grant degree-awarding powers to a provider unless it had been established for four years; to remove the statutory requirement on institutions to include students on the electoral register; and an amendment to exclude students and staff from the government's net immigration number calculations.

The UK government had amended the Bill to reduce the powers of the new Office for Students; to allow tuition fees to increase to a maximum of £13.5K per annum where degrees were offered on an accelerated basis; and to provide powers to the Office for Students to require HE providers to engage in the transferability of marks/credits. It was noted with respect to the latter that Wales was well-prepared as it had had a credit framework in place for many years. A consultation exercise was in train on the funding model for the Office for Students.

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

Exempt minute

Exempt minute

There was currently a consultation exercise on proposed significant changes to the Destination of Leavers from Higher Education ('NewDLHE'), including that graduates be surveyed 15 months after completing their studies, to be administered by a central survey contractor appointed and managed by HESA, and also a proposal to use UK earnings/tax information as part of a composite approach to linked data.

4. Chair's Report (HEFCW/17/CH2)

- 4.1 Council received and noted the Chair's Calendar of recent meetings.

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

4.2 Exempt minute

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

4.3 Exempt minute

4.4 Exempt minute.

4.5 Exempt minute

5. Chief Executive's Report (HEFCW/17/CE2)

5.1 Student support funding for students ordinarily resident in Wales (Diamond Review consultation)

The item attached a copy of HEFCW's submission to the consultation. The Chief Executive reported that officers were holding regular meetings with Welsh Government officials and with Universities Wales to keep abreast of both Diamond and Hazelkorn developments. The Student Loans Company was working hard to ensure all the necessary processes were in place so that the new support arrangements could be implemented for the start of AY 2018/19.

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

Exempt minute

Exempt minute

Exempt minute

Exempt minute

5.2 Hazelkorn Review

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

Exempt minute

Exempt minute

5.3 Murphy Review

CJ said that the Review Report had not yet been received, but that an update meeting was to be scheduled in the next few weeks.

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

5.4 Exempt minute

Exempt minute

Exempt minute

Exempt minute

5.5 Council Workshop 17 May 2017

Resolved: The Council agreed the proposed list of discussion topics for the Workshop, which would include a presentation from HESA on the Data Futures project, and added to it a discussion on the next HEFCW Corporate Strategy and related key performance indicators (KPIs) (see *minute 12.8*).

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

5.6 Exempt minute

Exempt minute

Exempt minute

5.7 Universities UK review of higher education sector agencies

The Council noted the summary of the issues highlighted in the report. (Erratum paragraph 7.3: the report had been published in *January 2017*.)

5.8 Higher education policy developments in England

See *minute 3.3 above*.

5.9 Scheme of Delegation: proposed minor amendment

Resolved: The Council approved the revised Scheme of Delegation, which removed from the list of delegations reserved for the Council references to fee grant payments.

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

- Chief Executive's Calendar of Meetings.
- Note of Institutional Visit to UW Trinity Saint David, 25 January 2017
- HEFCW's response to Welsh Government inquiry into medical recruitment
- Update on the Financial Management Code

6. Strategic Change Fund (HEFCW/17/13)

6.1 The paper set out the proposed allocations of the additional £20m for FY 2016-17 provided through the revised remit letter.

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: The Council

- 6.6 Noted the process to establish a full set of acceptable plans for funding, and agreed the funding recommendations set out in the table.
- 6.7 Endorsed the proposals for informing institutions of approval of their plans; for monitoring the allocations and outcomes of the fund; and for communicating the overall outcomes via a sector outcomes circular to be published by the end of the year.

7. Recurrent budget 2017-18 (HEFCW/17/14)

- 7.1 The paper invited Council to approve the financial year budget for 2017-18. It was noted that Welsh Government now was presenting HEFCW's budget for the year as a single figure, with no separation between programme headings, running costs heading or receipts. Therefore the Council now needed to agree its running costs figure for the year, with the balance going to sector allocations.

