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Cylchlythyr

Circular

## Economic Support Initiative

**Date:** 4 March 2009  
**Reference:** W09/06HE  
**To:** Heads of higher education institutions in Wales  
**Response by:** 30 April 2009  
**Contact:** Name: Ewen Brierley  
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This circular invites the submission of proposals from higher education institutions (HEIs) or HEI-led consortia to further encourage the engagement of the higher education (HE) sector in Wales to help counter the impact of the current economic downturn on individuals and employers. Successful institutions or consortia will be funded to deliver tailored training and support services to assist individuals and/or support to companies through access to HE knowledge and expertise.

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## Introduction

1. HEFCW has established an Economic Support Initiative of up to £2 million to further encourage the engagement of the higher education (HE) sector in Wales, helping to counter the impact of the economic downturn on individuals and employers. This circular outlines the types of activities eligible for support and invites institutions to submit applications for funding by 30 April 2009.

## Background

2. The HE sector is already responding to many of the challenges raised by the recession through activities to support graduate employability, employer engagement and development of the knowledge economy:
  - HEIs assist graduates towards employment through professional careers information and guidance.
  - They embed careers relevant education within curricula. At least 150 courses at Welsh HEIs include enterprise skills modules.
  - The GO Wales programme (partly funded by the European Social Fund) supports graduate employability through placements for students and graduates in local SMEs, with over 600 students/graduates placed in 2007 alone. This has had a significant impact on graduate retention in Wales with over 60% of participating graduates finding further employment with the host SME.
  - GO Wales provides financial support to SMEs in Wales to further develop their graduate employees, with an emphasis on the attainment of qualifications at level 4 and above.
  - The GO Wales Programme has recently been expanded to include a Graduate Academy Programme for newly qualified and under-employed graduates to enhance their employability and help apply their higher level skills to the Welsh economy.
  - GO Wales will also include a Freelancers Programme for those who wish to take the first steps towards a career as a freelancer.
  - HEIs are helping to up-skill the workforce in Communities First areas, through HEFCW-funded Reaching Wider developments aimed at increasing participation in HE. Funding flowing from the Graham Review of part-time provision is helping to widen access through part-time provision targeted on low participation areas and under-represented groups or by providing financial support for students to encourage participation in HE on a part-time basis. Additional part-time activity focuses on work-based learning and vocational skills.

- HEIs are working with employers to address skills shortages, particularly in sectors key to the economy in Wales. Wales is one of only two UK Regional Development Agency regions where HEIs are engaging with all 25 Sector Skills Councils (SSCs). This has led to some innovative partnerships, such as the Food Industry Skills Project supported by HEFCW Third Mission funding.
  - Welsh HEIs have a vast array of links with companies of all sizes, aimed at driving the knowledge economy through research, knowledge transfer and commercialisation activities. Wales accounts for over 10% of UK HEI income from collaborative research involving public or business funding<sup>1</sup>. In 2006/07 the Welsh HE sector accounted for over 7% of UK income from consultancy contracts involving SMEs; over 6% of the UK HE sector's cumulative portfolio of active patents; and over 13% of all UK HE business spinout and staff start-up activity<sup>1</sup>. The number of SMEs in Wales sourcing HE expertise is also above the UK average<sup>2</sup>.
3. Beyond all the above, the Welsh HE sector has also begun to take urgent action to increase its support for economic development in the short term. Planned activities include bringing forward capital and maintenance work, assisting companies through the Welsh Assembly Government's Pro-Act and Re-Act schemes, increasing work-based learning and higher level skills training for businesses, increasing Knowledge Transfer Partnership activity, making various facilities available to companies, visiting employers to gather ideas for further support, and improving arrangements for responding to enquiries.
  4. Through this Economic Support Initiative, we aim to further encourage this urgent activity to deliver training, development and professional support to vulnerable groups and to support firms to help ameliorate the impact in Wales of the current economic downturn.

