

Minutes of the 193rd meeting of the Council held on 21 March 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
David Mason
Professor Mark Smith

Observers:

Ben Johnson, Associate Director (Insight and Engagement),
Research England
Huw Morris, Welsh Government
Chris Jones, Welsh Government
Gwyneth Sweatman, President, National Union of Students Wales

Officers:

Dr Ewen Brierley
Dale Hall (Council Secretary)
Bethan Owen
Emma Raczka
Dr Alyson Thomas
Nick Williams

Apologies:

Sarah John
Professor Helen Marshall
Scottish Funding Council

1. Introductory remarks and declarations of interest

1. The Chair welcomed to the meeting Ben Johnson from Research England; Dr Alyson Thomas and Dr Ewen Brierley, who in their new Director roles in HEFCW now would be attending Council meetings; James Morgan, Statistical Analyst in HEFCW, attending to observe the meeting as part of his induction programme; and NUS Wales and Welsh Government observers.
- 1.2 It was noted that had Sarah John been in attendance today she would have declared an interest with respect to the 'Specific Designation Monitoring' paper (agenda item 14) as one of the organisations subject to the monitoring process was represented by the National Training Federation of Wales, which Sarah

chaired. No further 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 24 January 2019 (HEFCW/19/Min192)

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

3. Matters Arising (HEFCW/19/19)

3.1 *Public Bodies Unit* – Clarity was still awaited on the implications of the various new arrangements following the establishment of the Public Bodies Unit. The Welsh Government observer (CJ) noted that under the new arrangements Welsh Government would no longer be sending observers to HEFCW Council meetings and would only attend on specific invitation from the Council.

3.2 *Research & Innovation: The Vision for Wales* – The Chair of the Research Wales Committee reported on actions since the last Council meeting:

- The beginning of the overarching Vision statement had been re-worded, and the 4 Key Pillars sections re-ordered, as steered by the Council.
- The Vision statement had been redrafted to ensure better visibility of the importance of blue skies research.
- The Committee would review its terms of reference at its next meeting in May.
- The matter of FE vs other post-16 provision would be clarified in all communications going forward.

4. Chair's Report (HEFCW/19/CH2)

4.1 The Chair reported on recent discussions with members on his proposals for the future positions of Deputy Chair of Council and Chair of the Audit and Risk Assurance Committee.

Resolved: The Council supported the Chair's decision to appoint:

- Professor Mark Smith as Deputy Chair of Council from 1 April 2019.
- Dr John Graystone as Chair of the Audit and Risk Assurance Committee from 1 April 2019.

4.2 The Chair reported that this was the final Council meeting for David Mason, whose final term of office would come to an end on 31 March. On behalf of the Council, the Chair expressed his thanks and gratitude to David for his nine outstanding years of service on the Council and wished him all the very best for the future.

4.4 Welsh Government had recently completed the process of appointing one of the candidates from the autumn 2017 recruitment exercise, Professor Tracy Bhamra of Loughborough University, as a new Council member from 1 April 2019.

4.5 The Council had been receiving papers electronically via the Convene system and simultaneously in hard copy.

Resolved: Subject to addressing some access issues in consultation with the HEFCW IT Team, from the May Council meeting papers would be distributed solely via the Convene system, though individual members could request a hard copy set of papers for that meeting if they required it as part of a transitional arrangement.

- 4.6 At the quarterly meeting with the Minister on 19 March, issues discussed had included Global Wales; the positive feedback from Council members on the Minister's visit in January; and the HEFCW PCET Conference on 7 March.

5. Update from Chairs of Council Committees (HEFCW/19/CC2)

- 5.1 *Audit and Risk Assurance Committee* – The Chair of the Committee reported that a new independent member had been appointed recently to fill the vacancy. The Committee had discussed in detail the 'Analysis of institutions' financial health' paper on today's agenda (item 23, HEFCW/19/34).