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

7.2 Exempt minute

- 7.3 Council agreed that, now that it would be setting its own running costs budget each year, there needed to be a more well-defined protocol around how the level of provision would be determined, and on how the Council would undertake appropriate scrutiny of the process. It was noted that HEFCW's financial arrangements in terms of staff head count would be controlled through requirements set out in the Framework Document with Welsh Government. There would also need to be transparency with the sector around how the Council determined the balance of funding for allocating to HE. Council further noted that in future the running costs budget would need to be settled by the Council before Christmas each year so that there was early clarity on the figure available for sector funding allocations.

Resolved: The Council

- 7.4 Approved the financial year 2017-18 budget as set out in paragraph 8.6 of the paper
- 7.5 Delegated authority to the Chief Executive to amend the budget as required, once the implications of the additional funding, to be set out in the revised 2016-17 remit letter, on the 2017-18 recurrent budget became clear.

8. Funding AY 2017/18 (HEFCW/17/15)

- 8.1 The paper provided the baseline grant settlement for FY 2017-18, and invited the Council to provide steers on grant funding for AY 2017/18.

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)

8.2 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
- 8.11 Exempt minute
- 8.12 Exempt minute
- 8.13 Exempt minute
- 8.14 Exempt minute

9. HEFCW 2018/19 fee and access plan (FAP) guidance (HEFCW/17/16)

- 9.1 The paper presented a draft of the 2018/19 FAP guidance. Council noted that the FAP process was now HEFCW's key regulatory vehicle, although its scope as a regulatory tool was limited due to the way in which it had been defined in the Higher Education (Wales) Act 2015.
- 9.2 It was intended to publish the FAP guidance at the end of March or in early April, which would equate to the timings of the OFFA guidance in England.

The paragraphs 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

- 9.3 Noted the HEFCW draft 2018/19 fee and access plan guidance.
- 9.4 Noted the HEFCW/Welsh Government 2015 Act meeting outcomes.
- 9.5 Noted the fee and access plan consultation seminar with regulated institutions and meetings with other representative bodies.
- 9.6 Delegated authority to the Chair and Chief Executive to finalise the HEFCW 2018/19 fee and access plan guidance for publication.

9.7 Delegated authority to the Chair and Chief Executive to approve, or otherwise, 2018/19 fee and access plans that meet the regulatory requirements of the Act, and criteria as set out in the HEFCW fee and access plan guidance.

10. Remit Letter 2017-18 (HEFCW/17/17)

10.1 The executive had seen and recently provided comments to Welsh Government on a draft of HEFCW's 2017-18 remit letter. CJ said it was intended to issue the finalised remit letter on 28 March. Copies would be circulated to Council members.

11. Well-being of Future Generations Act (HEFCW/17/18)

11.1 The paper set out the proposed well-being objectives and supporting statement of well-being, which HEFCW was required by the Well-being of Future Generations (Wales) Act 2015 to publish by the end of March. Council noted that the proposals were consistent with those being developed by other bodies covered by the Act. The objectives and statement reflected the current stage of development with HEFCW's next Corporate Strategy.

Resolved: The Council

11.2 Endorsed the proposed well-being objectives subject to one amendment to add "to ensure" to one objective for consistency.

11.3 Endorsed the draft well-being statement at Annex A.

12. Draft Corporate Strategy 2017-20 (HEFCW/17/19)

12.1 The paper presented a draft of HEFCW's Corporate Strategy for 2017 to 2020. The document included the well-being objectives (*minute 11 refers*) and reflected the proposed strategic intentions from the draft Higher Education Strategy for Wales which HEFCW had submitted to Welsh Government in December (and on which a response was still awaited).

The paragraph(s) below is/are exempt from publication under the Freedom of Information Act 2000 (for future publication; prejudice to the effective conduct of public affairs)

12.2 Exempt minute

12.3 Exempt minute

12.4 Exempt minute

12.5 Exempt minute

12.6 The Council suggested consideration also be given to the design of the final form of the Corporate Strategy document to maximise its visual impact.

