

**Unconfirmed Notes of RIE Committee Meeting
28 June 2011**

Cyngor Cyllido Addysg Uwch Cymru Higher Education Funding Council for Wales		Disclosable
		Reference: RIEC/11/18

Unconfirmed notes of the meeting of the Research, Innovation and Engagement Committee held on 28 June 2011 at the HEFCW offices, Cardiff

Present:

Members:

Professor Robin Williams (Chair)
Nick Bodycombe - representing Network of Welsh European Liaison Officers (WELOs)
Steve Codd – Welsh Government (BETS)
Dr Steven Hill – Research Councils UK
Professor Brian Hobbs - University of Glamorgan
Professor Graham Hutchings – Cardiff University
Ceri Jones - representing Network of Welsh Industrial Liaison Officers (WILOs)
Professor Dylan Jones-Evans – University of Wales
Pauline McDonald - representing Welsh Heads of Careers Services (WHECS)
Dr David Walker – Business representative
Professor Michael Woods - University of Aberystwyth

Attendees:

Professor Phil Gummett - Chief Executive, HEFCW
Dr Richard Thompson – Finance Wales
Professor Brian Turton - EADS

Officers:

Roger Carter - Head of Research Business & Communities
Teresa Cooper - Senior Economic Development Manager (Joint Secretary)
Jackie Creswell-Griffith – GO Wales Programme Manager
Dr Alyson Thomas - Senior Economic Development Manager
Linda Tiller - Senior Research Manager (Joint Secretary)

Observers:

Elizabeth Clark - Higher Education Wales (HEW)

Apologies

Professor Simon Bradley – Business representative (for whom Brian Turton deputised)
Sue Morgan - Welsh Government (BETS)
Dr Tove Oliver - HEFCW
Nina Park – HEFCW Council Member
Professor Michael Scott – HEW nominee
Professor Sir Brian Smith – HEFCW Council Member

1 New Members

- 1.1 The Chair welcomed the following new members to their first committee meeting: Steve Codd, Graham Hutchings, Ceri Jones and Pauline McDonald.

2 Notes of the Meeting held on 21 January 2011

- 2.1 The notes of the meeting held on 21 January 2011 were accepted as a true record.

- 2.2 The following matters arising from the last meeting were noted:

a) *Note 2.2 – Science Advisory Council for Wales*

Members noted that a draft science policy was due to be submitted for Cabinet discussion in July 2011 and that it would then be published for consultation.

b) *Note 3.1 – Innovation & Engagement (I&E) Funding*

Teresa Cooper reported that following the Council's acceptance of advice from the January RIEC meeting, a circular had been published inviting institutions to submit by 29 July 2011, I & E strategies for the period 2011/12 to 2013/14.

c) *Note 3.2 – Innovation & Engagement (I&E) Funding*

Roger Carter provided a brief report of the meeting held with James Price on 18 March 2011 regarding the role of the HE sector in the delivery of *Economic Renewal: a new direction*. Further dialogue was anticipated following the recent Welsh Government elections.

d) *Note 6.1 – Draft Annual Report*

Teresa Cooper reported that the Committee's first annual report had been well received by the Council and was now published on the HEFCW website.

3 HEI interactions with large companies

- 3.1 Teresa Cooper introduced a paper which set the context for a key theme discussion on HEI interactions with large companies in Wales by summarising the:

- policy context of business engagement activity;
- international dimensions of business engagement activity;

- current funding of business engagement activity;
 - outcomes of the latest HE-Business and Community Interaction Survey (HEBCIS) specific to business engagement.
- 3.2 The Chair then formally welcomed Professor Brian Turton to the meeting in place of business sector representative, Simon Bradley, and invited him to give a presentation on his company's (EADS) experience of investing in Wales.
- 3.3 Brian Turton gave a two-part presentation in which he first concentrated on why for EADS "Wales is the place to be" before moving onto a broader perspective of the importance of university-business interactions, influenced by his membership of the CBI's UK-wide Inter-Company Academic Relations Group (ICARG).
- 3.4 After providing some general information about the company, Brian Turton explored in more detail the decision to invest in the EADS Foundation Wales and the opportunities and challenges it had brought for EADS. In his broader perspective of university-business linkages, Brian Turton covered a business side perspective of:
- the anticipated funding landscape over the next four years;
 - potential opportunities provided by the UK-wide Technology Innovation Centres (TICS) strategy;
 - the forthcoming Research Excellence Framework (REF);
 - the CBI's report on *Making the UK the best place to invest*;
 - strategically important and vulnerable subjects and associated graduate wage premiums;
 - the latest meeting of the Vitae Strategy Forum.
- 3.5 The Chair next welcomed Richard Thompson of Finance Wales to the meeting who drew on his personal work history to provide a technology investor's perspective of HEI-business interactions. Richard Thompson began by looking at some of the key characteristics of SMEs and large companies in terms of both potential opportunities and threats around their role in the Welsh economy. He also drew attention to the fact that large companies often become large through the acquisition of small companies and/or through co-dependence (including via supply chain links).
- 3.6 Whilst acknowledging the preponderance of SMEs in Wales (although he noted that SMEs are also a significant feature of the UK-wide economy) he suggested that there were opportunities to lock investment into Wales by focusing on venture capital (VC) funded technology companies. A number of high calibre entrepreneurs were now active in Wales and already working with innovative, R & D focused Welsh SMEs, with potential for rapid growth and the generation of high value jobs. Richard Thompson reported that from his own experience, big companies keep a watchful eye on small companies that attract VC funding to commercialise their research outputs. Moreover, because VC funded technology companies are often at the cutting edge of research from which future technologies will emerge, these small companies then become acquisition targets for big companies. In order for Wales to become part of this