### **Aims and objectives**

5. The aims of the Economic Support Initiative will be:
  - To enable Welsh HEIs to further protect or improve the employment prospects of employees in the Welsh economy, the recently unemployed and graduates entering employment.

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<sup>1</sup> Higher Education Business and Community Interactions Survey (HEBCIS) 2006/07

<sup>2</sup> Impact of HEIs on Regional Economies (co-funded by ESRC and the UK HE funding bodies)

- To assist the Welsh HE sector to support companies, including SMEs, by providing coordinated access to HE knowledge and expertise, in order to improve business performance and upskill their workforce.

6. The objectives of the Economic Support Initiative are:

- To provide a one-off investment for additional activity to enable institutions to enhance and add value to their existing work with individuals and employers.
- To ensure coherence in activity on a coordinated basis between HEIs, and between HEIs and other partners as appropriate, particularly through building on existing schemes, programmes, regional partnerships and other initiatives.

## **Funding**

7. The Economic Support Initiative funding may be awarded for the following uses:

- To provide support for newly unemployed individuals to improve their chances of re-employment, through enhanced advice and opportunities for HE training and development.
- To provide support for recent graduates to access advice, training and work experience to assist them to find employment. This may include graduates affected by shrinkage of graduate training schemes who are not in contact with own careers service. Support might include assistance to recent graduates interested in starting their own business.
- To provide support, including development and training, to help protect employment for individuals currently in work. This may include helping employers to use training to reduce employee activities, and costs, in order to avoid redundancies.
- To provide support to businesses to upskill their workforce thus providing access to the right skills and development opportunities to manage the economic challenges, e.g. through non-accredited provision delivered flexibly.
- To provide support to businesses, particularly SMEs, through straightforward, co-ordinated access to HE knowledge and expertise in order to improve business performance, e.g. through practical support on up-skilling or research, development and innovation.
- To provide support to businesses to use training and development as a means of managing a shrinking business, e.g. as an alternative to employee redundancies.

- To enable businesses to take advantage of existing HEI links with SSCs in line with their identified priorities, e.g. to meet their more immediate skills training needs where the SSC has clearly demonstrated that intervention is required.
8. We will only consider support for activities that do not compete with, displace, duplicate or substitute existing programmes operated by HEFCW or other key organisations in Wales.
  9. The Economic Support Initiative funding will facilitate access to education and training and provide for the rapid development of provision and/or support packages for the above purposes (further examples of the types of activity that may be supported are provided at Annex A). The funding may be used flexibly to cover course and delivery costs, where activity is additional to that supported through other HEFCW funding streams and takes place in Wales. This may include provision that is currently un-funded, such as courses targeted at a single employer, non-accredited courses, and the full cost of delivery to fees-only students. However, the funding is available for a fixed-term of 18 months and is not recurrent.
  10. HEFCW will provide this development funding in line with the following principles:
    - The maximum funding for a proposal will normally be £500,000. The funding is available to all HEIs, including the Open University in Wales.
    - We will give preference to proposals from consortia (particularly from existing consortia) collaborating on a sub-regional basis (e.g., South East; South West; Mid & North Wales). Those consortia may include FE institutions, SSCs and business sector partners. We will provide up to £500,000 per successful consortium, particularly where there is existing activity on which to build and add value. We would also be willing to consider a single Pan-Wales proposal, or intermediate larger proposals, at an appropriate level of funding within the overall £2 million allocated for the Economic Support Initiative over the 18-month period. Preference will be given to collaborative proposals.
    - Proposals will need to link with, and add value to, the existing activities of key regional partnerships such as the Wales Spatial Plan Regional Committees and Innovation Partnership Networks (INPART Networks), as well as existing skills training networks, e.g. those originally funded by the KEF High Level Skills Project.
    - There is no minimum amount of funding, but we expect to see proposals for funding that are proportionate to the overall capacity of consortia (or institutions) and which add value to current activity in this area.

