

## Minutes of the 183<sup>rd</sup> meeting of the Council held on 13 July 2017 at the Aberystwyth 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 Robin Williams

**Observers:** Neil Surman, Welsh Government  
Karen Morgan, Welsh Government  
Stephen Coole, National Union of Students Wales

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

**Apologies:** Professor Mark Smith  
Dr Colin Wyatt  
Dr John Kemp, Interim Chief Executive, SFC  
Mario Ferelli, Director of Analytical Services, HEFCE  
Ellen Jones, President of NUS Wales

### 1. Introductory remarks and declarations of interest

1.1 The Chair informed the meeting that Ellen Jones had been elected the new President of NUS Wales, but unfortunately had been unable to attend today's meeting. Steve Coole, Director of NUS Wales and attending on behalf of Ellen, was welcomed to the meeting. The Chair also welcomed Karen Morgan, who was leading the Bill Team taking forward the Welsh Government's post-compulsory education reform work.

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.

### 2. Minutes of the meeting held on 18 May 2017 (HEFCW/17/Min182)

2.1 The minutes were accepted as a true record of the meeting held on 18 May 2017.

### 3. Matters Arising (HEFCW/17/44)

- 3.1 *Electronic Council paper system* – Enough of the installation issues had been resolved to enable initial use and testing of the system, however some installation problems remained. Subject to these outstanding matters being fully resolved, and completion of detailed testing, the electronic system would be implemented for the September Council meeting, though in the first instance this would be done in parallel with distribution of hard copy sets of papers as a backup.

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

3.2 Exempt minute

3.3 Exempt minute

3.4 Exempt minute

3.5 Exempt minute

3.6 Exempt minute

#### **4. Chair's Report (HEFCW/17/CH4)**

- 4.1 The Chair had written letters of congratulations to four individuals in Welsh higher education who had received an honour in the Queen's Birthday Honours. He had also written to congratulate Nicola Dandridge, currently Chief Executive of UUK, on her appointment as the Chief Executive of the Office for Students (OfS).

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4.2 Exempt minute

4.3 Exempt minute

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4.6 Exempt minute

- 4.7 On 28 June the Chair and Chief Executive had also met with the reviewers who were gathering evidence for the Welsh Government's Review of Administrative Arrangements for the Oversight of Public Bodies. NS reported that the HE Sponsor Team had also spoken to the reviewers.

#### **5. Chief Executive's Report (HEFCW/17/CE4)**

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

5.1 Exempt minute

5.2 Draft Higher Education Strategy for Wales: Cabinet Secretary's response, 7 June 2017

The letter indicated that, in view of the White Paper proposals on post-compulsory education and training, the Welsh Government would not be publishing the draft Higher Education Strategy for Wales that had been put forward by HEFCW. The Council had been invited to consider whether it wished to publish the document.

Resolved: The Council agreed to publish the draft Higher Education Strategy for Wales, and also the letter from the Cabinet Secretary, on HEFCW's website, subject to no objections being raised by officials to this approach.

5.3 Living Wage (re: HEFCW remit letter 2017-18)

The Chair had written to the Cabinet Secretary on 1 June to provide an update on initial progress. Subsequently, Universities Wales had announced on 10 July that all Welsh universities were committed to paying the Living Wage Foundation's living wage to all directly employed HE staff by 2018/19, and to starting the process of implementing the Living Wage across outsourced HE activity from 2018/19. In addition, the statement said that by the end of July 2017 all Welsh universities would have become signatories to the Welsh Government's Code of Practice on Ethical Employment in Supply Chains.

5.4 Teaching Excellence Framework (TEF) outcomes

The TEF outcomes for Wales generally had been positive, with Bangor University awarded a Gold rating.