future growth Richard Thompson suggested that there was a need to identify and embed thriving VC funded technology companies (of which he provided several current examples) into Wales R & D infrastructure and thus into Wales more generally, by creating companies that were dependent on:

- graduate/post graduate recruitment from Welsh HEIs (ie in disciplines and with skills and employability attributes needed by those companies);
- collaborative research links with Welsh HEIs;
- strong academic links with Welsh HEIs.

In turn this would help create a cadre of R & D professionals with a desire (and career opportunities) to stay in Wales long term and facilitate collaboration with other R & D professionals, not just in Wales and the wider UK but globally.

3.7 Richard Thompson concluded by drawing attention to some of the key issues that needed to be addressed to facilitate HEI-business links in Wales and to some Welsh successes to date – such as the strength of Wales’ performance in generating university spinout and spin-in companies and graduate business start-ups.

3.8 The Chair thanked both Brian Turton and Richard Thompson for their presentations and invited members to contribute to a round-table discussion with a view to offering advice to Council on how best to enhance its support for promoting HEI-business links in the context of economic development. In a wide ranging debate the following points were identified:

- Welsh Government economic development policy remained committed both to attracting new large company investments into Wales and to helping existing companies to grow.
- Whilst a role for HE in achieving the above was widely acknowledged, it was agreed that there was a need to develop a more collaborative approach to knowledge exchange activity in Wales and build more critical mass.
- It was important to try and maximise opportunities to create critical mass presented by UK-wide initiatives such as the establishment of post-doctoral training centres and TICS.
- There was potential to work harder to maximise the advantage Wales’ small size gave to the ability to move quickly and particularly in terms of public and private sector collaborations (as had happened in the case of the EADS investment), but there were reservations about where to look to for leaders to spearhead the winning of new investments into Wales.
- On the other hand, it was also suggested that different policy and funding regimes in Wales could also sometimes act as a disincentive to inward investment and particularly from other parts of the UK.
- Geography (especially in the European funding context of convergence and non-convergence areas) also had the potential to inhibit new collaborations.
- European funding rules in Wales were currently disproportionately weighted in favour of SMEs and there was potential for the Welsh public and private sector to work together to lobby for more European funding to be directed towards large companies in Wales.

- Evidence was emerging that Welsh HEIs were not being proactive enough in pursuing funding from European Framework Programmes to help further university-business R & D linkages (possibly in part due to time demands presented by their wider pursuit of European Structural funds).
- It was important to be realistic in seeking new company investments in Wales and also to recognise that there were benefits in encouraging overseas SMEs (as well as large companies) to invest in Wales and collaborate with Welsh HEIs.

4 Higher Education-Business & Community Interaction Survey (HEBCIS) 2009/10

- 4.1 Teresa Cooper presented a paper that summarised Welsh performance in the 2009/10 HEBCIS drawing attention to areas where Wales performed both above and below its expected 5% (based on size) share of overall UK activity.
- 4.2 Members noted how even in unfavourable economic conditions HEIs in Wales were continuing to have a positive impact on both economy and society. However, in some activity areas downwards trends in overall UK activity appeared to have hit even harder in Wales (eg contract research) although in many cases Wales was maintaining or exceeding its expected share of overall UK activity even in the face of declining overall volume of activity. Spending by large companies in particular had fallen at the UK level between 2008/09 and 2009/10 and in common with the rest of the UK, Wales has achieved its greatest increase in volume of interactions with public and third sector partners.
- 4.3 The Chair invited Members to give further thought as to how the Committee might make use of HEBCIS returns in formulating future advice to Council. He suggested that it might be appropriate to convene a small sub-group to give more detailed attention to the HEBCIS and how its outcomes could be most effectively deployed by HEFCW. In response to a member's question, Teresa Cooper explained that whilst returns to HEBCIS were a condition of funding in Wales, only HEBCIS data actually used to inform funding allocations were subject to audit. The survey was now in its tenth year and since 2008/09 returns had been embedded in HEIS' formal Finance Statistics Return to the Higher Education Statistics Agency (HESA). Whilst there remained a number of data capture issues in individual institutions, the survey nevertheless was an important tool for monitoring developments and capturing trends in knowledge exchange.

5 Improving Graduate Employability in Wales

- 5.1 Jackie Creswell-Griffith introduced a paper which sought the Committee's endorsement for a sixth phase of the GO Wales programme. The paper had already been endorsed by the Student Experience, Teaching and Quality Committee, and would be submitted to the July meeting of the Council, amended to reflect the comments of both committees.