- Institutions may be part of more than one proposal provided that the amount of funding they are applying for across all proposals does not exceed £500,000. However, institutions may lead on only one proposal.
  - Matched funding is required from the partners involved in the bid. This must be at least equal to the level of Economic Support Initiative funding sought and be derived from clearly identified sources. The matched funding must not be drawn from other HEFCW initiative funding.
  - The funding may only be used to provide support to Welsh domiciled individuals and Wales-based businesses and other organisations.
11. Within the overall £2 million funding available for the Economic Support Initiative over an 18 month period, HEFCW expects to support up to three consortia or a slightly greater number of proposals if individual institutions are involved. Funding for sub-regional consortia would be expected to be to be at the level of £500,000 or up to £1 million for larger groupings (potentially up to £2 million for a single Pan-Wales submission). Funding will be significantly less for proposals from individual institutions.

### **Assessment criteria**

12. Submissions will be assessed against the following criteria:
- a. Evidence that the proposal has effectively identified the needs and likely levels of demand from the target groups in the communities served, and has provided an assessment of the degree of confidence that provision will be taken up.
  - b. Evidence that the planned developments will support skills shortage areas (such as STEM subjects), or areas of potential economic growth such as the key sectors identified by the Welsh Assembly Government as set out in the Skills That Work For Wales Action Plan (July 2008).
  - c. Evidence that the proposal builds on or adds value to existing activities of the partners or individual HEIs concerned.
  - d. Evidence that the proposal doesn't compete with, displace, duplicate or substitute any existing programmes operated by HEFCW, HEIs or other organisations.
  - e. A statement of the activity, provision or services to be delivered, which adequately shows the resources to be deployed and timescale for activity. In view of the need for rapid action, this should show when the first individuals and businesses will benefit.
  - f. A statement of the outputs to be delivered, with appropriate SMART measures to show how success will be measured from the

perspectives of: the consortium/institution, participating individuals and businesses and other organisations.

- g. Evidence that the consortium (or institution) has the expertise and capacity already in place to ensure effective and rapid delivery. Proposals should show how resources from across the consortium/institution, and from wider delivery networks, will be brought together to form a coherent offering and add value to current activity of the partners in this area.
- h. Evidence that the activity and provision covered by the proposal will be completed within the 18-month period and there will be no unsustainable commitments incurred beyond 15 December 2010.
- i. A financial statement, showing the total costs of the programme of activities (identifying separately the direct and indirect costs), the total amount of Economic Support Initiative funding to be sought, the matched funding, and how the funding will be deployed.
- j. The value for money derived from the programme of activities (assessed by HEFCW based on the impacts and outcomes, expected benefits to the target groups, the funding requested from the Economic Support Initiative, the total programme spend, the relative proportion of indirect costs being charged to the programme, the added value over and above existing activity; and the matched funding contribution).
- k. Where consortia (institutions) are working with businesses directly, the proposal provides evidence to show that the planned activities fit within state aids, taxation and charities commission regulations.

### **Approval process**

- 13. Consortia (or institutions) are invited to submit proposals for funding by 30 April 2009 using the application form attached at Annex B. These should be marked for attention of Dr Ewen Brierley.
- 14. Proposals will be reviewed by officers and recommendations on support made to the Chief Executive. Proposals will be assessed against the specific criteria of the Economic Support Initiative. We will also take account of other factors such as regional and institutional issues, as well as the quality of the proposal.
- 15. Funding will be made available to successful consortia/institutions for an 18 month period from 15 June 2009 to 15 December 2010.

## Monitoring arrangements

16. Lead institutions will be required to submit a final report in February 2011 following the end of the funding period in December 2010. We will also require the submission of an interim report. Further guidance will be provided on monitoring arrangements following the approval of funding.

