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## **Third Mission Funding Arrangements 2004/05 to 2006/07**

**1 June 2004**

**Ref: W04/36HE**

To: Heads of higher education institutions in  
Wales

Summary: This circular presents the outcomes of the  
consultation exercise on future third mission  
funding arrangements in Wales and  
requests institutions to submit a third  
mission strategy for the period 2004/05 to  
2006/07.

Response by: 31 August 2004

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## INTRODUCTION

- 1 This Circular:
  - (i) reports on the outcomes of the consultation exercise on future third mission funding arrangements in Wales and the Council's response to those outcomes;
  - (ii) announces third mission funding allocations for 2004/05, 2005/06 and 2006/07 and
  - (iii) requests institutions to submit a full third mission strategy for the period 2004/05 to 2006/07.
- 2 This document is being sent to all higher education institutions in Wales and a wide range of other interested parties from both within and without the Welsh higher education (HE) sector.

## BACKGROUND

- 3 When the Council established its Higher Education Economic Development (HEED) Fund in 2002 it was described as a first step towards a permanent and sustainable stream of funding in support of institutions' overall third mission activities. Whilst the focus of the HEED Fund was principally on economic development activities, Circular W02/32HE clearly stated that the Council regarded "economic development as an integral component of institutions' overall third mission activities, which should encompass both the economic and social agendas." Following a consultation on the future of the HEED Fund conducted in January 2003, Circular W03/19HE gave notice that from 2004/05, the Council would move towards a fund that rewarded all third mission activities, not just those that focused on economic development but on social and cultural well-being, too.
- 4 The Council's Third Mission Committee was given delegated authority to oversee the development of an action plan towards full third mission funding and its proposed arrangements for implementation from 2004/05 onwards were set out in Circular W04/11HE. The proposals put forward by the Third Mission Committee took account of:
  - views expressed across the sector in response to the 2003 consultation on the development of the Council's Higher Education Economic Development (HEED) Fund (Circular W03/19HE refers);
  - the recommendations of a task and finish group that the Committee established to offer specialist advice on third mission metrics and funding; and
  - the outcomes of two major UK-wide reviews of HEIs' third mission activities – namely, Richard Lambert's *Review of Business-University Collaboration* and Lord Sainsbury's *Innovation Report: Competing in the Global Economy*.
- 5 The Committee's proposals were also put forward in the context of:
  - the transfer in January 2004 of responsibility for the Knowledge Exploitation Fund (KEF) to the Welsh Development Agency (WDA) from HEFCW and the National Council-ELWa;
  - the establishment of a Welsh Assembly Government Task and Finish Group to consider the role of the HE sector in economic development (the *Nexus Report*); and
  - a static funding budget in cash terms for third mission activities over the next three years.

