

**Minutes of the 190<sup>th</sup> meeting of the Council held on 20 September 2018 at the HEFCW office, Bedwas**

**Present:**

**Members:**

David Allen (Chair)  
Dr David Blaney (Chief Executive)  
Professor Aaqil Ahmed  
Professor Sir Keith Burnett  
James Davies  
Professor Christine Ennew  
Dr John Graystone  
Rob Humphreys  
Sarah John  
Professor Helen Marshall  
David Mason

**Observers:**

David Sweeney, Executive Chair, Research England  
Chris Jones, Welsh Government  
Alyson Bryant, Welsh Government  
Gwyneth Sweatman, President, National Union of Students Wales

**Officers:**

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

**Apologies:**

Professor Mark Smith  
Huw Morris, Welsh Government

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

1. The Chair welcomed to the meeting new Council member Dr John Graystone, who had been appointed in August; and all observers to the meeting, including Amy Matthews, HEFCW's new Assistant Analyst sandwich student.
- 1.2 Neil Surman had announced he would be leaving the Higher Education Division of Welsh Government to take up a new role as the Head of the Public Health Division in Welsh Government. The Chair would write to Neil on behalf of the Council to thank him for his support and service. The Welsh Government observer (CJ) said that interim arrangements would be put in place until a replacement could be found for Neil's role.
- 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. Bethan Owen declared that her daughter was now a student of Cardiff University.

## **2. Minutes of the meeting held on 12 July 2018 (HEFCW/18/Min181)**

2.1 The minutes were accepted as a true record of the meeting held on 12 July 2018,

## **3. Matters Arising (HEFCW/18/72)**

3.1 Institutional Risk Review (IRR) letters – The letters were still being finalised, and the executive was considering the nature of the communication on risks to be sent to the two regulated FE colleges.

## **4. Chair's Report (oral report)**

4.1 The Chair and Chief Executive were due to hold their next Quarterly Monitoring Meeting with the Cabinet Secretary on 26 September. It was noted that the Cabinet Secretary would no longer be attending the Council's November Workshop, as originally planned, but would instead be attending the January 2019 Council meeting.

4.2 The Chair mentioned the report produced by the Higher Education Policy Institute (HEPI) in August on the new student funding arrangements in Wales, which provided a helpful summary of how innovative and different the Welsh policy was, although the overall conclusions of the report were contentious. It was noted in this context that there remained an issue with the UK press not always understanding fully the implications of devolution in terms of differing policy positions on higher education. It would be important on occasion to respond to such reports to counter misinformation and misunderstandings.

4.3 Review of post-18 education in England (Augar Review) – The review outcomes potentially had important implications for higher education in Wales, not least if the report were to result, for example, in a headline reduction of the maximum full-time undergraduate tuition fee in England. It was noted that the Augar Review report might be delayed due to links to the outcome of the Office for National Statistics' review of the treatment of student debt in government accounts, which was due to report at the end of the year.

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

Exempt minute

4.4 Exempt minute

4.5 Exempt minute

4.6 Exempt minute

4.7 It was noted that Professor Richard Davies would be retiring as the Vice-Chancellor of Swansea University at the end of academic year 2018/19.

4.8 The Chair had received a thank you note from Professor Robin Williams, whose final term on the Council had come to an end in July.

## **5. Update from Chairs of Council Committees**

- 5.1 ARAC – It was noted there was a vacancy for a new independent member to serve on the Committee.

## **6. Chief Executive’s Report (HEFCW/18/CE3)**

- 6.1 The exchange of letters with the Open University, which had been brought to the Council’s meeting in May and were available to view via the meeting papers on the Extranet, was noted.

### **Non-disclosable (for future publication)**

- 6.2 Exempt minute

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

- 6.3 Exempt minute

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

- 6.4 Exempt minute

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

- 6.5 Exempt minute

### **6.6 Funding Review Update**

The Council noted the latest on the proposed funding review, including that uncertainties remained about the quantum of additional funding from the Diamond implementation that would be provided for 2019-20 FY and subsequent years.

### **6.7 Council Workshop 14 November 2018: proposed discussion topics**

The Council agreed the proposed list of discussion topics, subject to the following:

- Institutional risks - This would inform similar discussions that were planned with Welsh Government officials about the Institutional Risk Review (IRR) process. In this context, it was suggested that with respect to the Governance element of IRR it would be useful to have details of the diversity profile of the governing bodies of Welsh HE providers.
- Governance matters – In view of the significant number of new members that had joined the Council within the last year, it was agreed that this session would comprise a review of the Council’s current processes for reviewing and assessing its governance arrangements.
- The Council suggested the executive consider adding ‘Brexit planning’ to the Workshop agenda.

### **6.8 Degree Apprenticeships update**

The Council noted the latest developments and was pleased to note that provision was scheduled to commence imminently, given the frustrating delays to the process which had occurred over the two years since the Council had been remitted to develop provision. In view of the emphasis now on STEAM subjects (Science, Technology, Engineering, Arts and Mathematics), it was asked whether future degree apprenticeships might cover the needs of the creative industries. The Chief Executive said that that was a possibility, and indeed that there were a number of other areas that might arguably be put forward as priorities for future degree apprenticeship offers, but that the determination of subject priorities was a matter for the Welsh Government which had determined that developments be limited initially to three subjects.

6.9 Amendment to the Terms of Reference of the Quality Assessment Committee  
Resolved: The Council approved the amendments to the Terms of Reference of the Quality Assessment Committee

6.10 Global Wales II  
Resolved: The Council approved the allocation of funding to the Global Wales II project in each of the financial years 2018-19 (£787k); 2019-20 (£1.382m); and 2020-21 (£1.369m)

6.11 Eligibility for Teaching Excellence Framework  
Resolved: The Council approved the eligibility of Welsh providers with both a successful Quality Assurance Agency review within the last four years *and* an approved statement of public good to participate in the Teaching Excellence Framework.

6.12 Extension of quality projects  
Resolved: The Council approved the use of an additional sum of approximately £29k from the Learning and Teaching Fund to pay for HEFCW's participation in UK-wide quality contracts coordinated by the Office for Students.

## **Non-disclosable (for future publication)**

6.13 Exempt minute

- 6.14 The Council received and noted a number of items for information:
- Chief Executive's Calendar of Meetings since the last meeting of Council on 12 July 2018.
  - HEFCW response to Public Good and a Prosperous Wales – the Next Steps (PCET Technical Consultation)
  - Widening Access Programme of Action: next steps
  - Chief Executive's Miscellaneous Fund
  - Bid to Welsh Government's European Transition Fund
  - National Teaching Fellowship Scheme (NTFS) winners
  - Nominations Committee actions
  - Report on exercises of delegated authority through the Scheme of Delegation
  - Note of Institutional Visit to Cardiff University, 11 July 2018

## **7. Implications of Brexit (HEFCW/18/73)**

- 7.1 The Chair indicated that he had requested this agenda item. Brexit was one of the most significant risks and uncertainties faced by higher education for a long time, and therefore it was appropriate that the Council discussed the issues around it.
- 7.2 The senior executive team had given evidence in July at a session with the National Assembly for Wales' Children, Young People and Education (CYPE) Committee, as part of its inquiry into the potential impact of Brexit on higher and further education. The paper attached a letter sent in August by the Chief Executive to the Cabinet Secretary which summarised the key points from the July evidence session with the CYPE Committee. The paper indicated that the total exposure of the Welsh sector to EU funding was around £104 million in 2016/17, against a total annual turnover that year of £1,490 million. It was noted, however, that it was not possible to fully identify all of the sector's income that comprised EU income – for example, some funding provided to the sector via WEFO might not be identified as EU funding within institutions' accounts. There were clearly broader questions around the wider economic impact of Brexit, and the implications of that for future public funding priorities, which would impact on the future funding for higher education. However, it would not be appropriate for the Council to speculate on these wider issues.
- 7.3 The NUS observer said she welcomed the reference in the letter to the Cabinet Secretary to the importance of continued participation in the Erasmus scheme. She said that the NUS had sent an open letter to the Cabinet Secretary and to the Prime Minister, signed by every students' union president, emphasising how important to students the Erasmus programme was. The Welsh Government observer (CJ) said the Welsh Government wished to see Erasmus continue, however it would not be possible for the Welsh Government to make any commitments about its student finance support arrangements beyond academic year 2019/20 until the position in England became clear.

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

- 7.4 Exempt minute
- 7.5 Exempt minute
- 7.6 Exempt minute
- 7.7 Exempt minute
- 7.8 Exempt minute
- 7.9 Exempt minute
- 7.10 Exempt minute
- 7.11 Exempt minute
- 7.12 Exempt minute

**8. Performance measures (HEFCW/18/74)**

- 8.1 The paper reported on the second consultation on national measures for higher education performance, and on proposals for measuring the performance of HEFCW against the 12 performance outcomes included in the Corporate Strategy 2017-20.

**Non-disclosable (for future publication)**

8.2 Exempt minute

8.3 Exempt minute

8.4 Exempt minute

- 8.5 It was noted that the HE measures should probably serve until the new PCET arrangements came into being, though they may need to be developed over time. A selection of measure outcomes for the sector would be published via the HEFCW website (details still to be considered), while those relating to the performance of individual institutions would inform the IRR process.

- 8.6 The proposed format for annually reporting to the Council on the 12 HEFCW performance measures was agreed.

Resolved: The Council

- 8.7 Delegated authority to the Chief Executive to finalise the measures for publication, taking account of Council's steers.

- 8.8 Agreed the proposed format for annual reporting to the Council on HEFCW performance.

**9. HEFCW 2019/20 fee and access plan (F&AP) process (HEFCW/18/75)**

- 9.1 The Council noted the variation requests approved with respect to the 2018/19 fee and access plans (F&APs) and the update on the recently completed 2019/20 F&AP process, which included notification to some HE providers on areas where their plans would need to be improved next year. Advance HE had been commissioned to do a desk-based review of plans approved by HEFCW over the three year period 2017/18 to 2019/20.

- 9.2 The Council's new Regulation Committee, once fully formed, would have an important role in engaging with and providing steers on the operation of the F&AP processes, and in providing advice to the Council. It was noted in this context that the requests from HE providers to vary their 2018/19 F&APs typically related to changes to institutions' partnership arrangements, including new partnerships, which delivered provision on behalf of the institution. When such developments came in at a late stage in the process it raised questions about due diligence and the quality assurance checks that had been conducted by the lead institution. The issue of variation requests would also be one which the Regulation Committee would be invited to consider.

Resolved: The Council

- 9.3 Noted the outcomes of the 2018/19 fee and access plan variation process.

9.4 Noted the outcomes of the 2019/20 fee and access planning process.

9.6 Noted the current review of fee and access plans by Advance HE.

9.7 Noted the update on the Regulation Committee.

## **10. National Student Survey (NSS) 2018 results (HEFCW/18/76)**

10.1 Council reviewed the outcomes of the 2018 NSS. Overall the results for Wales were very good, with higher overall student satisfaction in Wales than anywhere else in the UK.

### **Non-disclosable (information provided in confidence).**

10.2 Exempt minute

Resolved: The Council noted the 2018 NSS outcomes.

## **11. Any other business**

None.

## **12. Date of next meeting**

12.1 Council meeting – 15 November 2018 at the HEFCW offices, Bedwas.

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

## **13. Remuneration Committee: Minutes 12 July 2018 (provided to Council members only, excluding the Chief Executive) and proposed changes to Terms of Reference (HEFCW/18/77)**

Resolved: The Council

13.1 The Council noted the unconfirmed minutes of the Remuneration Committee's meeting of 12 July 2018.

13.2 Approved the proposed changes to the Terms of Reference of the Remuneration Committee, which it was noted would bring them in line with the Committee of University Chairs' *HE Senior Staff Remuneration Code* and guidance.

### **Papers provided for information:**

**14. Finalised annual report and accounts 2017-18 (HEFCW/18/78)**

**15. Cash expenditure report for the period April to June 2018 (HEFCW/18/79)**

**16. Accruals based management accounts report for the period April to June 2018 (HEFCW/18/80)**

**17. Part-time undergraduate fee-waiver scheme 2016/17 (HEFCW/18/81)**

**18. Senior Pay Report (HEFCW/18/82)**