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**SIXTEENTH MEETING OF THE THIRD MISSION COMMITTEE OF THE HIGHER EDUCATION  
FUNDING COUNCIL FOR WALES STARTING AT 9.30 AM ON  
28 NOVEMBER 2006, AT LINDEN COURT, ILEX CLOSE, CARDIFF, CF14 5DZ**

**AGENDA**

1. Apologies for absence
2. Notes of the last meeting held on 16 September 2006 & any matters arising not covered by the agenda (**attached**)

**2012 London Olympics**

3. Presentation by Arthur Emyr and Professor Stephen Tomlinson on opportunities for Wales arising from the 2012 London Olympics – Committee to discuss potential contribution of HEIs. Professor Tomlinson was subsequently unable to attend.

**Third Mission Fund**

4. Outcomes of the consultation on Third Mission Funding arrangements 2007/08-2009/10 (**Paper attached for discussion**)

**Europe and International Issues**

5. UK HE Europe Unit Funding 2007-2012 (paper to follow)

**Skills & Employment**

6. GO Wales update from Jackie Cresswell-Griffiths (**attached**)

**Enterprise & Entrepreneurship**

7. Report from Iain Willox (**to follow**)
8. Committee milestones for 2007 (**for discussion**)
9. Any other business
10. Next meeting dates:

18 January 2007	Starting at 9.30 am
5 April 2007	Starting at 9.30 am
6 September 2007	Starting at 9.30 am
29 November 2007	Starting at 9.30 am

HIGHER EDUCATION FUNDING COUNCIL FOR WALES  
THIRD MISSION COMMITTEE

UNCONFIRMED NOTES OF THE FIFTEENTH MEETING HELD ON 28 NOVEMBER 2006

**PRESENT:**

Dr Len Arthur (Chair)	HEFCW Council Member
Professor David Brooksbank	University of Glamorgan
Mr Roger Carter	HEFCW
Dr Virginia Chambers	Welsh Assembly Government DEIN
Ms Judith Cole	Welsh Assembly Government DELLS
Ms Teresa Cooper (Secretary)	HEFCW
Mr David Craddock	Representing WILOs
Professor Richard Davies	Representing HEW
Mr Nigel Thomas	Representing WHECS
Mr Bob Waller	Welsh Assembly Government DELLS
Mr Iain Willox	Welsh Assembly Government DEIN

**IN ATTENDANCE:**

Ms Hannah Falvey	HEFCW – for notes 7-8 only
Ms Jackie Cresswell-Griffith	HEFCW
Dr Tove Oliver	HEFCW
Dr Alyson Thomas	HEFCW
Mr Greg Walker	HEW
Mr Arthur Emyr	Welsh Assembly Government – Director Wales for the 2012 Olympic & Paralympic Games

**NOTES**

**ACTION  
BY**

**INTRODUCTIONS & APOLOGIES**

- 1 The Chair welcomed Iain Willox to his first Committee meeting, explaining that he was there to represent the Assembly's DEIN interests in the entrepreneurship and enterprise activities of Welsh HE.
- 2 Apologies for absence were received from Dr Drew Nelson, Mr Bryan Reid, Mr Richard Rossington and Angela Lewis.

**NOTES OF THE PREVIOUS MEETING & MATTERS ARISING**

- 3 The notes of the meeting held on 26 September 2006 were accepted as a true record. Arising from these notes the following matters were drawn to the attention of members:

Note 5 – Council had approved the Committee's new remit at its meeting on 19 October 2006 and the Clerk to the Council would be writing to all Committee members to confirm their remaining period of service before the

Committee's first meeting of 2007.

Note 6 – discussion of the Committee's key objectives for the next twelve months and processes for their evaluation would be discussed at the January 2007 meeting.

Note 9.4 – Teresa Cooper reported that the 2006 HE-Business & Community Interaction Survey (HEBCIS) had now been launched and that HEIs were in the process of submitting data for the academic years 2004/05 and 2005/06. Officers undertook to investigate whether or not the 2006 HEBCIS returns would be subject to audit. TC/HF

Note 11.1 – Members noted that the Assembly's *Science Policy for Wales* had been formally launched by the First Minister during November 2006.

Note 12.2 – Members received for information a copy of HEFCW's finalised response to the Assembly Government's consultation on *European Structural Funds Convergence Programmes (ERDF & ESF) for West Wales & the Valleys 2007-2013 and Associated Strategic Environmental Assessment*. A copy of a second letter submitted to WEFO by HEFCW on the consultation process itself was also tabled for information.