## CONSULTATION OUTCOMES

- 6 Circular W04/11HE invited the Welsh HE sector and other relevant key organisations in Wales to respond to proposals for funding institutions' third mission activities from 2004/05 onwards. Respondents were asked to comment on six key issues, which are reported on in turn below. All institutions responded to the written consultation as well as sending representatives to a consultation event held in Cardiff on 2 March 2004. The consultation event was also attended by representatives from HEFCE, the Assembly Government HE and Economic Divisions, Finance Wales and the WDA and KEF. The WDA, HEW and NATFHE also submitted written responses. The following summary takes account of the issues raised in discussions at the consultation event on 2 March 2004 and the outcomes of the analysis of the written responses; each of the six key consultation issues are reported on in turn.
- 7 *The appropriateness and clarity of the seven principles outlined as underpinning the Council's proposed 3M funding framework (attached for information at ANNEX A)*
  - 7.1 In general, respondents welcomed the principles set out. However, notwithstanding the two years notice given by Council of its intention to recognise the full third mission agenda in funding considerations from 2004/05, one respondent expressed "concerns" over this development. Other respondents almost universally welcomed the emphasis on benefiting society as well as the economy. However, in the absence of increased levels of funding, many did question the sector's ability to address more explicitly the social/cultural agenda without jeopardising existing levels of support for economic development activity.
  - 7.2 There was also widespread support in theory for the intention to predicate funding decisions on outcomes rather than activities per se. However, a majority of respondents expressed reservations as to the short term practicalities given that, by their very nature, many outcomes will only come to fruition in the longer term.
  - 7.3 The use of the table appended to Circular W04/11HE as Annex A, and intended to help HEIs to identify and articulate their particular contribution to the third mission agenda, generated a mixed reaction. Some found it helpful, whilst others read it as a list of allegedly mandatory activities and one saw it as evidence of the way in which the Council is trying to "take on a central planning role" in relation to HEIs' third mission activities.
- 8 *The key features of the Council's proposed 3M framework (also attached for information at ANNEX A)*
  - 8.1 Some provoked more controversy than others. A number of the features were warmly welcomed - eg the establishment of a three year planning cycle and the proposed use of the annual monitoring statements to report yearly performance, no hypothecated funding, constant levels of funding in each three year period and the freedom to use monies as match-funding to draw down further support from other sources.
  - 8.2 HEI respondents were unanimous in opposing the suggestion that collaborative strategies should attract increased levels of foundation funding. Many reiterated a point made at the consultation event that much collaboration already takes place within the third mission arena, but that the same HEI will have different partners in different areas of activity. However, several HEIs suggested that the proposed supplementary funding component might be used to support collaborative activity, and one HEI suggested that supplementary monies should only be assigned to collaborative activities. At least two respondents referred to a suggestion made at the consultation event that the Reconfiguration Fund and not third mission monies should be used to provide financial incentives for collaborative activity. (See also 10 below).

- 8.3 Opinion was more divided on the proposal to split funding into two components - foundation and supplementary. Seven institutions supported this proposal; one suggested renaming the components as “core and initiative funding” and another two proposed that it should all be treated as foundation funding but in one case added that the foundation funding should have two components - core funding (to be distributed on an equal basis to all institutions) and initiative funding to be distributed on the basis of the plans received. Two institutions proposed that all Council third mission funding should be classed as core funding and that initiative funding should be channelled from other sources including KEF. One institution indicated its dissatisfaction with the proposed components but offered no alternatives. Amongst the other respondents, HEW called for “a transparent method of allocating funding”; NATFHE supported the proposed funding split, and the WDA called on the Council to concentrate on infrastructure funding “leaving KEF and other resources” to focus on “specific projects”.
- 8.4 A total of eight HEIs indicated their support for the proposal that part of the allocation (whatever they preferred to see it called) should be divided equally between all institutions. However, several of these indicated that the proposed £50k for foundation funding was inadequate. Only two respondents stated outright opposition to the division of at least some of the available monies on an equal basis across the sector. There was a general consensus – echoing views expressed at the consultation event – that in the first three year cycle, the Council should take steps to protect infrastructures already in place. Given that such infrastructures are reliant on historic levels of third mission funding, a number of respondents advocated that, in the first three year cycle, supplementary funding should be calculated in such a way as to protect historic levels of funding, perhaps giving HEIs more time to prepare for a more bid-based approach to supplementary funding in future cycles.
- 9 *Views on whether the proposed supplementary funding should be allocated on the basis of strategies received or by formula*
- 9.1 Irrespective of whether or not they favoured the concept of supplementary funding, nine written responses stated a preference for formula funding and seven a preference for the release of monies on the basis of the plans received.
- 9.2 In terms of suggestions for possible formulae, the following ideas were put forward at both the consultation event and in the written responses:-
- distribute the whole £3.1m equally across the sector
  - 50% distributed by teaching formulae and 50% by research formulae
  - pro rata to latest HEED allocations (but for the first three years only)
  - pro rata to student numbers
  - funding by formula across a range of (unspecified) targets – although a couple of respondents suggested seeking inspiration from the SPRU report to the Russell Group in 2003, entitled *Measuring Third Stream Activities*
- 9.3 One further suggestion was received with the written responses, namely, that instead of having supplementary and foundation funding, all funding should be split equally between benefiting society and the economy. Then, making an assumption that all HEIs are equal in the benefits they bring to the society/community within which they operate, 50% of all available funding should be divided equally between all institutions (an approach to foundation funding also mooted by at least three respondents). The remaining 50% of monies in support of economic development activity should then be allocated by formula derived from banding institutions according to their past level of performance in this area as indicated by the size of their last two HEED allocations.
- 10 *Should the Council suggest possible cluster groups ?*
- 10.1 Whilst the principle of collaborative third mission activity was supported in general, there was universal opposition to the idea that the Council should suggest possible cluster