6. Chief Executive's Report (HEFCW/19/CE2)

- 6.1 Reflection on the post-compulsory education and training (PCET) Conference 7 March 2019 and next steps

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

Exempt minute

- 6.2 Reflection on the Institutional Visit to the University of South Wales, 20 March 2019

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

Exempt minute

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

- 6.3 Exempt minute

- 6.4 Annual Regulatory Report

The Welsh Government had confirmed that it was content for HEFCW to submit the Report in May.

- 6.5 Changes to taxation of members' T&S from 2019-20

Due to changes to HM Revenue & Customs rules on how tax was calculated on members' travel and subsistence (T&S) claims, from financial year 2019-20 HEFCW was required to account for T&S taxation on a monthly rather than annual basis. This change would be reflected in members' payslips in future. Members were requested to submit to the office by 8 April their T&S claims for meetings and events up to and including 5 April 2019, using the current 2018-19 claim forms. The same form should continue to be used into financial year 2019-20 until the office circulated the revised 2019-20 T&S claim form.

Resolved: To email members a more detailed explanation of the new requirements.

- 6.6 Remit Letter 2019-20 and revised remit letter 2018-19

The Council welcomed the additional £10.6M funding for 2018-19 confirmed in the revised remit letter. It was possible that further additional funding would be provided for 2018-19.

The Council received the remit letter to HEFCW for 2019-20, which had been issued on 20 March. The inclusion of a table setting out HEFCW budget projections to 2021-22 was particularly welcome as this would assist both HEFCW and the sector with forward planning. The specific actions in the remit letter would be included in HEFCW's Operational Plan 2019-20 that would be brought to the May Council meeting.

The Chief Executive reported that Welsh Government recently had confirmed by letter that it would be providing funding on an on-going basis to support Degree Apprenticeships in Wales.

6.7 Council Workshop 15 May 2019: proposed discussion topics

The Council agreed the proposed topics to be covered at the May Workshop, and added to the list a discussion item on PCET developments. It was suggested that Andrew Bush and Gerard Campbell, in addition to giving a presentation on the TRAC methodology, also be invited to say something about the findings of their jointly authored report: [Understanding the impact of income cross-flows on financial sustainability in the UK higher education sector](#)

6.8 UKRI Strength in Places Fund Wave 1

The Council noted the UKRI announcement of the 24 bids that had been awarded seedcorn funding in Wave 1 of the Strength in Places Fund, which included Cardiff University as the lead institution on a proposal for a Compound Semiconductor Cluster in South Wales. The 24 initially successful institutions now would be invited to develop full stage bids for submission in September 2019.

6.9 The Council received the following items for information:

- Chief Executive's Calendar of Meetings since the last meeting of Council on 24 January 2019.
- Support for women in STEM: 'Talented Women for a Successful Wales'
- Note of the Council's Institutional Visit to The Open University in Wales, 23 January 2019
- Nominations Committee approvals
- Report on exercises of delegated authority through the Scheme of Delegation
- Update on HESA Data Futures Programme
- Minister for Education's visit to the Council, 24 January 2019
- Minute of the special meeting of the Council on 24 January 2019 and briefing on HEFCW's Regulatory Powers.

7. UCAS end of cycle data report (HEFCW/19/20)

7.1 The Chair informed the Council that he had requested that 'Student Recruitment' be included as a standing discussion item on Council agenda.

- 7.2 This particular report presented the 2018 end of cycle data published by UCAS, and also data on the use of unconditional offers by HE providers in Wales from 2013 to 2018. The report outlined the key patterns and trends for the Welsh sector, including conversion rates from applications to acceptances by institution. It also provided data illustrating the proportion of enrolments at Welsh institutions that did not come via the UCAS route.

Non-disclosable (commercial interests; information provided in confidence to Council members and officers only; for future publication).