5.5 Longitudinal Educational Outcomes (LEO) data – analysis of median earnings for graduates from Welsh institutions

The item reported the outcomes with respect to graduates from Welsh higher education providers of the LEO data published on 13 June. It was noted that the data was of limited use for making meaningful performance comparisons between institutions. However, there was political interest in publishing LEO data on the Unistats website. If this were taken forward, it would be important to ensure that the data were properly contextualised. There was a longer-term concern that if the LEO data were to gain wider recognition and use it could lead to unintended consequences, such as institutions encouraging students to seek work in London, where salaries were higher, in order to improve their own LEO standings.

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

5.6 Exempt minute

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

5.7 Exempt minute

5.8 Potential Extension of GO Wales: Achieve through Work Experience programme

The Council welcomed the invitation from WEFO to consider extending the GO Wales programme up until 2022.

Resolved: The Council agreed:

- i. In principle to increase HEFCW match funding for GO Wales by £1.988m, to a total of £3.54m covering the period up to December 2022.
- ii. To delegate authority to the Chief Executive to agree an extension with WEFO and the higher education institutions within the parameters set out in the paper.

5.9 Global Challenges Research Fund (GCRF) Allocations 2017/18

Resolved: The Council approved the 2017/18 Global Challenges Research Fund (GCRF) allocations, as shown in Table 2 of Annex A to the paper.

5.10 Welsh Language Standards

Resolved: The Council delegated authority to the Chief Executive to approve HEFCW's response to the consultation on the draft Compliance Notice for Welsh Language Standards.

5.11 Revised procedures for handling complaints against institutions

Resolved: The Council

- i. Approved the procedures for handling complaints against institutions, subject to the outcomes of the consultation process.
- ii. Delegated authority to the Chief Executive to agree the final version of the procedures for publication.

5.12 Reaching Wider (RW) Programme Review 2017/18

Resolved: The Council agreed to the formation of a Reaching Wider advisory sub-group to oversee the review of the HEFCW Reaching Wider Programme and make recommendations to Council.

5.13 Financial Management Code - borrowing issue

Resolved: The Council delegated authority to the Chief Executive to:

- i. Set the borrowing threshold following further calculations and discussions with the sector.
- ii. Revise thresholds to take account of commitments for institutions where HEFCW had granted borrowing approval.

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

- Chief Executive's Calendar of Meetings since the last meeting of Council on 18 May 2017.
- Additional UK Government funding for research, innovation and skills
- Note of Members' Workshop, 17 May (*Council members and HEFCW staff only*)

**6. Hazelkorn Review: consultation White Paper, *Public Good and a Prosperous Wales* (HEFCW/17/45)**

6.1 The paper provided an overview of the Welsh Government's White Paper, *Public Good and a Prosperous Wales*, the next stage in its response to the Hazelkorn Review. In line with an explicit steer from the Cabinet Secretary, the Chair and Chief Executive were continuing discussions with Universities Wales, Colegau Cymru and the National Training Federation Wales about options for closer joint working.

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6.2 Exempt minute

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6.8 Exempt minute

Resolved: The Council noted the White Paper proposals and the update from Welsh Government on the implementation process.

## **7. Annual Report and Accounts 2016-17 (HEFCW/17/46)**

7.1 The paper presented a draft of HEFCW's annual report and accounts for the year ended 31 March 2017, which had been audited by the Wales Audit Office (WAO) and presented to the Audit and Risk Assurance Committee (ARAC) on 21 June.

7.2 The WAO had complimented HEFCW on producing a clean set of accounts, which had been given an unqualified audit opinion. The Chair of ARAC reported that ARAC members had commented that a fully clean set of accounts was very unusual. In the private session between ARAC members and WAO representatives, compliments had been paid to HEFCW's finance team for all its work in preparing the accounts. The Council likewise expressed its thanks.

Resolved: The Council approved the annual report and accounts and delegated authority jointly to the Chair of Council and to the Chair of ARAC to agree any further changes, as required, prior to the formal approval of the accounts by the Chief Executive.

## **8. Consultation on Corporate Strategy 2017-20 and draft Operational Plan 2017-18 (HEFCW/17/47)**

8.1 The paper provided an update following the consultation on the Corporate Strategy 2017-20, and presented the draft Operational Plan 2017-18.