- 5.2 GO Wales is funded primarily from European Convergence funding, with an element of core funding from HEFCW. Funding for the current phase of the programme would come to an end in December 2011. In order to secure EU funding for a further three years from that date, HEFCW needed to commit to providing a further three years of core funding at this stage, future budgetary uncertainties notwithstanding.
- 5.3 The Committee warmly endorsed the continuation and expansion of the GO Wales programme, which was a well-regarded and successful programme that played a key, central role in delivering HEFCW's objectives for improving the student experience and supporting a buoyant economy. The proposals in the paper for its future development were in line with the findings of the recent interim evaluation.
- 5.4 The Committee particularly welcomed the proposal for European placements, and it was suggested that this should be discussed in more detail at a future meeting.
- 5.5 The Committee agreed to endorse:
- i) The position of GO Wales as a key, central element in delivering HEFCW's objectives for improving the student experience and supporting a buoyant economy
 - ii) The proposals for a sixth phase of EU-funded GO Wales activities
 - iii) An agreement to commit a further three years of core funding (£5.598m) to GO Wales to enable WEFO to agree a further phase of EU funding support for the programme in the Convergence area, and to also enable it to be delivered on a pan-Wales basis.

6 Skills and employability: notes of the joint meeting held on 16 May 2011, and next steps

- 6.1 This paper provided the draft notes of the Joint Committee meeting of 16 May and invited members to comment on action points identified as a result.
- 6.2 The Committee broadly agreed with the four areas for action set out in paragraph 9.1 of the paper. The increasing importance of the employability agenda in the context of the new fees regime should not be under-estimated, and the particular issues relating to arts and humanities type courses (which represent a large proportion of the student body) needed to be addressed.
- 6.3 The value of good placements (including sandwich placements) in relation to the development of more mature, employable graduates was recognised, as were the costs and complications of implementation in institutions not set up to deliver on a large scale. However, any expansion in work placement opportunities should not be at the expense of quality. In this context, it was noted that the monitoring and evaluation of the GO Wales programme had

been very positive about the quality of placements, which were underpinned by a professional development award. Jackie Cresswell-Griffith would make the final interim evaluation GO Wales report available to the Committee.

- 6.4 There was some scepticism about the value of currently available detailed Labour Market Information (LMI) and the fact that it is, by its nature, always out of date. There needs to be more detailed thinking about how, and how quickly, relevant information might be captured, but the over-riding consideration has to be the development of, and further improvement in, graduate employability, as opposed to short-term planning.
- 6.5 First destination data provided short-term measures which were not always helpful in maintaining a focus on the bigger picture of graduate employability. The difference between training for a first job and the development of an employable graduate needs to be appreciated.
- 6.6 The Committee noted the notes of the joint meeting and agreed that further proposals for a framework for action should be brought to its next meeting in October 2011.

7 Electronic-only distribution of papers

- 7.1 The Committee considered a proposal that papers for future meetings should be distributed solely by electronic means.
- 7.2 The majority of members indicated that they were willing to trial an electronic-only approach to the distribution of papers. It was agreed that the papers would be placed on the Committee Extranet, and also circulated to members by email as a single PDF document.
- 7.3 A few members indicated that they would need to continue to receive hard copies. It was agreed that the Committee Secretaries would send an email to establish which members wished to continue to do so.

8 Oral Update on Fee Plans

- 8.1 Roger Carter provided an update on the Fee Planning process. All HEIs and FEIs in Wales which wish to charge full-time undergraduate tuition fees of more than £4,000 in 2012/13 are required to submit Fee Plans to HEFCW. These plans detail the investments which the institutions intend to make, using a proportion of this new income, in order to encourage equality of opportunity and promote higher education.
- 8.2 HEFCW had held a briefing seminar in May, at which all HEIs in the sector and four FEIs were represented. All of these institutions submitted their fee plans by the deadline of 31 May. Following an initial review process, HEFCW wrote to all institutions in mid June to inform them that their plans, in their current form, did not meet the necessary requirements.

- 8.3 HEFCW subsequently worked with institutions on an iterative basis to help them refine their plans and provide targets which were sufficiently stretching. Final decisions on the acceptance or rejection of fee plans would be announced on 11 July.

9 Report of the Research Sub-Group: Implementation Plan

- 9.1 The Committee received, for information, a paper which provided an update on the implementation of the recommendations of the Research Sub-Group.

10 Recent reports relevant to research and engagement

- 10.1 The Committee received, for information, a paper relating to a number of recently-published reports which were relevant to the work of the Committee.

11 Minutes of the meeting of SETQC held on 16 February 2011

- 11.1 The Committee received, for information, the Minutes of the meeting of the Student Experience, Teaching and Quality Committee held on 16 February 2011.

12 Dates of Future Meetings

- 12.1 It was noted that the next meeting of the Committee would be held on Thursday, 13 October 2011. Dates for subsequent meetings would be canvassed.