groups. The consensus was that collaborative activity should be left to develop organically although one respondent did suggest that funding might be used to support existing clusters such as the “key sectors for Wales”. In indicating their support for the allocation of supplementary funding on the basis of plans received, several HEIs indicated that this would enable collaborative activity if HEIs could be allowed to *bid* for supplementary funding within their strategies on a project by project basis. This would enable different combinations of HEIs to be supported in different areas of activity. As reported in paragraph 8.2 one HEI proposed that supplementary funding should only be made available to support collaborative projects.

11 Proposed names for the 3M Fund

11.1 The following names were put forward:

- Third Mission Fund
- Social & Economic Enrichment Fund (SEEF)
- Social & Economic Well-being Fund
- Social & Economic Capacity Building Fund
- Economic, Social and Community Support Programme
- Higher Education Benefiting Economy and Society (HEBES)
- Outreach and Knowledge Transfer Fund
- Higher Education Social and Economic Fund (HESEF)
- NEXUS

12 Proposed allocation of funding for 2004/05

12.1 As the foregoing suggests there was little consensus across the sector - other than agreement that the figure of £3.1m over the next three years is insufficient and represents a diminishing budget in real terms. However, the one message that emerged loud and clear was the need within the first three year cycle to protect existing infrastructures. It was also apparent from the responses received that many institutions remain to be persuaded that KEF must be brought into the funding equation when talking about support for economic development activities.

**ADVICE TO COUNCIL FROM THE THIRD MISSION COMMITTEE**

13 The Third Mission Committee debated the consultation outcomes at length at its meeting on the 28 April 2004. Members concluded that whilst there was a great deal of support in principle for the innovative approach set out in Circular W04/11HE, a number of very real practical concerns had been raised in the course of the consultation exercise. Not least was the widespread perception (regardless of the actual facts) that third mission activities in Wales are under-funded in comparison with the rest of the UK. Furthermore, because the projected funding level for the next three years was the same as was made available for HEED activities in 2003/04, some respondents concluded it represented a diminishing budget in real terms within which institutions were being asked to deliver more for less money. [This is not the case; institutions are simply being asked to use their allocation as they choose in order to support strategically third mission activities already embedded within their overall institutional plan].

14 Also of key significance to the Committee, was the concern expressed by many respondents that the move to full third mission funding should not be allowed to jeopardise existing infrastructures in support of institutions’ economic development activities. It was with this latter concern very much in mind that the Third Mission Committee examined the different funding options put forward in the course of the consultation and considered how best to manage the transition to full third mission funding so as to ensure minimum disruption to current economic development activity across the sector. In addition, the Committee was also very mindful of the need to reflect the broad sweep of relevant Assembly Government policy set out in such documents as *Wales A Better Country*, the

*Skills and Employability Action Plan*; the *Wales Spatial Plan* and the *Innovation Action Plan*. The Committee's thinking was also influenced by the need to keep in step with UK developments and aspire to the levels of best practice described in the Lambert and Sainsbury reports (paragraph 4 refers) and the vision set out in the Treasury's recent consultation on its *Ten Year Science and Innovation Strategy Review*.

