

Minutes of the 192nd meeting of the Council held on 24 January 2019 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
Professor Mark Smith

Observers:

Huw Morris, Welsh Government
Stephen Peters, Welsh Government
Kelly Pullin, Research England
Gwyneth Sweatman, President, National Union of Students Wales

Officers:

Jennifer Evans
Dale Hall (Council Secretary)
Jane Johns
Olivia Jones
Bethan Owen
Emma Raczka
Nick Williams

Apologies:

Karen Watt, Chief Executive, SFC

1. Introductory remarks and declarations of interest

1. The Chair welcomed all 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 15 November 2018 (HEFCW/19/Min191)

- 2.1 The minutes were accepted as a true record of the meeting held on 15 November 2018.

3. Matters Arising (HEFCW/19/01)

3.1 External review of Council governance – The establishment of the Council Steering Group to oversee the review would be discussed with the Chair after today's meeting.

4. Chair's Report (HEFCW/19/CH1)

4.1 The Chair had met alone (other than a Special Adviser and a note taker) with the Minister on 27 November 2018, this being the first meeting under the new arrangement where the Chair and Chief Executive meetings with the Minister had been replaced with a new pattern where the Chair alone would meet with the Minister at alternate quarterly meetings. The Chair reported there had been a positive exchange of views at the meeting as he had previously reported in a note to members before Christmas.

4.2 Exempt minute

4.3 The Chair thanked the Council Secretary and other HEFCW staff for their support in making the arrangements for the Institutional Visit to The Open University in Wales and for today's Council meeting. He added that the Council took very seriously its duty of care for all HEFCW staff and on behalf of all members expressed appreciation for all the support that they provided to the Council.

5. Update from Chairs of Council Committees (HEFCW/19/CC1)

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

5.1 Exempt minute

5.2 *Audit and Risk Assurance Committee (ARAC)* – The Chair of Committee reported that the main item of discussion at ARAC's last meeting was the interim Institutional Risk Reviews (IRR), on today's agenda (minute 9 refers). The current independent member vacancy on the Committee was expected to be filled shortly.

5.3 *Regulation Committee* – The Chair of Committee reported that the Committee had held its first meeting on 14 December 2018 (minute 25 refers).

5.4 *Human Resources Committee* – The Chair of Committee reported that, at its last meeting on 15 November 2018, the Committee had discussed changes to its Terms of Reference (minute 15 refers).

5.5 *Student Opportunity and Achievement Committee* – There had been no Committee meeting since the last Council meeting, however the Chair of the Committee reported that a breakdown of National Student Survey (NSS) scores by institution had been shared by correspondence with Committee members.

6. Chief Executive's Report (HEFCW/19/CE1)

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

6.1 Exempt minute

Non-disclosable (for future publication)

6.2 Exempt minute

6.3 Institutional Visit to the University of South Wales, 20 March 2019
Non-disclosable (prejudice to the effective conduct of public affairs; commercial interests)
Exempt minute

6.4 HEFCW remit letter for financial year (FY) 2019-20
A draft of the remit letter had been received from Welsh Government on 23 January. Initial observations included:

- A request encouraging HEFCW to work with the sector on a communications protocol, to prevent either Welsh Government or HEFCW being surprised by institutional developments.
- Some of the remit letter tasks might need to be re-negotiated with respect to their delivery dates.
- It would be helpful with messaging to the sector if the indicative funds for the next three years cited in the draft remit letter were to be retained in the final version.

6.5 Establishment of the Welsh Government's new Public Bodies Unit and resulting impact upon WGSBs

The Council noted the main proposals from the letter of 16 January on the new arrangements to be put in place as a consequence of the establishment of the new Public Bodies Unit. The removal of the 'calling-in procedures' around approval of particular categories of decision should provide greater flexibility to HEFCW. The proposed Term of Government Remit arrangements, as long as that was accompanied by budget awards and business plans on the same basis, also was welcome. The proposed new arrangement to eliminate Welsh Government observers from Welsh Government Sponsored Body (WGSB) boards, or from receiving board papers, needed further clarification. From the Council's perspective, if this were to be taken forward it would require alternative arrangements to be put in place to ensure HEFCW's Sponsor Division was kept sighted on Council decisions. The Welsh Government observer (HM) said that the background to the observer proposal related to historical issues at two other WGSBs. The Chair commented that, from his point of view, he was happy for observers to see the Council at work.

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

6.6 Exempt minute

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

6.7 Exempt minute

6.8 Fundability status of Welsh domiciles located outside of Wales studying with Welsh providers

Resolved: The Council confirmed that it was content with the fundability status categorisation rules currently used for Welsh domiciled students located outside of Wales with Welsh providers, and with the process in place to determine status in individual provider cases.

Non-disclosable (commercial interests)

6.9 Exempt minute

6.9.1 Exempt minute

6.9.2 Exempt minute

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

- Chief Executive's Calendar of Meetings since the last meeting of Council on 15 November 2018.
- HEFCW's survey of stakeholders and partners
- Higher Education for the Nation: Healthy Universities
- Evaluation of Sêr Cymru 1
- REF Codes of Practice Management Process
- Note of Members' Workshop 14 Nov 2018 [Council members only]
- Degree Apprenticeships update
- Nominations Committee actions

7. HEFCW funding academic year (AY) 2019/20 (HEFCW/19/02)

Non-disclosable (prejudice to the effective conduct of public affairs; information provided in confidence).

7.1 Exempt minute

7.2 Exempt minute

7.3 Exempt minute

7.4 Exempt minute

7.5 Exempt minute

7.6 Exempt minute

Resolved: The Council

7.7 Noted the budget for 2019-20 FY as background to discussion of issues relating to the allocation of grant funding for the 2019/20 AY.

7.8 Noted the total amount of grant available for distribution in 2019-20 FY and the assumed 2020-21 FY grant, and delegated authority to the Chief Executive to approve the final distribution to be used in translating FY resources into AY with a view to allocating £146.2m in 2019/20 AY based on Annex A to the paper.

7.9 Noted that officers may seek approval to make allocation adjustments, including the allocation of the 2018/19 AY end of year balance, when the budget figures were more secure.

- 7.10 Agreed in principle that The Open University in Wales mitigation funding should continue in 2019/20 AY at the same level as 2018/19 AY.
- 7.11 Endorsed the proposal to continue per capita funding for all modes and taught levels in 2019/20 AY.
- 7.12 Agreed that officers determine the final levels of premium payments depending on overall affordability.
- 7.13 Agreed to retain the proposed funding methodology for calculating conservatoire funding for RWCMD for 2019/20 AY, and to continue to fund on the basis of a cap of 495 FTUG places.
- 7.14 Agreed the approach to the initial modelling of the various recurrent budget lines and the funding adjustment line in 2019/20 AY.
- 7.15 Agreed that the proposed provisional budget allocations as set out in Annex A should form the basis for the headline steer to the sector, and the basis for preparing the funding allocations by institution prior to final approval of the budget allocations at the May Council meeting.
- 7.16 Agreed that the fundamental teaching funding review for 2020/21 AY and beyond be delayed until the future budget position and wider UK HE funding environment was more certain.
- 7.17 Delegated authority to the Chief Executive to agree the final presentation of the email communication to the sector.

8. Proposed running costs budget 2019-20 (HEFCW/19/03)

- 8.1 The Council considered the proposed HEFCW running costs' budget for FY 2019-20. The running costs' budget formed part of the full recurrent budget, including programme costs. In this context, the Council agreed it was right that HEFCW had consulted with the sector on its proposed running costs' budget, which was supportive of the proposals, and also that it had tried to conduct a benchmarking against other organisations.

Non-disclosable (for future publication).

8.2 Exempt minute

- 8.3 Resolved: The Council approved the financial year budget for running costs for 2019-20.