## Timetable

17. It is intended that the Economic Support Initiative will operate to the following timetable:

Date	Event
30 April 2009	Deadline for submission of proposals
May/June 2009	Assessment of proposals
15 June 2009	Confirmation of funding for successful proposals and commencement of activities
31 March 2010	Submission of interim reports
15 December 2010	End of funding period
28 February 2011	Submission of final reports

## Further information / responses to

18. For further information, contact Dr Ewen Brierley (tel 029 2068 2291; email [ewen.brierley@hefcw.ac.uk](mailto:ewen.brierley@hefcw.ac.uk)).

## Examples of activity for support through the Economic Support Initiative

These examples are intended as a guide rather than an exhaustive list

<b>Target group for support</b>	<b>Example of activity</b>
Support for unemployed graduates and professionals	<p>Capacity development for careers service guidance to newly unemployed professionals and graduates (or those at risk of redundancy) in their locality.</p> <p>To offer improved service to jobseeking graduates and professionals so they can move quickly into appropriate work or appropriate courses through links to university careers services and information, advice and guidance services, as appropriate.</p>
Support for unemployed graduates and professionals	<p>Improve information, advice and guidance services that route unemployed graduates through to:</p> <ul style="list-style-type: none"> <li>• accredited or non-accredited training in ‘transferable skills’ and other generic skills training</li> <li>• existing programmes tailored to those who are unemployed</li> <li>• enterprise or business start-up training and support for individuals</li> <li>• taster courses for higher education programmes</li> <li>• conversion courses to programmes which are demanded by employers, such as science, technology, engineering and mathematics</li> <li>• courses for skilled migrant workers to adapt to UK professional requirements (such as English-language support)</li> <li>• provision supported by fee remission for training in priority areas (such as, science, technology, engineering and mathematics) or for groups not covered by existing schemes and programmes.</li> </ul> <p>This might be extended to include activities to establish relationships with local recruiters and recruitment agencies to ensure they are aware of opportunities for training and development for individuals accessing their services</p>

<p>Support for unemployed new graduates and support for business resilience (in small- to medium-sized enterprises for example)</p>	<p>Establish 'Graduate consultancy units' to work with small to medium-sized enterprises (SMEs), public sector employers, and the third sector for graduates who are unemployed as a result of shrinking graduate training schemes. Such partnerships could offer opportunities to accredit the graduates' learning as well as offering graduate skills to businesses.</p> <p>Provide preferential rates for SMEs to access business support, business angel networks, marketing, research and development, and knowledge transfer.</p>
<p>Unemployed people without experience of higher education (HE) who could benefit from it</p>	<p>Support the capacity of partnerships with expertise in information, advice and guidance to facilitate an improved and cohesive HE advice and guidance service.</p> <p>Co-ordination and capturing demand from individuals for courses so HE can more easily develop courses for groups of individuals.</p>
<p>Supporting small businesses willing to invest in their staff</p>	<p>Consultancy from a business school for small companies (up to 50 employees) on surviving the economic downturn.</p> <p>Businesses participating in consultancy could have access to continuing professional development without charge or with nominal payment.</p> <p>Support for salary-sacrifice schemes that encourage training.</p> <p>Investment in training and development for SMEs, in line with priorities identified by SSCs.</p>
<p>Larger employers willing to invest in staff</p>	<p>In line with priorities identified by SSCs, encourage employers to invest in training and development through subsidised part-time training provision.</p>
<p>Large employers supporting their employees through redundancy</p>	<p>Enhance capacity for HEIs to work with local economic development partnerships.</p> <p>Funding provided to support 'specialist' higher education diagnostic teams. Training support or a short development programme for existing staff or those about to be made redundant as part of severance packages. This might cover:</p> <ul style="list-style-type: none"> <li>• generic, transferable skills</li> <li>• specialist re-training</li> </ul>

	<ul style="list-style-type: none"> <li>• leadership and management training</li> <li>• change management</li> <li>• process-change management.</li> </ul> <p>Support for employees may be combined with other offerings, e.g. consultancy and research and development.</p> <p>'Clubs' offering subsidised support services in return for employer support for opportunities, such as:</p> <ul style="list-style-type: none"> <li>• 'graduate development opportunities' for graduates struggling to find employment (such as graduate apprenticeships, work-based foundation degrees)</li> <li>• support for the employers' supply chain to access the training and development they need.</li> </ul>
Large- or medium-sized employers managing reduced outputs but seeking to retain staff through training.	Support for training aimed at employers who are reducing their workforce's hours, but offering training to their workforce rather than making staff redundant. Funding to deliver flexible training non-accredited or accredited across levels needed.