- 15 The Third Mission Committee concluded by recommending a course of action to the Council designed to address respondents' concerns, but at the same time preserve the innovative approach set out in circular W04/11HE. To this end it identified the following priority areas for the attention of Council Members:
- (i) The need to deliver on the Council's commitment to recognising and rewarding the full range of HEIs' third mission activities – the past emphasis on economic development has not fully recognised the diversity of mission within the HE sector in Wales.
  - (ii) The need to preserve existing infrastructures that support institutions' economic development activities in delivering this change.
  - (iii) The need to work more closely with the WDA to encourage institutions to recognise that their economic development activities need to be underpinned by a dual support system, akin to that in respect of research, in which institutions' adopt a strategic approach to the use of Council and non-Council funding – particularly KEF, which has boosted the total monies available to HEIs in support of economic development activity by some £5m pa over the past three years. (This is an approach also recommended by the Assembly's Task and Finish Group on HE and Economic Development referred to above).
  - (iv) The need to be actively seen to be lobbying the Assembly for an increased level of funding to support overall third mission activities. For example, if Central Government makes more monies available in this area in response to the outcomes of such recent studies as those undertaken by Richard Lambert and Lord Sainsbury or as part of its proposed ten year investment framework for science and innovation, it is imperative that the Assembly makes a case for a share for Wales to be delivered to the HE sector via HEFCW.
  - (v) The need to support institutions in mainstreaming third mission thinking into all aspects of activity and their overall strategic planning. This will entail management responsibility at an appropriately senior level.
- 16 In the light of these priorities the Third Mission Committee made the following recommendations to the Council at its meeting on 7 May 2004. All of these recommendations were accepted:
- (i) The establishment of a third mission framework underpinned by the principles as set out in Circular W04/11HE (Annex A refers);
  - (ii) A third mission funding framework that incorporates the following key features:
    - a three year planning cycle;
    - planned activities that must play to the individual strengths of each HEI;
    - strategies that clearly identify the outcomes/impacts that will accrue from all planned activities;
    - performance monitoring via the new annual monitoring statements to be introduced from 2004/05;

- funding allocations that will remain constant in each year of the three year planning cycle;
  - no hypothecation of funding; and
  - institutions that deliver all agreed targets to be rewarded in the next three year cycle at the expense of HEIs that fail to deliver.
- (iii) The allocation of foundation funding of £50,000 to all institutions in the first three year planning cycle (2004/05 to 2006/07);
- (iv) The allocation of all remaining monies as supplementary funding by formula. It was further recommended that the formula to be employed should calculate allocations pro rata to a score based on the average of institutions' HEED Fund allocations over the last three years. In addition, the Committee advised that the maximum funding drop from 2003/04 HEED funding levels should be confined to five per cent. **ANNEX B** details the indicative funding allocations approved by the Council.
- 17 In addition, the Council decided that the new fund would be known as the **Third Mission Fund**. The Council has also requested the Third Mission Committee to continue the process of further refining and developing third mission funding arrangements beyond 2006/07, which take account of Welsh Assembly Government policy priorities and relevant developments in Wales, the UK and beyond.

### **THIRD MISSION STRATEGIES**

- 18 Institutions are asked to submit a third mission strategy to cover the period 2004/05 to 2006/07, which must be signed off by a member of the institution's senior management team with specific responsibility for third mission policy, preferably at Pro-Vice Chancellor level or equivalent. We would also welcome an endorsement of the strategy by the head of the institution and chair of the governing body.
- 19 Strategies should include all of the information contained in **ANNEX C**, which also provides a suggested format. Whilst institutions are free to adapt this format to align with other internal documentation, it is important that all of the information at Annex C is adequately provided. Failure to do so may lead either to delays in releasing funding or the withholding of funding. Strategies should be submitted no later than the 31 August 2004. The criteria to be used in the assessment of strategies are presented for information at **ANNEX D**. The analysis of the strategies will be overseen by an assessment panel comprising Council officers and members of the Council's Third Mission Committee who represent the interests of HEFCW's key partners in promoting and supporting the third mission agenda in Wales.
- 20 The Council intends to hold a Third Mission Strategy workshop on the **6 July 2004**. This will provide an opportunity for attendees to discuss in more detail the nature of the strategies required and the way in which they will be evaluated (see Annexes C and D). Arrangements for this event are in hand and institutions will be advised as soon as a venue and timings have been confirmed. All institutions will be able to nominate up to three representatives to attend this event, one of whom should be the member of the institution's senior management team with responsibility for third mission policy and strategy. In addition, Council officers are willing to meet colleagues in institutions to discuss any issues still arising from the request for third mission strategies after the planned workshop in July.

