

MEETING OF THE COUNCIL'S THIRD MISSION  
COMMITTEE ON 28 NOVEMBER 2006

DISCLOSABLE

Meeting  
26/01/07

Agenda Item  
15

Reference No  
HEFCW/07/09

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## INTRODUCTION

- 1 This paper presents for information the agenda and unconfirmed notes of the last meeting of the Council's Third Mission Committee held on 28 November 2006 (**Annexes A & B** respectively).
- 2 In particular, the attention of Members is drawn to the outcomes of the consultation exercise on the Council's proposed third mission funding arrangements for 2007/08-2009/10.
- 3 Members are invited to:
  - (i) receive the unconfirmed notes of the Committee's meeting on 28 November 2006; and
  - (ii) approve the advice of the Committee regarding the allocation of the Council's Third Mission Fund for a second three year cycle;
  - (iii) delegate authority to the Chief Executive and Chair of the Third Mission Committee to authorise Third Mission Fund allocations between 2007/08-2009/10 in line with the above advice; and
  - (iv) ratify the Chief Executive's decision to authorise a contribution of up to £30,000 towards the running of the Europe Unit between 2007/08-2009/10.

## BACKGROUND

- 4 At its meeting on 9 May 2003, the Council approved the establishment of a Third Mission Committee and the Chairman subsequently invited Dr Len Arthur to act as its chair. Dr Arthur accepted and in turn, invited a total of eleven individuals to join him on the new committee (paper **HEFCW/05/27 refers**). The Committee was originally conceived as a key vehicle for the delivery of closer working relations between the Council and the former Welsh Development Agency (WDA) and ELWa as required by the then Minister for Education and Lifelong Learning and the Minister for Economic Development and Transport. The Assembly mergers effective from 1 April 2006 necessitated a review of the Committee's membership and terms of reference and a revised remit for the Third Mission Committee was approved by the Council at its meeting on 19 October 2006.

## THIRD MISSION FUND

- 5 In September 2006 the Chair of the Third Mission Committee and HEFCW's Chief Executive exercised their delegated authority to proceed with a consultation on funding arrangements for the next three year Third Mission Fund cycle, 2007/08-2009/10. Proposals were set out in **HEFCW Circular W06/38/HE**, a copy of which was sent to all Council Members. The circular was also sent to all HEIs in Wales and key stakeholder organisations, including the other UK higher education funding bodies. Written responses were invited by 31 October 2006 and a total of 14 were received. In addition, 48 delegates attended a consultation workshop in Newport on the 11 October. As well as representatives from all of Wales' HEIs, including the OU in Wales, workshop attendees also included officers from the Assembly

Government's Departments of Education, Lifelong Learning & Skills (DELLS) and Enterprise Innovation & Networks (DEIN); Finance Wales; Higher Education Wales (HEW); HEFCE and the Department of Education and Learning, Northern Ireland. The workshop was chaired by Dr Len Arthur.

- 6 The consultation questions and responses to them are summarised at **Annex C**, which shows that respondents were generally supportive of the proposals set out in Circular W06/38HE. Following discussion of these consultation outcomes (notes 7-8 of Annex B refer) it is the advice of the Third Mission Committee that the £6.128 million available per annum over the next three year Third Mission Fund cycle should be allocated as set in the following table:

	£
To be allocated as foundation funding (£100k per HEI)	1.2m
To be reserved for bid-based, competitive funding	1.0m
To be allocated by formula	3.9m
Total	6.1m

The difference is accounted for by holding back some funds for the necessary evaluation exercise and to cover any seminars or workshops which may be required during 2007.

- 7 Members are asked to note that the above deployment of monies will uphold the same key principles that underpinned the Council's Third Mission Fund in its first three year cycle, 2004/05-2006/07, which were developed in consultation with Welsh HEIs and their key stakeholders. It is also the advice of the Third Mission Committee that these proposals ensure that the Council's Third Mission Fund will remain:

- Fit for purpose;
- relevant to current Welsh Assembly economic and social policy; and
- a vehicle for evidencing the pivotal role played by the HE sector in the successful delivery of key Assembly and, where appropriate, Central Government policies and strategies.

- 8 As in the previous cycle, the Third Mission Committee is recommending that the majority of the Third Mission Fund should be allocated by formula each year. Details of the proposed formula are set out in Circular W06/38/HE and minor changes promulgated as a consequence of the consultation outcomes are summarised in Annex B (notes 7-8), but in summary the formula is designed to:

- provide a measure of each HEIs' third mission activity potential and capacity building;
- reward their income related (third mission) performance (outcome activities); and
- reward their non-income related (third mission) performance (outreach activities).

- 9 The Council is invited to approve the above advice from its Third Mission Committee and grant delegated authority to the Chair of the Committee and the Chief Executive to allocate Third Mission Funding accordingly between 2007/08-2009/10, subject to receipt of satisfactory Third Mission Strategies from institutions for this three year period.

**HE EUROPE UNIT**

- 10 The attention of Members is also drawn to the Committee's discussion of a paper that set out proposed funding arrangements for the UK HE Europe Unit 2007-2012 (Notes 9-10 of Annex B refer). On the basis of this discussion the Committee agreed to recommend that

the Chief Executive should exercise authority delegated to him through the Council's Scheme of delegation (para. 13 of the Scheme refers) to approve total costs of up to £30,000 towards the running of the Europe Unit between 2007/08-2009/10. The Chief Executive subsequently wrote on 5 December to the Acting Head of HE and the Europe Unit to confirm HEFCW's contribution at this level for the period in question.

#### AVAILABILITY OF PAPERS

- 11 Copies of all documents referred to in this paper and the attached meeting notes can be made available to Council Members on request to the secretary of the Third Mission Committee, Teresa.Cooper@hefcw.ac.uk.

#### FINANCIAL IMPLICATIONS

- 12 No new financial obligations arise from this paper.

#### PUBLICITY IMPLICATIONS

- 13 No new publicity implications arise immediately from this paper. However, institutions will submit revised third mission strategies later in 2007 (see paragraph 9), which will reflect the impacts accruing on society and economy from the Council's first three year cycle of third mission funding and members may wish to consider publicising these.

#### DIVERSITY & EQUALITY IMPLICATIONS

- 14 In submitting their third mission strategies all institutions were asked to pay due regard to all relevant legislation and associated agendas, including those pertaining to equality of opportunity and the Welsh language. However, there are no immediate implications arising from this paper.

#### RISK ASSESSMENT

- 15 The need to develop the third mission activities of Wales' higher education institutions is a significant plank of *Reaching Higher* and the Council's current remit from the Assembly Government. The Council has established the Third Mission Committee to advise it on the development of policy and strategy in this area and to overlook its advice might jeopardise the effective implementation of the Council's own strategic aim of "*benefiting society and economy*" in Wales.

#### RECOMMENDATIONS

- 16 The Council is recommended to:
- (i) ***note the unconfirmed notes of the Committee's meeting on 28 November 2006;***
  - (ii) ***approve the Committee's advice regarding the allocation of the Council's Third Mission Fund between 2007/08-2009/10;***
  - (iii) ***delegate authority to the Chief Executive and Chair of the Third Mission Committee to authorise Third Mission Fund allocations between 2007/08-2009/10 subject to receipt of satisfactory third mission strategies from institutions and in line with the procedures set out in Circular W06/38/HE; and***
  - (iv) ***approve retrospectively the exercise of delegated authority by the Chief Executive to authorise a contribution of up to £30,000 towards the running of the Europe Unit between 2007/08-2009/10.***