## 2012 LONDON OLYMPICS

4 The Chair and Roger Carter formally welcomed Arthur Emyr to the meeting, explaining that he had been invited along to stimulate debate on the potential role of the Welsh HE sector both in preparing for the event and in helping to shape a sustainable legacy for Wales arising from opportunities presented by the 2012 Olympic and Paralympic Games to be held in London.

5 Arthur Emyr provided a comprehensive presentation that covered a range of opportunities open to Wales (and the rest of the UK) as a consequence of the 2012 Games and the steps taken to date to ensure that Wales would be in a position to capitalise on these opportunities. In particular, he drew attention to the role of the Wales Steering Group for the 2012 Games and the Draft Strategic Action Plan, *Shaping the Legacy for Wales*, which had recently been produced for ratification by the Wales Steering Group. The ensuing debate highlighted a number of points and issues:

- HEIs across Wales had much to contribute in terms of facilities (both sports and accommodation/catering related), appropriately trained and skilled staff and students, specialist knowledge and expertise in a range of relevant fields;
- In view of the above, Members suggested that the HE sector needed to be formally represented on the Wales Steering Group;
- It would be appropriate for HEIs to work together to help ensure Wales maximised its opportunities and to this end, a potential co-ordinating role for HEW should be explored;
- The proposed 2012 Wales Science and Technology Group should liaise with the HE sector in a co-ordinated way – again, possibly via HEW.

6 It was agreed that Roger Carter, Virginia Chambers and Greg Walker would meet to discuss a way forward that would best address the issues raised above.

**HEFCW,  
HEW &  
DEIN**

## THIRD MISSION FUND

7 Teresa Cooper presented a paper that summarised the outcomes of the recent consultation on the Council's proposed third mission funding arrangements for 2007/08-2009/10. Whilst the majority of feedback received at the workshop and in the written responses had been positive, members were invited to reflect further and advise the Council on a number of specific issues that had been highlighted in the consultation process. These were:

### 7.1 Foundation Funding

Members noted that the adequacy of the proposed proportion of monies (c.20%) to be allocated as foundation funding had been questioned at both the workshop and in five of the written responses. Following discussion it was agreed that no change to the £100k per institution proposed in the consultation circular should be recommended to the Council.

### 7.2 Range of Performance Indicators

Members noted that both the workshop and the written responses, had endorsed the proposal to utilise a wide range of performance indicators to inform the formula component of Third Mission Fund allocations in the next cycle. However, concerns were raised over the lack of social/cultural measures and the exclusion of training and CPD activities from the proposed formula. In respect of the latter, the Committee agreed that officers should investigate the availability of appropriate data in returns to the annual HEBGIS and HESA Finance Statistics Return. But in the light of the present lack of readily available and meaningful social/cultural indicators, the Committee agreed that there was little the Council could do other than continue to emphasise the importance of HEIs' impacts on society as well as the economy. However, members advised that the circular to present the consultation outcomes should contain a clear commitment to undertake to include more social indicators in future Third Mission Fund cycles. It was also agreed that more could be done to emphasise the social impacts of the outreach indicators that will be utilised in the 2007/08-2009/10 cycle.

HEFCW  
officers

### 7.3 International Students

Members noted that the proposal to include fee income from international students as an outcome measure had proved particularly controversial with an almost even split (both at the workshop and in the written responses) between those for and those against its inclusion. After debate, the Committee agreed to recommend to Council that fee income from international students was not an appropriate performance measure. Whilst, acknowledging that international students made a positive contribution to the impact of an HEI on its local community and economy, members noted that the whole student cohort could be argued to do likewise.

### 7.4 Role of external organisations and non-Welsh HEIs in collaborative third mission activities

Members noted that both the workshop and written responses had brought calls to involve external organisations, including non-Welsh HEIs, in the opportunity to bid for the additional monies (£1m) to be reserved for collaborative activities. The Committee agreed that where appropriate collaborative activities could/should involve external partners – particularly in relation to the HE sector's contribution to specific Assembly Government policy agenda such as those covered by the Wales Spatial Plan and the ESDGC or the Beecham Review. However, members also emphasised that the invitation to bid for the additional monies should make it quite clear that

the Council only has a remit to fund Welsh HEIs and that the impacts to accrue from any proposed collaboration should primarily be felt in Wales.