## **FUNDING OF THIRD MISSION ACTIVITIES**

- 21 Institutions' third mission activities are already funded from a range of Council and non-Council sources and the Council will expect to see this diversity of funding reflected in the third mission strategies to be submitted. In particular, the Council will be looking for evidence that institutions are adopting a holistic approach to third mission activities, which entails mainstreaming third mission *thinking* into all aspects of institutional activity. To this end, the Council will expect to see third mission plans clearly demonstrate a strategic approach to the pursuit of non-Council funding to enhance or add value to activities already supported via Council grant in aid. For example, in the area of economic development and activity relevant to our national innovation system (and *Innovation Action Plan*), the Council will be looking for evidence that the sector is using KEF and money available via other initiatives alongside Council funding in a strategic way to ensure the achievement of the relevant aims and objectives set out in their third mission strategy. As the Assembly's Task and Finish Group on HE and economic development has recommended, within such a dual-support system HEFCW funding might be focused on supporting delivery infrastructures on a long term basis (both existing and those yet to emerge as a consequence of collaborative activity), which could then be matched by funds on a project by project basis from other sources such as the WDA, European Structural Funds, Research Councils, Lambert Review/Treasury science policy consequentials, etc.
- 22 The Council has presently set aside £3.1 million for its third mission fund in 2004/05, 2005/06 and 2006/07. However, should further funding become available for the latter two years, the Council will reconsider this position. There is also a possibility that further monies may be made available to the Council to support third mission activities once central Government announces its formal response to the Lambert and Sainsbury reviews referred to above and the Treasury publishes the outcomes of its Ten Year Science and Innovation Review. The Third Mission Fund allocations for 2004/05 have been calculated as set at paragraph 15 and are presented at Annex B. Allocations for 2005/06 and 2006/07 will be calculated in exactly the same way. It is the Council's intention to release this funding in October, January and March of each year, subject to the receipt of satisfactory third mission strategies in August 2004.

## **COLLABORATIVE ACTIVITY**

- 23 In response to the consultation outcomes as reported above, the Council has decided not to use Third Mission Fund monies to incentivise collaborative activity in this first planning cycle. Nevertheless, in the light of *Reaching Higher* and the Council's latest remit letter from the Assembly Government, encouraging greater collaborative activity in the third mission arena remains a key Council priority. Institutions will, therefore, be expected to demonstrate within their strategy documents how they are contributing to the delivery of Assembly and Council policy in this area. If two or more institutions find that it suits them to work together on third mission activities, the Council would be willing to accept a joint strategy document. For example, the Wales Spinout Programme cluster groups might provide a model appropriate to third mission activity more generally or institutions may like to consider whether or not joint use of third mission funding could be used to provide a stronger infrastructure base.

## **PERFORMANCE MONITORING**

- 24 As part of the planning process, all institutions will be required to agree with Council their long terms aims and objectives for the period 2004/05 to 2006/07. In addition, they will also be required to agree with Council annual milestones or performance indicators that will indicate progress towards the achievement of their three year aims and objectives. Performance against these agreed annual milestones and performance indicators will be

undertaken via the submission of Annual Monitoring Statements as part of the revised strategic planning process (**Circular W04/29HE** refers). Institutions are reminded that one of the underpinning principles of the new Third Mission Fund is that funding decisions will be predicated on the projected outcomes and impacts of institutions' third mission strategies. It will be important to bear this in mind when formulating your aims and objectives.

- 25 Within their third mission strategy institutions will be asked to demonstrate that effective systems and procedures are in place for the ongoing monitoring and evaluation of performance in this area. If operational experience indicates a need to recast any long term aim or associated performance indicator, institutions will be able to approach Council officers prior to submission of their Annual Monitoring Statement to make a case for re-negotiation of the aims and/or associated performance indicator(s) agreed originally. If any such case reveals that an institution's capacity to deliver its overall third mission strategy has been seriously undermined, then funding may have to be withheld.
- 26 No separate data request is being made in conjunction with this request for third mission strategies. However, **institutions are asked to append a copy of their return to the latest UK-wide HE-Business and Community Interaction Survey to their strategy.** This development is intended to help minimise the data collection burden faced by institutions.

#### **RESPONSES**

- 27 Plans should be submitted no later than 31 August 2004 to the Economic Development Team Administrator at HEFCW, Linden Court, Ilex Close, Llanishen, Cardiff , CF14 5DZ. Please provide one bound and one loose-leaf copy and ensure that all pages are numbered. One disk copy is also required.
- 28 Any queries relating to this circular should be directed to Teresa Cooper at the HEFCW address given above.