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

8.2 Exempt minute

8.3 Exempt minute

Resolved: The Council:

- 8.4 Agreed the draft Corporate Strategy, subject to taking on board the consultation responses and the steers provided by the Council at its Workshop in May and at minute 8.3.
- 8.5 Delegated authority to the Chair and Chief Executive to approve the Corporate Strategy 2017-20, once amended, for submission to the Cabinet Secretary.
- 8.6 Delegated authority to the Chief Executive to finalise the draft Operational Plan 2017-18 for submission to the Cabinet Secretary.

**9. Corporate Risk Register and issues log (HEFCW/17/48)**

- 9.1 The Council reviewed the latest update of HEFCW's Corporate Risk Register, which comprised 12 risks from across all Team Risk Registers, and the HEFCW Issues Log, which included one former risk that now had been judged to have crystallised. It was noted that the fundamental distinction between the two processes was that the Risk Registers identified possible future states of affairs, and set out the controls in place to try and mitigate those risks, whereas the Issues Log identified actual, significant issues with which the organisation was dealing.

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9.2 Exempt minute

9.3 Exempt minute

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9.6 Exempt minute

Resolved: The Council

- 9.7 Reviewed the latest update to the Corporate Risk Register, and noted the commentary on the current distribution of risks and on likely development in the immediate future.
- 9.8 Agreed that the Corporate Risk Register identified an appropriate range of current risks and mitigating actions.
- 9.9 Agreed to amend the responsible officer for taking forward the further actions identified for risk 089/17 to the Chair of Council.
- 9.10 Agreed to add to the HEFCW Issues Log a number of further mitigating factors (minutes 9.4 and 9.5 refer).
- 9.11 Agreed that the Council would discuss the Corporate Risk Register and Issues Log at least once a year.

**10. Institutional Risk Reviews (IRR) (HEFCW/17/49)**

- 10.1 The Council considered the outcomes of the Institutional Risk Reviews conducted by officers in April 2017.

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

10.2 Exempt minute

10.4 Exempt minute

10.5 Exempt minute

10.6 Exempt minute

10.7 Exempt minute

Resolved: The Council

- 10.8 Considered and approved the proposed outcomes of the IRRs of each institution

- 10.9 Agreed that IRR letters would not be issued at this point to Wrexham Glyndŵr University or Aberystwyth University.

- 10.10 Agreed to delegate authority to the Chief Executive to finalise the IRR letters for Bangor University, Cardiff University, Swansea University and the University of South Wales.

- 10.11 Agreed to delegate authority to the Chair, Chair of the Audit and Risk Assurance Committee and Chief Executive to finalise the IRR letters for Cardiff Metropolitan University and the University of Wales Trinity Saint David.

## **11. HEFCW 2018/19 fee and access plan guidance (HEFCW/17/50)**

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

11.1 Exempt minute

11.2 Exempt minute

11.3 Exempt minute

11.4 Exempt minute

- 11.5 A report on the outcome of the 2018/19 FAP process would be brought to the Council's next meeting in September.

Resolved: The Council

- 11.6 Noted the update on the 2018/19 fee and access planning process.

- 11.7 Agreed that the Chair, Deputy Chair and Chief Executive discuss further a process for Council to become more closely involved in the FAP process via a sub-committee or group, reporting back to the next meeting.

11.8 Agreed to reflect further on ways to improve higher education providers' engagement with fee and access planning, including the possibility of using external advice.

**12. Initial decisions on arrangements for the 2021 Research Excellence Framework (HEFCW/17/51)**

12.1 The paper invited the Council to endorse initial recommendations on arrangements for the 2021 Research Excellence Framework (REF), developed following a UK-wide consultation. The HEFCE Board had considered and approved all of the recommendations at its meeting on 12 July.