## Economic Support Initiative Proposal

All proposals for Economic Support Initiative funding should be submitted using this proforma. No additional documentation should be submitted. Proposals should address the criteria specified in the circular.

<p><b>Lead Institution:</b></p>
<p><b>Contact person for the proposal</b>  Title and full name of project lead:  Post:  Address for correspondence:  Tel:  e-mail:</p>
<p><b>Other partners involved (if applicable):</b>  Please note that preference will be given to submissions from consortia.</p>
<p><b>Summary of the activities to be funded under the Economic Support Initiative</b>  This should address criteria a. and b.</p> <ul style="list-style-type: none"> <li>• State the aim of the programme of activities</li> <li>• List the groups of individuals or businesses who will benefit</li> <li>• State what local economic challenges the project will address</li> <li>• Confidence in take up by target groups</li> <li>• Fit with stakeholder priorities</li> </ul>

**Show how the proposals build on and add value to the existing activities of partners and stakeholders, how duplication/substitution will be avoided and how activities will be co-ordinated**

This should address criteria c. and d.

**State the nature of the activities and provision to be delivered.**

This should address criteria e. and f., and must provide SMART measures re volume of provision delivered and other outcomes.

**State how the institution will focus on delivery and how quickly activities will commence.**

This should address criteria g. and h.

**Provide a statement on the additionality of the activities to be supported by the Economic Support Initiative.**

This should address criterion j.

**If a collaborative proposal, please describe the collaboration, how it will operate and what each partner will contribute to the programme of activities.**

**Financial statement - total project costs and funding**

This should address criterion i. Economic Support Initiative funding will run from 15 June 2009 to 15 December 2010 and all HEFCW funded activity must be completed by the end of this period.

<b>Costs</b>	AY 2008-09	AY 2009-10	AY 2010-11	Total £
<b>Direct costs</b>				
<i>Staff costs:</i>				
<i>Other costs (please specify):</i>				
<b>Total direct costs</b>				
<b>Indirect costs</b> <i>Please provide details below:</i>				
<i>Staff costs:</i>				
<i>Other costs (please specify):</i>				
<b>Total indirect costs</b>				
<b>Total costs</b>				

<b>Funding</b>	AY 2008-09	AY 2009-10	AY 2010-11	Total £
HEFCW Economic Support Initiative grant				
Matched funding component (amount and source)				
Other (amount and source)				
<b>Total</b>				

**Describe the sources of the matched funding**

Briefly state the funding partners' key objectives for use of funds?

**State aid implications**

This should address criterion k. Provide evidence that where consortia (institutions) are working with businesses directly, the planned activities fit within state aids, taxation and charities commission regulations.

**Equality and diversity**

Please explain how your institution will use Economic Support Initiative funding to promote equality and diversity, in particular the positive duties in respect of race, disability and gender.

**Risks**

Please summarise the key risks to the proposed programme of activities and key mitigating actions.

RISK	HOW RISK IS TO BE MANAGED
1.	
2.	
3.	
4.	
5.	

**Governance and management:**

Please describe the governance and management arrangements of the programme of activities, including key individuals that are accountable for delivery.

**Confirmation of Institutional Involvement**

The Vice-Chancellor/Principal of the lead institution is requested to provide their signature below as confirmation of support. All other partners must submit formal letters of support. In the case of HEIs, these must be signed by the Vice-Chancellor/Principal.

Lead Institution	
Signature of Vice-Chancellor/ Principal	..... Date: