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Press release

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Title: UNIVERSITIES BOOST WELSH ECONOMY AND SOCIETY

Universities and colleges are doing even more to improve the competitiveness of Wales's economy, and contribute to society and quality of life, figures published today reveal.

The fifth annual *Higher Education - Business and Community Interaction* (HE-BCI) survey report, published jointly by the Department of Trade & Industry (DTI) and the Higher Education Funding Council for England (HEFCE), but co-financed by the higher education funding bodies in Wales and Scotland, shows improvement across a broad range of indicators of economic and social contribution. The survey reveals that, in Wales:

- Between 2002/03 and 2003/04 HEIs in Wales achieved a 10% increase in income from collaborative research involving both public and business funding to account for 9.9% of total UK income. In achieving this, Wales outperformed five of the nine English RDA regions.
- Whilst total research consultancy contracts decreased in number by 4%, total income from them increased by 18% and in 2003/04, Wales accounted for over 11% of UK-wide income from HE consultancy services (circa £24m). In achieving this, Wales out-performed Scotland, N. Ireland and seven out of nine English RDA regions.

- Accounted for over 9.5% of funding to UK HEIs from regeneration and development programmes in 2002/03 (£20.5m).
- Welsh HEIs established 17 new spinout companies and 4 new staff start-ups to account for over 12% of total UK spinout and staff-start-up activity and achieved almost 7% of total UK income from the sale of shares in university spin-offs. Turnover from all active spinout companies in Wales is estimated at c£25m, which accounts for over 5.5% of all UK turnover.
- Welsh HEIs achieved a 5% increase in graduate business start-ups and in 2003/04 accounted for 14% of all UK graduate business start-ups. On a UK-wide basis Wales also accounts for 17% of graduate business start-ups that have survived for at least three years and accounts for 10.5% of estimated employment in all active firms (FTE).

Welcoming the publication of the report, the National Assembly for Wales's First Minister, Rhodri Morgan, said:

“The survey underlines how the knowledge and expertise in Wales's universities can be used for the wider benefit of businesses, the economy and society more generally, both in Wales and beyond. The figures show that, since 2000-01, our higher education institutions have considerably increased the income they generate from ventures such as consultancy services and training for businesses, sometimes more than doubling their returns over the four years the survey has run. This is a very healthy trend for the universities and colleges, and for the Welsh economy.”

The survey highlights the diversity of types of business and social enterprises that HE helps. Universities and colleges work to improve the productivity of both small and large businesses, which may be marketing globally, nationally – or contributing to the enterprise of regions, cities or neighbourhoods. It also helps public services, as well as social enterprises and not-for-profit organisations, to improve the quality of people's lives as well as the vitality of communities.

For the first time, the survey also shows how much Welsh HEIs contribute to the wider culture of Wales. In 2003/04, some 230,000 individuals benefited from free entrance to events such as public lectures, musical, dance and drama performances, exhibitions in

university museums and art galleries and museum education events. Another 287,000 individuals attended chargeable events.

Data from the next HE-BCI report will be used to inform directly the allocation of HEFCW's Third Mission Fund to institutions over the next three years.

Professor Sir Roger Williams, Chairman of HEFCW, said:

“The survey illustrates the major, and often UK-leading, contribution our universities and colleges are making to the wealth and well-being of the people of Wales. Welsh HE is 5% of the UK total, so a figure of 14% of all UK graduate business start-ups being in Wales is remarkable. These results show the importance of a thriving Welsh higher education sector to businesses and communities throughout the country.”

Some selected data for Wales

	2000-01	2001-02	2002-03	2003-04
Consultancy income (£M)	10	12	20	24
Collaborative research income (£M)	23	39	49	54
An enquiry point for SMEs (% of UK HEIs)	92%	100%	100%	100%
Regeneration income (£M)	17	18	20	20
Facilities and equipment related services income (£M)	2	1	6	7
HEIs providing short bespoke courses on companies premises	46%	46%	54%	54%
HEIs providing distance learning for business	62%	54%	85%	77%

Note: all financial income has been converted into 2003-04 prices

Ends.

Media contacts

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HE-BCI Survey

For the first time this year, the HE-BCI survey includes data for individual institutions (available from www.hefce.ac.uk).

Case studies

Case studies are available on request.

Third Mission Fund

Third mission activities in HEIs are those that encourage the application and exploitation of knowledge to the benefit of the social, cultural and economic development of Wales. The HEFCW Third Mission Fund supports three-year strategies from higher education institutions in Wales to fund their third mission activities. The Third Mission Fund acknowledges the value of the sector's work in supporting social and cultural well-being in Wales and beyond, as well as its contribution to economic development. The Fund - totalling £3.1m in 2004 but due to rise to £6.1m by 2007/08 - helps HEIs adopt a strategic approach across the whole range of third mission activities and provides a lever to secure funds from other sources.

Background - HEFCW

The Higher Education Funding Council for Wales (HEFCW) is an Assembly Sponsored Public Body, established in May 1992, which assumed responsibility for funding higher education in Wales on 1 April 1993.

Under the Further and Higher Education Act 1992, the Council is responsible for the administration of funds made available by the Assembly in support of the provision of education, the undertaking of research by higher education institutions, and the provision of prescribed courses of higher education at further education institutions.

Under the Education Act 1994, the Council is responsible for accrediting providers of initial teaching training for school teachers and commissioning research to improve the standards of teachers and teacher training.

In addition to its funding responsibilities, the Council provides advice to the Welsh Assembly Government on the funding needs, aspirations and concerns of the higher education sector in Wales.