

Minutes of the 189th meeting of the Council held on 12 July 2018 at the HEFCW office, Bedwas

Present:

Members:

David Allen (Chair)
Dr David Blaney (Chief Executive)
Professor Aaqil Ahmed
James Davies
Professor Christine Ennew
Rob Humphreys
Sarah John
Professor Helen Marshall
David Mason
Professor Mark Smith
Professor Robin Williams

Observers:

Neil Surman, Welsh Government
Chris Jones, Welsh Government
Gwyneth Sweatman, President, National Union of Students Wales

Officers:

Dale Hall (Council Secretary)
Celia Hunt
Bethan Owen
Emma Raczka
Nick Williams

Apologies:

Professor Sir Keith Burnett
Dr David Sweeney, Executive Chair, Research England
Dr John Kemp, Interim Chief Executive, SFC

1. Introductory remarks and declarations of interest

The Chair welcomed new members Professor Christine Ennew and Rob Humphreys to their first Council meeting. The following members declared an interest with respect to today's agenda:

- Item 6 (Chief Executive's Report: degree apprenticeships update) - Sarah John declared an interest as her company, ALS, had a contractual arrangement with Cardiff Metropolitan University.
- Item 7 – Professor Robin Williams declared that he was coordinating on behalf of the Learned Society of Wales its response to the Welsh Government's technical consultation on the post-compulsory education and training (PCET) reforms.

- Item 15 - James Davies declared an interest as the Executive Chair of Industry Wales, which had written in support of one of the projects that had bid for funding for HE-FE Collaboration in Innovation and Engagement. Rob Humphreys declared that he currently held a contract with Swansea University to advise on strategy, with a particular emphasis on civic engagement, but noted that he had not advised the University on its expenditure proposals for the Enhancing Civic Mission and Community Engagement funding.

2. Minutes of the meeting held on 17 May 2018 (HEFCW/18/Min181)

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

3. Matters Arising (HEFCW/18/48)

- 3.1 Council received a report on actions since the previous Council meeting of 17 May 2018.

4. Chair's Report (HEFCW/18/CH4)

- 4.1 The Chair expressed on behalf of all members the Council's deep gratitude to Professor Robin Williams, whose term of office would come to an end on 31 July, for his contributions to the Council over the last nine years, including his role as chair of the Council's Research, Innovation and Engagement Committee.
- 4.2 The report included an update on recent changes to Council membership. With the resignation of Council member Lesley Davies in July, there had been a need to revise the original proposals presented at the May meeting on Council membership of the various committees. The Welsh Government was taking the opportunity to draw on the list of appointable candidates identified in the 2017 recruitment exercise to fill the two Council member vacancies that would arise from 1 August 2018 and from 1 April 2019.

Resolved: Council agreed that the revised proposals on Council membership of its committees be submitted to the Nominations Committee for formal approval.

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

- 4.6 The Chair reported that, at the Cardiff University Innovation and Impacts Awards dinner on 26 June, he had discussed informally with the Chief Executive of Innovate UK how Wales might best play into funding opportunities, including with respect to the Strength in Places Fund, which aimed to support innovation and enhance research collaborations to improve relative economic growth.

4.7 The Chair drew attention to the exchange of letters between the Cabinet Secretary and the Chair and The Open University (*reported via the Chief Executive's report to the 17 May 2018 Council meeting*). He commented that it had been reassuring to receive a quick response from the Pro-Chancellor and Chair of The Open University, which had provided assurances that the needs of potential students of The Open University in Wales would be taken fully into account as the University's curriculum and operational reviews were taken forward. The Acting Vice-Chancellor of The Open University and the Director of the Open University in Wales were due to meet with the Cabinet Secretary.

5. Update from Chairs of Council Committees (HEFCW/18/CC4)

5.1 *Quality Assessment Committee (QAC)* – At its meeting on 28 June, the Committee had discussed three main issues:

- (i) The Quality Assessment Framework, in preparation for the sector event on this on 29 June in Cardiff, which the Chair of QAC noted had been successful.