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

12.2 Exempt minute

12.3 Exempt minute

12.4 Exempt minute

Resolved: The Council

12.5 Endorsed the direction of travel in relation to the arrangements for staff submission (paragraphs 7.6 to 7.30 of the paper), and agreed to delegate authority to the Chief Executive to approve, on behalf of HEFCW, further refinements.

12.6 Endorsed the initial decisions on the REF set out in paragraphs 7.31 to 7.59 of the paper.

12.7 Delegated authority to the Chief Executive to agree, on behalf of HEFCW, the final Unit of Assessment structure.

12.8 Delegated authority to the Chief Executive to agree, on behalf of HEFCW, the final content and timing of publication of the initial decisions document.

12.9 Noted the updated budget forecast.

**13. Council forward business plan January 2018 to March 2019 (HEFCW/17/52)**

13.1 The Council approved the proposed timetable of Council meetings.

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

13.2 Exempt minute

Resolved: The Council

13.3 Approved the proposed timetable of Council meetings and related events covering the period January 2018 to March 2019.

#### **14. HR Committee Annual Report 2016-17 (HEFCW/17/53)**

**This was discussed by HEFCW Council members only. All other attendees left the meeting for this item, and the minute was taken by the Chief Executive.**

- 14.1 Council considered the report which resulted from one of the recommendations made by Gill George (independent member of the Council's Human Resources Committee) in her report on the Pay Process. Council noted that, given the relatively small numbers of staff employed by HEFCW, some of the data relating to matters such as sickness absence, or turnover, could be quite volatile, with relatively large percentage changes arising from relative small absolute movements. Council members sought greater clarity about the operation of trigger points in the sickness absence procedures and the operation of the Performance Development Review system.

Resolved: Council welcomed the report.

#### **15. Any other business**

None.

#### **16. Date of next meeting**

21 September 2017 at the HEFCW offices, Bedwas.

#### **Papers for approval without discussion:**

#### **17. Annual Governance Assurance Statement to Welsh Government for the year 1 April 2016 to 31 March 2017 (HEFCW/17/54)**

Resolved: The Council

- 17.1 Reviewed the Annual Governance Assurance Statement to the Welsh Government for the year 1 April 2016 to 31 March 2017

- 17.2 Delegated authority to the Chief Executive to finalise the Statement and submit to the Welsh Government.

#### **18. Outcomes of the consultation on student charters (HEFCW/17/55)**

- 18.1 Resolved: The Council approved the revised student charter guidance for publication.

#### **19. Meeting of the Research Innovation and Engagement Committee held on 4 May 2017 (HEFCW/17/56)**

Resolved: The Council

- 19.1 Agreed that HEFCW should become a signatory to the Concordat on Open Research Data.

- 19.2 Received the unconfirmed notes of the Research Innovation and Engagement Committee meeting held on 4 May 2017.

#### **20. SOAC minutes 12 May 2017 and proposed revised terms of reference (HEFCW/17/57)**

Resolved: The Council

- 20.1 Noted the advice of the May 2017 meeting of the Student Opportunity and Achievement Committee.

20.2 Approved the revised Terms of Reference of the Student Opportunity and Achievement Committee.

**Papers provided for information:**

- 21. **Sources of Research Income of Higher Education Institutions in Wales 2015/16 (HEFCW/17/58)**
- 22. **Estates progress report (HEFCW/17/59)**
- 23. **Audit and Risk Assurance Committee Annual Report 2016-17 (HEFCW/17/60)**
- 24. **Freedom of Information Annual Report 2016-17 (HEFCW/17/61)**
- 25. **Annual Reports 2016-17: complaints against HEFCW and allegations concerning institutions funded by HEFCW (HEFCW/17/62)**
- 26. **Cash expenditure report for the period April 2016 to March 2017 (HEFCW/17/63)**
- 27. **Quality Assessment Committee minutes, 6 June 2017 (HEFCW/17/64)**
- 28. **Remuneration Committee, 18 May 2017 (HEFCW/17/65)**
- 29. **HR Committee minutes 22 May 2017 (HEFCW/17/66)**

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