- 8 Members agreed that officers should now proceed to advise the Council on the outcomes of this consultation exercise and make according recommendations for the allocation of Third Mission Fund monies for a second three year cycle beginning in 2007/08. HEFCW officers

#### **UK HE EUROPE UNIT FUNDING 2007-2012**

- 9 Tove Oliver presented a paper that set out proposed funding arrangements for the UK HE Europe Unit 2007-2012. The paper summarised the Business Case (paper refers) prepared for all stakeholders in the Europe Unit and also noted the positive tone of a recent report on the assessor's visit to the Europe Unit in October 2006, a copy of which was tabled for the information of members.
- 10 The Committee acknowledged the positive role played by the Europe Unit in raising awareness of European issues in general across the UK HE sector and its role in co-ordinating UK involvement in Bologna Process debates in particular. On this basis the Committee agreed to recommend to Council that the Chief Executive should exercise delegated authority to approve total costs of up to £30,000 towards the running of the Europe Unit between 2007/08-2009/10. The Committee also endorsed a recommendation that officers should continue to be proactive in encouraging Europe Unit staff to attend relevant meetings in Wales to enhance their awareness of the Welsh agenda and their responsiveness to it.

#### **GO WALES**

- 11 Members received for information a paper from Jackie Cresswell-Griffiths on latest developments in relation to Phase 2 of the GO Wales programme. Particular attention was drawn to the Council's lack of success in obtaining European funding to continue with GO Wales Phase 2 in 2007 and the subsequent decision taken by the Council to supplement Assembly Government core funding to enable the programme to continue though 2007. Members expressed surprise at WEFO's decision not to provide continuation funding and Judith Cole undertook to make a further approach to WEFO in the light of comments made about a possible underspend of ESF monies. JC
- 12 Jackie Cresswell-Griffiths expressed a cautious optimism about the likelihood of funding being made available for a GO Wales Phase 3 under the new post-2006 European Structural Funds arrangements in Wales. It was hoped that a meeting on 8 December 2006 would provide an opportunity to comment on WEFO's proposals for HE in this context. The Committee would be kept informed of any developments. JCG

#### **ENTERPRISE & ENTREPRENEURSHIP**

- 13 The Committee received a report from Iain Willox that summarised current DEIN interests in this area of the third mission agenda. In particular, members' attention was drawn to the Youth Enterprise Strategy (YES) for Wales that provides the strategic direction for the delivery of the Entrepreneurship Action Plan's education work and KEF enterprise activities. Iain Willox also noted its fit with wider DEIN policy and the way in which it

linked enterprise and entrepreneurship into the delivery of other key Assembly and Central Government agendas, including meeting Lisbon goals on growth and jobs. The Chair thanked Ian Willox for his report and welcomed the perspective he would bring to future meetings of the Committee.

## **NEXT MEETING**

Meetings scheduled for 2007 are as follows:

18 January 2007	Starting at 9.30 am
5 April 2007	Starting at 9.30 am
6 September 2007	Starting at 9.30 am
29 November 2007	Starting at 9.30 am

## SUMMARY OF 2006 THIRD MISSION FUND CONSULTATION OUTCOMES

QUESTION	Agree	Disagree	No Preference	COMMENTS
Q1. Proposed annual break-down of the £6.1 m	12	2	-	<p>However, of those in agreement:</p> <ul style="list-style-type: none"> <li>• 5 advocated an increase in the level of foundation funding (4 at the expense of formula funding; 1 at the expense of bid-based funding)</li> <li>• 1 advocated removing the bid-based element and adding the £1m to the formula pot</li> <li>• 1 advocated removing the £250k ceiling on collaborative bids</li> </ul> <p>Of the two in disagreement:</p> <ul style="list-style-type: none"> <li>• 1 advocated allocating all monies via formula</li> <li>• 1 advocated retaining the foundation element &amp; allocating the remainder via formulae unique to each HEI based on their AMS indicators</li> </ul>
Q2. Proposed range of measures for formula element	Broadly agree 11	Broadly disagree 3		<p>Major points of concern:</p> <ul style="list-style-type: none"> <li>• Measures too focused on economic impact at expense of social/cultural impacts</li> <li>• Excludes KTPs as a measure</li> <li>• Excludes CPD, short-course &amp; non Credit bearing training provision as a measure</li> <li>• Inclusion of fee income from international students as a measure</li> <li>• Potential outcome measures to be used as outreach measures instead</li> </ul>
Q3. Proposed 20%30% split between outcome & outreach measures	10	3	1	
Q4. Allocation of outreach monies via HEFCW's preferred method	12	1	1	
Q5. Proposed method for rewarding satisfactory performers in cycle 1	13	1	-	<p>However, almost all in agreement cited caveats re appropriate sanity checks before imposing funding penalties</p>
Other issues raised				<ul style="list-style-type: none"> <li>• Collaborative bids should be open to non-Welsh HEI partners &amp; other organisations</li> <li>• Abolish reporting performance via AMS process</li> </ul>