7.3 Exempt minute

7.4 Exempt minute

- 7.5 The Council asked if there was any data available on conversion rates from applications to acceptances by students, in addition to the data by institutions covered in the paper. Officers agreed to investigate.

Resolved:

- 7.6 The Council reviewed the 2018 end of cycle data and the data on the use of unconditional offers by Welsh HE providers.

- 7.7 HEFCW officers agreed to investigate whether there was data available on trends of UCAS acceptance types (e.g firm, insurance, clearing).

8. Contextual Sector Risks (HEFCW/19/21)

- 8.1 The paper provided an assessment of the position of the sector in Wales against the framework of risks ('A' to 'E') presented by the Minister in her January address to Council. The Chief Executive emphasised that the data in the annexes were confidential as they covered potential individual institutional scenarios and also included in-cycle data from UCAS which HEFCW was not allowed to share outside the Council.

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

8.2 Exempt minute

8.3 Exempt minute

8.4 Exempt minute

8.5 Exempt minute

8.6 Exempt minute

Resolved: The Council considered the contextual risks currently confronting the sector.

9. Post compulsory education and training (PCET) Developments (HEFCW/19/22)

- 9.1 The Chair informed the Council that an update on PCET developments now would be included as a standing discussion item on Council agendas. The

purpose of the paper was to update the Council on HEFCW's latest understanding of current developments with respect to the Welsh Government's proposed amendments to the PCET landscape in Wales, and to take advice from the Council on any further action the executive should take.

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

9.2 Exempt minute

9.3 Exempt minute

9.4 Exempt minute

Resolved: The Council noted the current PCET policy position.

10. HEFCW recurrent budget for financial year 2019-20 (HEFCW/19/23)

10.1 The paper presented the financial year recurrent cash expenditure for the period April 2019 to March 2020. Members' attention was drawn to the anticipated end of year cash balance. It was explained that Welsh Government was moving from a cash to a resource-based budget from 2019-20. The implications of that change was that there was a risk that any cash balance remaining at the end of the current financial year would be deducted from the Council's budget for the following year. It was therefore intended to minimise the cash balance remaining at the end of 2018-19.

Resolved: The Council:

10.2 Approved the financial year budget as noted in section 8.5 of the paper.

10.3 Delegated authority to the Chief Executive to amend the budget as required, once the implications of any additional funding to be received for 2018-19 and of the 2019-20 remit letter had been finalised.

11. HEFCW funding (HEFCW/19/24)

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

11.1 Exempt minute

11.2 Exempt minute

11.3 Exempt minute

11.4 Exempt minute

11.5 Exempt minute

11.6 Exempt minute

11.7 Exempt minute

11.8 Exempt minute

11.9 Exempt minute

11.10 Exempt minute

11.12 Exempt minute

11.13 Exempt minute

11.14 Exempt minute

11.15 Exempt minute

11.16 Exempt minute

11.17 Exempt minute

11.18 Exempt minute

11.19 Exempt minute

12. Reinstating Innovation and Engagement Funding (IEF2) (HEFCW/19/25)

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

12.1 Exempt minute

12.2 Exempt minute

12.3 Exempt minute

12.4 Exempt minute

12.5 Exempt minute

12.6 Exempt minute

12.7 Exempt minute

13. Scheme of Delegation amendments (HEFCW/19/26)

13.1 The paper proposed amendments to Council's Scheme of Delegation in relation to the specific designation and fee and access planning processes, and also to reflect recent changes to HEFCW's organisation structure. The Council was content with the proposed changes, except that it was agreed to exclude the proposed new reserved matter 12 for the Council, which was about approving recommendations to Welsh Government that courses not be specifically designated for student support. It was agreed that in instances where it was to be proposed to Welsh Government that a course not be specifically designated those would be brought to Council and, if necessary, permission sought to

delegate authority to the Chair of Council, the Chair of the Regulation Committee and the Chief Executive to make the final recommendation (as per agenda item 14, paper HEFCW/19/27).