**SUMMARY OF PRINCIPLES TO UNDERPIN THIRD MISSION FUNDING & KEY FEATURES  
AS PROPOSED IN CIRCULAR W04/11HE – *FUTURE THIRD MISSION FUNDING  
ARRANGEMENTS IN WALES***

**PRINCIPLES**

1. To recognise the diversity of the HE sector in Wales
2. To reflect feedback the Council has already received from the sector.
3. To respond to requests for continuity in third mission funding from the sector, the Assembly and other parties
4. To enable HEIs to develop a third mission portfolio in line with the vision for the HE sector in Wales set out in Reaching Higher, HEFCW's Corporate Plan and other relevant strategies of the Welsh Assembly Government
5. To respond to requests for continuity in 3M funding from the sector, the Assembly and other parties
6. To enable HEFCW to predicate funding decisions on the projected outcomes and impacts of institutions' third mission strategies
7. To provide a catalyst that will help ensure that 3M activities are effectively embedded in HEIs' overall strategic planning and managed at an appropriately senior level
8. To maximise opportunities for the Council and institutions to work with key partners

**KEY FEATURES**

1. A three year planning cycle .
2. Planned activities that must play to the strengths of each individual HEI's or cluster group's mission, knowledge base and areas of expertise.
3. Strategies put forward must identify the outcomes/impacts that will accrue from planned activities by the end of the three year period and identify a small number of key milestones in each activity area for each year of the strategy.
4. Strategies will also be expected to demonstrate that appropriate systems and procedures are in place to manage and monitor institutional performance against the key performance indicators (milestones) agreed with Council. After consultation with the Council, HEIs will be able to revise indicators in the light of operational experience.
5. Funding will be allocated at a level that will remain constant in each year of the three year planning cycle.
6. Funding will comprise two components – foundation funding and supplementary funding.
7. **All** HEIs will receive the same amount of foundation funding, although collaborative strategies will attract additional amounts of foundation funding.
8. All monies remaining after the allocation of foundation funding will constitute supplementary funding.

9. Subject to the outcome of the consultation exercise, supplementary funding will be allocated either:
  - (a) on the basis of the strategies received; or
  - (b) by formula, which would need to take account of institutions' performance across the whole third mission agenda.
10. No third mission funding will be hypothecated.
11. HEIs/Cluster Groups will be free to utilise both foundation and supplementary monies as match-funding to draw down further funding from Europe and elsewhere, subject to relevant funding rules.
12. HEIs/Cluster Groups that meet or exceed all their milestones in the first three year planning cycle will receive an increase in core funding in the next cycle at the expense of any HEIs that under perform in the previous cycle.

## ANNEX B

## INDICATIVE THIRD MISSION FUNDING ALLOCATIONS PA FOR 2004/05 TO 2006/07

Institution	Foundation Funding	Supplementary funding*	Total funding allocation
University of Glamorgan	50,000	167,884	<b>217,884</b>
University of Wales, Aberystwyth	50,000	222,442	<b>272,442</b>
University of Wales, Bangor	50,000	342,398	<b>392,398</b>
Cardiff University#	50,000	656,929	<b>706,929</b>
University of Wales, Lampeter	50,000	10,928	<b>60,928</b>
University of Wales Swansea	50,000	487,662	<b>537,662</b>
University of Wales College of Medicine#	50,000	290,316	<b>340,316</b>
University of Wales Institute, Cardiff	50,000	143,710	<b>193,710</b>
University of Wales, Newport	50,000	95,463	<b>145,463</b>
North East Wales Institute of Higher Education	50,000	10,928	<b>60,928</b>
Swansea Institute of Higher Education	50,000	27,553	<b>77,553</b>
Trinity College Carmarthen	50,000	10,928	<b>60,928</b>
Royal Welsh College of Music and Drama	50,000	10,928	<b>60,928</b>
<b>Total</b>	<b>650,000</b>	<b>2,478,070</b>	<b>3,128,070</b>

\*Allocations are calculated by dividing funding between institutions pro rata to a score based on the average of the last three years HEED allocations (CR+TACS for 2001/02). The score is calculated as 1 point per £50,000 or part thereof.

# In the context of the impending merger of Cardiff University and the University of Wales College of Medicine, a total allocation of £1,047,245 will be made to the merged institution.

**NB the maximum drop in funding from 2003/04 HEED levels has been confined to 5%**

## ANNEX C

### INFORMATION REQUIRED & SUGGESTED THIRD MISSION STRATEGY FORMAT

#### 1 MISSION STATEMENT

This section should provide a clear signal of how your institution contributes to the HE sector's third mission agenda. It should:

- state your long term vision and aims (the horizon of which may well extend beyond the three years to be covered in this strategy document);
- indicate how the attainment of the vision set out in this section aligns with the overall mission and strategic plan of your institution; and
- articulate the impacts and outcomes that realisation of this vision will have on society and economy both locally and nationally.

*[It is anticipated that this section will not extend beyond one side of A4].*

#### 2 CONTEXT

This section is likely to constitute one of the more detailed sections of your plan and should be used to demonstrate:

- the extent to which internal circumstances have shaped your plan – eg mission, areas of expertise/specialism, size, location, subject base, student population, available resources, financial imperatives, key partners etc;
- the extent to which external influences/pressures have shaped your strategy – eg Central and Welsh Assembly Government strategies, Council policy, funding issues, access to European monies, participation in local, national or international schemes and initiatives, success or failure in collaborative ventures, public opinion etc;
- underpinning market research and/or needs analysis - including use made of existing research such as labour market information (LMI) and the updated *Future Skills Wales* survey; and
- other key factors that have affected your thinking – eg successes or failures in past operational experience, changes in key staff.

#### 3 AIMS FOR THE PLANNING PERIOD 2004/05 TO 2006/07

- This section should be used to set out your long term aims and objectives for the three years of this strategy document, briefly indicating their fit with the overall third mission vision set out in section 1 above.
- To aid clarity, please group your aims and objectives into those that impact on society and those that impact on the economy.
- The emphasis in this section should not be on the activities that will be undertaken to implement your strategy but, rather, on the impacts or outcomes that you expect to accrue from these activities.

#### 4 **IMPLEMENTATION PLAN**

This section should:

- set out a strategy for the achievement of the aims and objectives set out in section 3 preceding;
- include a financial section that summarises the sources of funding that will be used to underpin the overall strategy and a more detailed breakdown of how the institution intends to use its Third Mission Fund allocations in each of the three years covered by the strategy;
- provide an outline operational plan\* in tabular format for each year of the planning cycle; and
- incorporate performance targets for each year that will enable both the institution and the Council to monitor and evaluate progress towards the aims and objectives set out in section 3.

*\* A suggested format is attached.*

#### 5 **MANAGEMENT AND CONTROL**

This section should cover:

- institution-wide structures and systems to manage, control and develop third mission activity;
- links between operational activity at departmental/faculty level and institution-wide strategy and policy development to ensure that the former is informed by the latter and vice versa;
- initiatives to ensure third mission *thinking* is embedded in teaching and research activities and/or increase staff participation in third mission activity;
- any engagement of partner organisations in managing and developing third mission activity;
- the role of the governing body in determining/shaping third mission activity.

#### 6 **PERFORMANCE MONITORING AND EVALUATION**

This section should cover:

- the assignment of responsibility for measuring and evaluating performance at both the operational and institution-wide level, including responsibility for initiating strategy revisions in response to outcomes and/or new developments;
- the involvement of stakeholders (eg representatives of business or the community) in reviewing third mission performance;
- information on how the outcomes of your review processes inform the ongoing development of third mission and overall institutional strategy and planning; and

- the annual milestones/performance indicators that the institution proposes to include in its Annual Monitoring Statement to enable Council to monitor its progress in implementing this third mission strategy. These performance indicators should clearly derive from the operational plan referred to in section 4 above; this does not mean, that all of the verifiable indicators of performance included in the operational statement need to be incorporated into the institution's annual monitoring statement . However, the Council will expect the indicators put forward to reflect fully what has been identified as your institution's particular contribution to the third mission agenda in Wales.

## 7 DATA COLLECTION

Please attach a copy of your institution's return to the latest (2002/03) UK-wide HE-Business and Interaction Survey (paragraph 26 refers).