Resolved: The Council

12.7 Noted the draft Corporate Strategy and provided steers for its further development (*minute 12.2 refers*).

- 12.8 Agreed to discuss the issue of KPIs for the Corporate Strategy at the May Workshop.
- 12.9 Agreed that the design of the final form of the Corporate Strategy document be considered with a view to maximising visual impact.

13. Building our industrial strategy (HEFCW/17/20)

- 13.1 The paper invited Council to consider HEFCW's response to the UK Government's consultation on its *Building our Industrial Strategy* Green Paper. HEFCW would aim to align its response where possible with that of the Welsh Government.

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

13.2 Exempt minute

- 13.3 Members were invited to submit any further suggestions for HEFCW's consultation response by 10 April.

Resolved: The Council

- 13.4 Noted and provided steers for the further development of the draft HEFCW response to the Industrial Strategy (minute 13.2 refers).

- 13.5 Delegated authority to the Chief Executive to finalise HEFCW's response for submission to the Department for Business, Energy and Industrial Strategy by 17 April 2017.

14. Apprenticeship policy in Wales (HEFCW/17/21)

- 14.1 The Council received a paper providing an update on developments in apprenticeship policy in Wales, including the piloting of degree level apprenticeships.

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

14.2 Exempt minute

14.3 Exempt minute

14.4 Exempt minute

Resolved: The Council

- 14.5 Noted the developments in apprenticeship policy in Wales, and in England, particularly in relation to Degree Apprenticeships.

15. External Quality Assessment Review for institutions (HEFCW/17/22)

- 15.1 The paper reported the outcomes of the consultation on the external quality assessment review.

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

15.2 Exempt minute

15.3 Exempt minute

15.4 Exempt minute

Resolved: The Council

15.5 Noted the outcomes of the consultation on the external quality assessment review.

15.6 Delegated authority to the Chief Executive to agree the final version of the outcomes for publication.

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

15.7 Exempt minute

15.8 Delegated authority to the Chief Executive to agree funding for HEFCW's participation in the gateway process for new reviewers, subject to further discussions with HEFCE.

16 Equality and Diversity: Annual Report and equalities update (HEFCW/17/23)

16.1 The paper presented HEFCW's Equality Annual Report 2015-16, and information on HEFCW's equality-related work.

16.2 FfE asked whether HEFCW had in place or was planning any training on the issues of unconscious bias and on institutional racism (the NUS was providing training in these areas for all of its staff). CH said HEFCW had a statutory responsibility to provide equality and diversity training for staff and for Council members. The training plan would be looked at again shortly once a new member of staff covering equality and diversity was in post. The plan would consider equalities training needs in the round.

17. Any other business

None.

18. Date of next meeting

- Council workshop – 17 May 2017 at the HEFCW offices, Bedwas.
- Council meeting – 18 May 2017 at the HEFCW offices, Bedwas.

Papers for approval without discussion:

19. Quality Assurance statements for the governing body

19.1 Resolved: The Council approved the final set of assurance statements for the governing bodies of regulated institutions regarding quality, from December 2017.

20. Corporate Risk Register (HEFCW/17/23)

Resolved: The Council noted
20.1 The latest update to the Corporate Risk Register (**Annex A**) and the distribution of those risks.

20.2 The changes made to the Corporate Risk Register since November 2016 (**Annex B**).

20.3 The commentary on the current distribution of risks and on likely development in the immediate future.

21. Research Councils UK Funding Assurance (HEFCW/17/24)

21.1 Resolved: The Council approved the Memorandum of Understanding between HEFCW and Research Councils UK (RCUK), and delegated authority to the Chief Executive to finalise details with RCUK.

Papers provided for information:

22. Analysis of institutions' financial health based on audited financial statements (HEFCW/17/25)

23. Cash expenditure report for the period April to December 2016 (HEFCW/17/26)

24. April to December Accruals Based Management Accounts report 2016-17 (HEFCW/17/27)

25. Regional reporting (HEFCW/17/28)

26. Quality Assessment Committee minutes, 9 February 2017 (HEFCW/17/29)

27. Minutes of the Human Resources Committee meeting held 8 November 2016 MEMBERS ONLY (HEFCW/17/30)

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