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

(ii) Exempt minute

(iii) Exempt minute

5.2 *Research, Innovation and Engagement Committee* – The Chair of the Committee noted that the Committee had a number of new members, which provided it with a good breadth and depth of experience. At its last meeting on 24 May, the Committee had received presentations from the Executive Chair of Research England and the Chief Scientific Adviser for Wales. The Committee discussed the PCET proposals, where it was agreed there was a need now to make progress on the research and innovation agenda, including the setting of a vision of where Wales needed to be by 2035. The Committee agreed it would discuss at its next meeting a proposed vision and a roadmap towards it, as well as the issue of a potential new name for the Committee.

5.3 *Audit and Risk Assurance Committee (ARAC)* – Following its last meeting on 20 June, Committee members had held their annual private meeting with HEFCW's external auditors, the Wales Audit Office (WAO). The WAO had been complimentary about the effectiveness of the Committee.

5.4 The Remuneration and Human Resources Committees would be meeting after today's Council meeting.

6. Chief Executive's Report (HEFCW/18/CE4)

6.1 Reflection on Institutional Visit to Cardiff University 11 July 2018

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

Exempt minute

6.2 Review of HEFCW processes for assessing provider performance
It was intended to make further progress in streamlining the various processes so that consultation with the sector could take place over the summer.

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

6.3.1 Exempt minute

6.3.2 Exempt minute

6.3.3 Exempt minute

6.3.4 Exempt minute

6.3.5 Exempt minute

6.3.6 Exempt minute

6.3.7 Exempt minute

6.4 Degree apprenticeships update
The paragraphs below are exempt from publication under the Freedom of Information Act 2000 (prejudice to the effective conduct of public affairs)
Exempt minute

Non-disclosable (commercial interests; prejudice to effective conduct of public affairs)

6.5 Exempt minute

6.6 Exempt minute

6.7 Recent UK reports: 'Treating Students Fairly' & 'The higher education market'.
The two reports were noted, and it was commented that, contrary to the view expressed in 'The higher education market', relatively limited price competition on fees for full-time undergraduate students did not mean that the higher education market was failing. On the contrary, it was highly competitive but this did not manifest itself in widespread differential fee levels.

6.8 Sêr Cymru 1 funding
Resolved: The Council agreed to increase the Sêr Cymru 1 budget by £225k in AY 2018/19 by bringing forward £225k from AY 2019/20.

6.10 Consultation on quality which is likely to become inadequate
Resolved: The Council delegated authority to the Chief Executive to approve the publication of the consultation on the quality of provision which is likely to become inadequate.

11. Council received a number of items for information:

- Chief Executive’s Calendar of Meetings. The Chief Executive noted the success of the launch event on 13 June for HEFCW’s publication *Innovation Nation: On Common Ground*.

Non-disclosable (prejudice to effective conduct of public affairs)

Exempt minute

- Note of Members’ Workshop 16 May 2018
- Note of the Institutional Visit to NPTC Group 4 June 2018
- Year Three outcomes of the Teaching Excellence and Student Outcomes Framework
- Nominations Committee actions
- Report on exercise of delegated authority through the Scheme of Delegation

7. Draft HEFCW response to PCET technical consultation (HEFCW/18/49)

7.1 The paper invited Council steers on the draft HEFCW response to the Welsh Government’s technical consultation on the PCET proposals. The response deadline was 17 July. The Council expressed its thanks to NS for the work that had gone into developing the technical consultation, and to the HEFCW executive for preparing the response. The Welsh Government observer (NS) thanked all HEFCW staff who were taking part in the Welsh Government’s PCET focus groups.

The paragraph(s) below is/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

7.7 On the draft response to the technical consultation, Council suggested that the proposed answer to Question 1 was quite generic and might form the content of a separate, overview statement at the beginning. Members were invited to submit to the executive any further comments on the draft response by Friday 13 July. Council agreed that the Chair and Chief Executive should decide whether to write separately to the Cabinet Secretary on HEFCW’s response to the consultation.

7.8 The NUS observer commented that the proposed HEFCW response echoed that of NUS Wales on the issue of learner representation.

Resolved: The Council

7.9 Provided steers on the content of the response to the technical consultation (minutes 7.4, 7.6 and 7.7) and delegated authority to the Chair and Chief

Executive to finalise the response for submission by 17 July, and also to consider whether to write separately to the Cabinet Secretary.

