

SUMMARY OF CORE PRINCIPLES & ISSUES FOR CONSULTATION

- 1 To enable the sector to proceed along common lines, it is necessary to be clear on how we perceive and define *third mission activities* and their future development and application.**

Issue 1

Comments are invited on the appropriateness of adopting the SPRU definition of third mission activities. Respondents are asked to give particular consideration to the extent to which this definition lends itself to the development of indicators against which, in line with the commitments given in its own Corporate Plan, the Council can measure HEIs' contribution to economic, cultural and social benefit in a way that monitors the proper use of public funds and/or incentivises and optimises such activity (see paragraphs 21 to 23 of circular).

- 2 The Council is committed to developing a single stream of funding in support of institutions' overall third mission activities.**

Issue 2

Comments are invited on the timescale which should be adopted by the Council in moving towards a single stream of third mission funding. In particular, comments are sought on the pros and cons of the Council's intention to cease asking institutions to produce stand-alone WEEPS and the intention to fund the successor programme to Graduate Wales and Cymru Prosper Wales via HEED. Consideration should also be given as to the most appropriate point at which to metamorphose the HEED Fund into an all-encompassing Third Mission Fund – including what other activities need to be supported via the envisaged single stream of funding.

- 3 When developing their HEED plans, institutions should pay due regard to the way in which they will utilise KEF monies to achieve their overall aims and objectives.**

Issue 3

Comments are invited on the Council's intention to increase the links between KEF and HEED and the specific requirement that future bids for allocations from Strands 4 and 5 of KEF will need to be channelled through a nominated department and/or individual, and clearly derived from the HEED Plan.

- 4 The Council is keen to encourage the sector adopt a more strategic approach to the pursuit of European funding in support of HEED activities.**

Issue 4

Comments are invited on the benefits and practicalities of requiring departments to link (where appropriate) European funding bids to the achievement of institutional HEED aims and objectives, and to submit such European funding bids via a nominated department and/or individual as will be required in respect of future allocations from strands 4 & 5 of KEF.

- 5 The Council has a duty to ensure that proper use is made of public monies and that the support provided incentivises and maximises institutions' third mission activities. To this end, it is imperative to develop indicators that enable institutions, the Council and other interested bodies to monitor, evaluate and measure progress in delivering benefits on the economic, cultural and social fronts.**

Issue 5

Comments are sought on the Council's intention to repeat, over the medium-term at least, the data gathering exercise undertaken in conjunction with the submission of the HEED Plans in 2002/03. Comments would be especially welcomed on the ease with which this data is already collectable, and to the extent to which it dovetails with returns required by HESA and with the format of the latest HE-BI Survey.

- 6 The Council is committed to increasing collaborative activity in all aspects of third mission activity.**

Issue 6

Comments are sought on the measures being proposed to encourage collaborative third mission activity in this and future years. More general observations on how such collaborative activity could be further encouraged would also be welcomed.

- 7 In developing a HEED funding formula the Council is seeking both to incentivise activity and reward progress made.**

Issue 7

Comments are sought on the Council's proposed funding model for HEED Fund allocations in 2003/04.

**HEED allocation funding models for 2003/04 as proposed in the consultation circular
(W03/03/HE)**

Summary of Allocations

Institution	Actual allocation for 2002/03	Model 1 allocation	Model 2 allocation	Model 3 allocation (the preferred model)
University of Glamorgan	201,624	206,273	190,655	202,159
University of Wales, Aberystwyth	266,305	252,691	252,411	250,448
University of Wales, Bangor	481,903	461,460	423,245	438,360
Cardiff University	1,022,937	1,048,245	1,131,881	1,098,140
University of Wales, Lampeter	36,468	21,912	20,301	20,207
University of Wales Swansea	397,768	460,124	426,398	454,881
University of Wales College of Medicine	307,379	304,865	304,514	294,840
University of Wales Institute, Cardiff	173,836	130,727	143,207	135,136
University of Wales College, Newport	121,568	91,065	82,048	81,522
North East Wales Institute	48,519	65,856	63,441	63,300
Swansea Institute of Higher Education	47,709	62,798	67,914	67,023
Trinity College Carmarthen	10,000	10,000	10,000	10,000
Royal Welsh College of Music and Drama	10,000	10,000	10,000	10,000
Total	3,126,016	3,126,016	3,126,016	3,126,016

PARAMETERS

Total funds	3,126,016
Funds allocated per spinout/startup	15,000
Funds allocated per KEF scholarship	2,000
Funds allocated per consortium membership	2,000
Funds allocated per CETIC	20,000
Minimum allocation	10,000

WEIGHTS

TCS	1.2
IPR	1.1
Other TACS	0.9
CR	1.0

BANDING

2000/01 income compared to 1999/2000 income

Same or decrease 0% < increase ≤ 10% 10% < increase ≤ 20% 20% < increase

TACS	0.9	1.0	1.1	1.2
CR	0.9	1.0	1.1	1.2

TACS INCOME DATA FORM: 2000/2001 AND 2001/02

INCOME CATEGORY	2000/01 Consolidated TACS Income - £	2000/2001 Unconsolidated TACS Income - £
(A) Teaching Companies (TCS)*		
(B) UK Central government/local authorities/ health and hospital authorities		
(C) UK industry, commerce and public corporations		
(D) EU government bodies		
(E) EU Other		
(F) Other overseas		
(G) Income from Intellectual Property Rights		
(H) Other sources		
(J) Total TACS income		
(K) Total training income recorded within (J)		

INCOME CATEGORY	2001/02 Consolidated TACS Income - £	2001/02 Unconsolidated TACS Income - £
(A) Teaching Companies (TCS)*		
(B) UK Central government/local authorities/ health and hospital authorities		
(C) UK industry, commerce and public corporations		
(D) EU government bodies		
(E) EU Other		
(F) Other overseas		
(G) Income from Intellectual Property Rights		
(H) Other sources		
(J) Total TACS income		
(K) Total training income recorded within (J)		

*** The following TCS income recorded in A above has also been recorded in HESA Finance Record Table 4, columns 3, 4, 5 and 6 (see paragraph 39 of Circular)**

2000/01	
2001/02	

Institution..... contact name/position/tel no.....

HEED FUND DATA COLLECTION

SPINOUT ACTIVITY – 2001/02

	No of spinouts via WSP	No of other spinouts	Total no of spinouts
Forecast as per 2002 HEED plan (Table F)			
Actual			

Please list the name and registered address of all companies included in the above figures. If possible, please include its enterprise reference number (ENTREF) form the Office for National Statistics' Inter Departmental Register (IDBR).

NAME	ADDRESS	ENTREF NUMBER

KEF ENTREPRENEURSHIP SCHOLARSHIPS – 2001/02

Forecast as per 2002 HEED plan (Table E)	
Actual	

Please list all scholars by name.

MEMBERSHIP OF KEF STRAND 2 TRAINING CONSORTIA

Please list all KEF Strand 2 training consortia of which your institution was a member in KEF Phase I - 2000 to 2003

CETICS

Please list all WDA accredited CETICs (please note if funding is shared with other HEIs)

GUIDANCE NOTES FOR COMPLETION OF TACS INCOME DATA FORM (ANNEX C1)**GENERAL GUIDANCE**

The income heads of the form, and their definitions, draw heavily on the headings and definitions of section 4a, *'Other Services Rendered Income'*, of Table 5b within HESA's Finance Record. HESA has advised the Council that it is intended that income received from both training and consultancy activities be recorded by institutions under this section. Institutions should record annual income in respect of training and consultancy services (TACS) rendered to outside bodies (covering both public and private sectors) within the form.

The form differs from the conventions adopted by HESA's Finance Record in that it asks institutions to record both consolidated and unconsolidated sources of TACS income. Consolidated income is defined as that generated by the institution or its subsidiary undertakings which is recorded in the institution's annual accounts. An undertaking is defined by the Companies Act 1985, amended by the Companies Act 1989, as "a body corporate or partnership or an unincorporated association carrying on a trade or business with or without a view to profit". If there are cases of TACS income being generated by subsidiary undertakings where the accounts are not consolidated with those of the institution then this income should be recorded under the unconsolidated heading within the form. Particularly in the case of a part-holding which institutions have in subsidiary undertakings, the income returned (consolidated or unconsolidated) should only be that which the institutions receives, not that of the undertaking as a whole.

Income from TACS activities in the form of award schemes (such as the Enterprise Award Scheme) or grants should be recorded within the form. **Any TACS related income received in respect of research activities and academic fees and support grants must be excluded from this return.** Academic fees and support grants are to be recorded under the categories listed in Section 2 of Table 5b of the HESA Finance Record. They include non-Council publicly funded teaching activities (i.e. courses leading to a recognised higher education qualification as defined in Annex D Section 2 of the Council's HESES Circular, reference **W02/68HE** of 11 October 2002).

Income derived from training activities should be recorded under the headings which most closely describe the client for whom the training activity was provided. For example, training activities provided for a local authority should be recorded under sub-head (B) *'UK Central government bodies/local authorities/health and hospital authorities'*, whilst training activities provided to a UK commercial operation should be recorded under sub-head (C) *'UK Industry, commerce and public corporations.'*

To avoid double counting, each separate source of TACS income should be recorded under one sub-head only. **Income returned to determine the amount of research funding an institution receives either under QR or that counts towards the CR income element used in the calculation of HEED Fund allocations must not be recorded here (however, see sub-head A below).**

SUB-HEAD DEFINITIONS**Sub-head (A) - Teaching Companies**

Include all income received in respect of the provision of Teaching Company Schemes (TCS) irrespective of the source of the income. (This definition is the same as sub-head 4a(ii) of HESA's Table 5b). As noted in paragraph 10 of the Circular, institutions should note separately on the data return form any TCS income which has been returned to HESA under Table 4 - Research Grants and Contracts (columns 3, 4, 5 and 6), so that appropriate adjustments may be made to the TACS income element of the HEED Fund allocations.

Sub-head (B) - UK Central government bodies/local authorities/ health and hospital authorities

Include all non-research income from UK central government bodies, non-departmental public bodies, UK local authorities and UK health and hospital authorities, except that for non-Council publicly funded teaching activities (such as income received from Department of Health/Regional Health Authorities for teaching contract courses, including Project '2000'). Income received for the funding of posts in clinical and non-clinical academic departments must be excluded. (Apart from the guidance to exclude non-Council publicly funded teaching activities within this sub-head, the definition is the same as sub-head 4aiii of HESA's Table 5b).

Sub-head (C) - UK Industry, commerce and public corporations

Include all non-research income for *training and consultancy* services rendered to industrial and commercial companies and public corporations operating in the UK. Income from Training and Enterprise Councils (TECs) and Local Enterprise Companies (LECs) should not be included under this sub-head, but should be included under sub-head (H) 'Other sources'. (Apart from the inclusion of the wording in italics which serves to highlight that TACS income is sought, this definition is the same as sub-head 4aiv of HESA's Table 5b).

Sub-head (D) - EU government bodies

Include non-research income from all government bodies operating in the EU, including the European Commission but excluding the UK. European Social Fund grants *for TACS related goods and consultancies* should be included under this sub-head. ERASMUS grants should not be included under this or *any other sub-head within the form*. (Apart from the inclusion of the wording in italics which serves to highlight that TACS income is sought and that ERASMUS grants do not fall into this category, the definition is the same as sub-head 4av of HESA's Table 5b).

Sub-head (E) - EU Other

Include non-research income from all non-government bodies operating in the EU, excluding the UK. (This definition is the same as sub-head 4avi of HESA's Table 5b).

Sub-head (F) - Other overseas

Include non-research income from bodies operating outside the EU. (This definition is the same as sub-head 4avii of HESA's Table 5b).

Sub-head (G) - Income from Intellectual Property Rights

Include all income received from intellectual property rights such as licences and patents. The definition is the same as sub-head 4f of HESA's Table 5b.

Sub-head (H) - Other sources

Include all non-research income for *training and consultancy* services rendered not covered by sub-heads (A) to (G). (Apart from the inclusion of the wording in italics which again highlights that TACS income is sought, and the fact that income from course validation fees is not to be recorded within the form, this definition is the same as sub-head 4aviii of Table 5b).

Sub-head J - Total TACS income

This should be the sum of income recorded, per annum, under sub-heads (A) to (H).

Sub-head (K) - Total Training income recorded within (J)

This should be the sum of income received for training activities which will have been recorded, as appropriate, as some of the income shown in sub-head (J).

COMMON QUERIES FROM HEIs CONCERNING ELIGIBLE SOURCES OF NON-RESEARCH TACS INCOME

1. *Is income from intellectual property rights generated from research returnable as TACS income?*

Yes, as noted in paragraph 6 of the Circular, income from IPR is now eligible for TACS allocations.

2. *Is income generated through validation work for the University of Wales eligible for inclusion in the TACS income data return?*

No. Validation work is not considered to constitute training or consultancy activity. It is thus ineligible.

3. *Can income generated from TEFL courses be included in the TACS income data return?*

No. Such fee income should be recorded under Head 2 of Table 5b of the HESA Finance Record.

4. *Is income from overseas franchised courses returnable as TACS income?*

No. Such fee income should be recorded under Head 2 of Table 5b of the HESA Finance Record.

5. *Are courses delivered overseas as training activities returnable as TACS income?*

Yes. Depending on the location of the bodies operating outside the UK which are in receipt of the training, the income should be recorded as either 'EU Other' or 'Other Overseas'

6. *Where modules of undergraduate or postgraduate taught schemes are delivered separately as CPD courses, can the income received from them be returned as TACS income?*

If the CPD course is fundable under the terms of Council's HESES/EYM guidance, and is being returned to the Council as such and hence receiving recurrent funding, then, no, the income received is not eligible for TACS purposes as that would produce double counting. However, if the CPD course operates on a full-cost, closed basis which makes it ineligible for recurrent funding then the income it generates may be recorded as TACS income.

7. *Can income from Welsh language training courses be counted as TACS income?*

No. Such fee income should be recorded under Head 2 of Table 5b of the HESA Finance Record.