9. Interim Institutional Risk Reviews (IRR) (HEFCW/19/04)

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

9.1 Exempt minute

9.2 Exempt minute

9.3 Exempt minute

9.4 Exempt minute

9.5 Exempt minute

9.6 Exempt minute

Resolved: The Council

9.7 Exempt minute

9.8 Exempt minute

9.9 Exempt minute

10. Research & Innovation: The Vision for Wales (HEFCW/19/05)

Non-disclosable (for future publication).

10.1 Exempt minute

10.2 Exempt minute

10.3 Exempt minute

10.4 The Research England observer reported that David Sweeney had commended the proposed Vision for Wales. She provided a brief update on research matters in England:

- Knowledge Exchange Framework (KEF) – An invitation had been issued to Welsh HEIs to join the pilot exercise.
- KEF concordat – Professor Trevor McMillan would be leading on this work.
- UKRI Strength in Places Fund process had not yet concluded.

Resolved: The Council

10.5 Approved the *Research & Innovation: The Vision for in Wales* (attached at **Annex A**), subject to Council's steers at minute 10.2, and delegated authority to the Chair of RIEC to agree any further changes.

10.6 Approved the new name for the Research, Innovation and Engagement Committee as the Research Wales Committee.

10.7 Thanked RIEC, its Chair and officers for developing such a compelling vision.

11. Widening Access Programme of Action (HEFCW/19/06)

Non-disclosable (for future publication)

11.1 Exempt minute.

11.2 **Exempt minute**

Resolved: The Council

11.3 Provided steers to strengthen the Widening Access Approach and Programme of Action document, and on subsequent monitoring of the approach (minute 11.2 refers).

11.4 Delegated authority to the Chief Executive to submit the finalised Widening Access Approach and Programme of Action to Welsh Government by the end of January 2019.

12. Remit letter response to Welsh Government on assessment and feedback and student voice (HEFCW/19/07)

12.1 The Council considered the draft response. The NUS observer commented that any assistance HEFCW could provide on funding support for students unions would be appreciated.

Resolved: The Council

12.2 Delegated authority to the Chief Executive to agree the final response to Welsh Government.

13. Any other business
None.

14. Date of next meetings

14.1 Institutional Visit to the University of South Wales, 20 March 2019. Council meeting, 21 March 2019.

Papers for approval without discussion:

15. Minutes of the Human Resources (HR) Committee meeting on 15 November 2018 [*Council members only*] and revised Committee Terms of Reference (HEFCW/19/08)

Resolved: The Council

15.1 Noted the minutes of the HR Committee meeting of 15 November 2018.

15.2 Approved the revised HR Committee Terms of Reference.

16. Amendments to the UKHEAC terms of reference (HEFCW/19/09)

Resolved: The Council approved

16.1 The amendments to the Terms of Reference of the UK Health Education Advisory Committee (UKHEAC).

16.2 The amendments to the membership of UKHEAC.

Papers provided for information:

17. Operational Plan 2018-19 Q3 report (HEFCW/19/10)

18. ***Paper withdrawn (HEFCW/19/11)***
19. **Fraud and bribery risk register annual review (HEFCW/19/12)**
20. **April to September 2018 accruals based management accounts report 2018-19 (HEFCW/19/13)**
21. **Cash expenditure report April to September 2018 (HEFCW/19/14)**
22. **Financial Commitments Threshold Agreement of multiple for Adjusted Net Operating Cash flow (ANOC) basis for calculating (HEFCW/19/15)**
23. **Student Opportunity and Achievement Committee Annual Report 2017/18 and minutes of the meeting held on 13 November 2018 (HEFCW/19/16)**
24. **Unconfirmed minutes of the meeting of the Audit and Risk Assurance Committee held on 11 December 2018 (HEFCW/19/17)**
25. **Unconfirmed minutes of the meeting of the Regulation Committee held on 14 December 2018 (HEFCW/19/18)**

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