- 7.10 Noted HEFCW's engagement in the PCET developments thus far, the potential involvement of HEFCW as a delivery partner in the implementation of the proposed new arrangements, and the need for additional resources to maintain and increase this work in the future.

8. HEFCW fee and access planning (HEFCW/18/50)

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

8.1 Exempt minute

Resolved: The Council noted:

- 8.2 The update on the 2019/20 fee and access planning process and the interim findings.
- 8.3 The findings of the 2015/16 F&AP annual monitoring.
- 8.4 The update on the Regulation Committee.

9. Specific designation (HEFCW/18/51)

- 9.1 The paper provided an update on HEFCW guidance for providers wishing to apply for specific designation of their relevant higher education courses. The specific designation process had been previously discussed by Council at its meetings in January and March 2018. It was explained that in administering specific designation on a course by course basis on behalf of Welsh Government, the executive was trying to align it as fully as possible with the processes developed to cover HEFCW's responsibilities for approval of fee and access plans which led to automatic designation for student support purposes. A consultation had been conducted on draft specific designation guidance, and it was anticipated that most of the points raised through the consultation feedback could be taken on board.

Resolved: The Council

- 9.2 Noted the consultation responses.
- 9.3 Delegated authority to the Chief Executive to finalise the guidance.

10. Review of future funding (HEFCW/18/52)

- 10.1 The paper presented options for the future distribution of funding between funding streams, taking into account the Council's steers from the May Workshop.

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).

10.2 Exempt minute

10.3 Exempt minute

10.4 Exempt minute

Resolved: The Council

10.5 Exempt minute

10.6 Exempt minute

10.7 Exempt minute

10.8 Exempt minute

10.9 Exempt minute

10.10 Exempt minute

10.11 Delegated authority to the Chief Executive to agree the consultation to be issued to the sector when the development work had been completed.

10.12 Agreed that any significant changes to Research funding methods be implemented after the next REF in 2020/21.

11. Annual Report and Accounts 2017-18 (HEFCW/18/53)

11.1 The draft HEFCW annual report and accounts for the year ended 31 March 2018 were attached to the paper. They had been audited by the Wales Audit Office (WAO), and had been considered by ARAC on 20 June. They had been subject to a few minor changes. The WAO's report indicated that the Auditor General for Wales intended to issue an unqualified opinion on the accounts. One corrected misstatement had been identified, but there were no significant issues or recommendations arising from the WAO's audit. The Council expressed its thanks to the Head of Corporate Services and the Finance Team, and to all others staff who had contributed to the development of the annual report and accounts.

Resolved: The Council approved the Annual Report and Accounts 2017-18 and thanked Nick Williams and the team for their work to produce a good outcome.

12. HEFCW Corporate Risk Register and Issues Log (HEFCW/18/54)

12.1 Council noted the latest iterations of the Corporate Risk Register and of the Issues Log. The Chief Executive commented that the documents continued to be a useful ranking of the key matters the organisation was addressing day to day. The Corporate Risk Register pulled together the executive's current assessment of the most significant (i.e. highest rated) risks after mitigation. There were many other risks captured within Team Risk Registers, but there the residual risk ratings (likelihood/impact assessments) were within the tolerance level. The Chief Executive added that for the next review the risks identified might change somewhat as a result of forthcoming internal discussions about the organisation's

perceived risks – for example, future reviews would likely place a greater emphasis on risks directly associated with HEFCW’s responsibilities rather than on those about sector performance.

The paragraph) 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 Council asked about risks associated with cyber security and the recently implemented new General Data Protection Regulation. It was explained that these were identified on Team Risk Registers, but that the residual risk ratings had been assessed at a lower level than the risks which transferred to the Corporate Risk Register.

Resolved: The Council

12.4 Reviewed the latest update to the Corporate Risk Register (Annex Ai) and the distribution of those risks.

12.5 Noted the changes made to the Corporate Risk Register since March 2018 (Annex B).

12.6 Reviewed the latest HEFCW Issues Log (Annex Aii).

12.7 Noted the commentary on the current distribution of risks and on likely development in the immediate future.

13. Institutional Risk Review 2018 (HEFCW/18/55)

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

13.1 Exempt minute

13.2 Exempt minute

13.3 Exempt minute

13.4 Exempt minute

13.5 Exempt minute

13.6 Exempt minute

13.7 Exempt minute

13.8 Exempt minute

Resolved: The Council

13.9 Exempt minute

13.10 Exempt minute

13.11 Exempt minute

13.12 Exempt minute

14. Estates Capital 2018-19 (HEFCW/18/56)

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).

14.1 Exempt minute

14.2 Exempt minute

Resolved: The Council
14.3 Approved the allocation methodology.

14.4 Approved the draft allocations for publication.

14.5 Delegated authority to the Chief Executive to approve a circular and subsequently approve plan submissions and final allocations.

15. Civic Mission and Community Engagement, and Enhancing HE-FE Collaboration in Innovation and Engagement, funding proposals (HEFCW/18/57)

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

15.1 Exempt minute

15.2 Council agreed that, once finalised, publicity should be put out by HEFCW on the outcomes of the two bidding processes, and on the estates capital funding (minute 14).

Resolved: The Council
15.3 Approved proposals for the allocation of institutions' *Enhancing Civic Mission and Community Engagement* funding.

15.4 Approved in principle the funding of proposals for *Enhancing HE-FE Collaboration in Innovation and Engagement*, and delegated authority to the Chief Executive to finalise funding allocations following further iteration with the institutions concerned.

15.5 Agreed to publicise the outcome of the two funding bid processes, and of the Estates Capital Funding allocations (minute 14).

16. The Reid Review of Government Funded Research and Innovation in Wales (HEFCW/18/58)

16.1 Council received a summary of the outcomes of the Reid Review of Government Funded Research and Innovation in Wales. It was noted that the

recommendations made by Professor Reid had been limited in number and very clear and that he had captured well the issues of developing research and innovation in Wales. It was further noted that his report assumed that the Diamond recommendations would be delivered and went beyond to recommend further investment. The Welsh Government had endorsed the recommendations and it was expected that the Council would be engaged further in the implementation of the report once the relevant funding had been identified by the Welsh Government.

Resolved: The Council noted the outcomes of the Reid Review.

17. Council forward business plan January 2019 to January 2020 (HEFCW/18/59)

17.1 Resolved: The Council approved the proposed timetable of Council meetings and related events for January 2019 to January 2020 (institutional visit dates to be confirmed with the universities concerned).

18. Any other business
None.

19. Date of next Council meeting
20 September 2018 at the HEFCW offices, Bedwas.

Papers for approval without discussion:

20. Annual Governance Assurance Statement to Welsh Government for the year 1 April 2017 to 31 March 2018 (HEFCW/18/60)

- Resolved: The Council
- 20.1 Reviewed the Annual Governance Assurance Statement to the Welsh Government for the year 1 April 2017 to 31 March 2018 at Annex A.
- 20.2 Delegated authority to the Chief Executive to finalise the Statement and submit to the Welsh Government.

21. Student Opportunity and Achievement Committee (SOAC) minutes 9 May 2018 and amended Terms of Reference (HEFCW/18/61)

- Resolved: The Council
- 21.1 Note the unconfirmed minutes of the SOAC meeting held on 9 May 2018.
- 21.2 Approved the amendment to the SOAC terms of reference.

Papers provided for information:

- 22. Research Indicators 2016/17 (HEFCW/18/62)**
- 23. Audit and Risk Assurance Committee Annual Report 2017-18 (HEFCW/18/63)**
- 24. Cash Expenditure Report for the Period April 2017 to March 2018 (HEFCW/18/64)**

- 25. GO Wales Achieve through Work Experience Programme (HEFCW/18/65)**
- 26. Freedom of Information Annual Report 2017-18 (HEFCW/18/66)**
- 27. Annual Reports 2017-18: Complaints against HEFCW and Complaints about institutions regulated by HEFCW (HEFCW/18/67)**
- 28. Higher Education Annual Procurement Report 2016/17 (HEFCW/18/68)**
- 29. Meeting of the Council’s Research, Innovation and Engagement Committee held on 24 May 2018 (HEFCW/18/69)**
- 30. Unconfirmed minutes of the Audit and Risk Assurance committee held 20 June 2018 (HEFCW/18/70)**
- 31. Quality Assessment Committee meeting held 28 June 2018 (HEFCW/18/71)**

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