Resolved: The Council approved changes to the Scheme of Delegation, subject to excluding the proposed new addition of paragraph 12 of the matters reserved for the Council.

14. Specific Designation Monitoring (HEFCW/19/27)

Non-disclosable (information provided in confidence)

14.1 Exempt minute

Resolved: The Council delegated authority to:

- 14.2 The Chief Executive to recommend to Welsh Ministers those providers who's courses should continue to be specifically designated for AY 2019/20.
- 14.3 The Chief Executive, Council Chair and Regulation Committee Chair to recommend to Welsh Ministers those providers whose courses should not continue to be specifically designated for 2019/20

15. HEFCW Equality Annual Report 2017-18 (HEFCW/19/28)

- 15.1 The paper provided HEFCW's Equality Annual Report for 2017-18, together with an update on equality and diversity matters. Due to time constraints at the meeting, the Council agreed to discuss at a future meeting or Workshop HEFCW's responsibilities under the Equality Act 2010, and with respect to the specific public sector quality duties (Wales) introduced in 2011.

Resolved: The Council:

- 15.2 Noted the draft HEFCW Equality Annual Report 2017-18.
- 15.3 Delegated authority to the Chief Executive to finalise the Equality Annual Report for publication by the end of March 2019.
- 15.4 Noted the update on equality and diversity matters.
- 15.5 Agreed to discuss at a future Council meeting or Workshop HEFCW's responsibilities under the Equality Act 2010, and with respect to the specific public sector quality duties (Wales) introduced in 2011.

16. Any other business

None.

17. Date of next meeting

- 17.1 Council workshop – 15 May 2019
- 17.2 Council meeting – 16 May 2019 at the HEFCW offices, Bedwas.

Papers for approval without discussion:

18. Financial Regulations 2018 annual update (HEFCW/19/29)

- Resolved: The Council
- 18.1 Agreed the changes highlighted in section 6.1 and detailed in Annex A.
- 18.2 Agreed the additional changes recommended by the Audit and Risk Assurance Committee at section 6.2 and in Annex A.

19. Corporate Risk Register and Issues Log (HEFCW/19/30)

- Resolved: The Council
- 19.1 Approved the latest update to the Corporate Risk Register (Annex Ai) and the distribution of those risks (Annex Aii).
- 19.2 Approved the latest HEFCW Issues Log (Annex B).
- 19.3 Approved the list of Horizon Scanning issues that may have an impact on HEFCW's future risk position (paragraph 9).

20. Procedures for assessing the quality of education (HEFCW/19/31)

Resolved: The Council approved the procedures for assessing the quality of education for publication.

21. Degree Apprenticeships: Update and Funding Allocation Methodology (HEFCW/19/32)

- Resolved: The Council
- 21.1 Noted the updated position on Degree Apprenticeships
- 21.2 Approved a demand-led approach to the allocation of Degree Apprenticeships in the three priority areas of digital, engineering and advanced manufacturing, for academic year 2019/20.

22. Wise Wales annual report 2017/18 and update on future work regarding partnership with students (HEFCW/19/33)

- Resolved: The Council
- 22.1 Approved the Wise Wales Annual Report for 2017/18.
- 22.2 Noted the update on the 'partnership with students' research work for 2018/19.

Papers provided for information:

- 23. Institutional Financial Health Assessment based on results AY 2017/18 (HEFCW/19/34)**
- 24. April to December Accruals Based Management Accounts report 2018-19 (HEFCW/19/35)**
- 25. Cash expenditure report and update 2018-19 (HEFCW/19/36)**
- 26. Learning Analytics Cymru: update and funding (HEFCW/19/37)**

- 27. Minutes of the QAC meeting held 7 February 2019 (HEFCW/19/38)**
- 28. Unconfirmed Minutes of the meeting of the Audit and Risk Assurance Committee meeting of 6 March 2019 (HEFCW/19/39)**

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