*When formulating their strategies all institutions are also asked to pay due regard to all relevant legislation and associated agendas, including those pertaining to equality of opportunity and the Welsh language.*

**SUGGESTED OPERATIONAL PLAN FORMAT**

*(Please provide an operational plan for each of the three years covered by this strategy)*

**PART A – BENEFITING SOCIETY**

1 Long term aim (ie as set out in section 3 with one table of activities for each aim listed)

.....  
 .....

PLANNED ACTIVITIES	VERIFIABLE PI(s)	BY WHEN	RESPONSIBLE OFFICER	COST £	SOURCE(S) OF FUNDING	OTHER RESOURCE IMPLICATIONS	COMMENTS

**PART B – BENEFITING ECONOMY**

1 Long term aim (ie as set out in section 3 with one table of activities for each aim listed)

.....  
 .....

PLANNED ACTIVITIES	VERIFIABLE PI(s)	BY WHEN	RESPONSIBLE OFFICER	COST £	SOURCE(S) OF FUNDING	OTHER RESOURCE IMPLICATIONS	COMMENTS

## THIRD MISSION STRATEGIES 2004/05 to 2006/07 (Analysis Template)

Institution:

## Part 1: Information provided

Does the strategy include:	Y	N	P	Page Nos.	Comments/Analysis
A statement of the HEI's third mission aims & objectives and how these relate to the institution's overall mission & vision.					
A vision of where the institution's third mission strategy will take it over the next 3 years and beyond; and how this aligns with other relevant strategies, eg Learning & Teaching and Widening Access strategies, and the overall strategic plan.					
The projected impacts and outcomes that will accrue from successful implementation of the HEI's third mission strategy.					
A context section that provides all of the information detailed in <b>Circular W04/36HE Annex C, paragraph 2.</b>					
The long term aims and objectives for the period 2004/05 to 2006/07, which clearly identify the impacts that will accrue on society and economy from their implementation <b>Circular W04/36HE Annex C, paragraph 3</b> refers).					

Does the strategy include:	Y	N	P	Page Nos.	Comments/Analysis
An implementation plan that provides all of the information detailed in <b>Circular W04/36HE Annex C, paragraph 4.</b>					
A summary of the way that the HEI plans, manages and controls its third mission activities – including systems and procedures in place to enable both top-down strategic guidance from governors and senior managers and bottom-up contributions from staff, and any arrangements for stakeholder engagement in the planning process ( <b>Circular W04/36HE Annex C, paragraph 5</b> refers).					
An account of the systems and procedures in place to monitor and evaluate performance at both an operational and institution-wide level and to ensure that the outcomes inform ongoing policy and strategy development ( <b>Circular W04/36HE Annex C, paragraph 6</b> refers).					
The annual milestones/performance indicators that the HEI is proposing to include in its Annual Monitoring Statement to keep Council informed of progress in implementing its third mission strategy.					
A copy of the institution's return to the UK-wide HE-Business and Community Interaction Survey for 2002/03 ( <b>Circular W04/36HE Annex C, paragraph 7</b> refers).					

## Part 2: Evaluation of information provided

Has the institution ? -	Comments (include strengths and weaknesses)
Clearly articulated its existing and planned future contribution to the HE sector's third mission agenda and its impacts on society and economy.	
Recognised how its third mission strategy interacts with and impacts on other plans and strategies and how it contributes to the achievement of overall institutional aims and objectives	
Ensured that the strategy is informed by past performance – successes and failures – in the third mission arena and driven by the particular mission, areas of expertise etc of the institution.	
Demonstrated that the strategy is underpinned by appropriate contextual research and analysis activity that takes account of factors both internal and external to the organisation.	
Ensured that all long term aims and objectives are consistent with the third mission strategy and overall institutional plan, and will impact on both social and economic well-being in Wales.	
Demonstrated the existence of integrated management and planning processes to facilitate the above strategic interactions.	

Has the institution ? -	Comments (include strengths and weaknesses)
<p>Provided an overview of how planned activities will be funded over the life of the strategy and demonstrated a strategic approach to the use of Council and non-Council funding (especially KEF) to finance its third mission activities.</p>	
<p>Provided a more detailed breakdown of how the Council's Third Mission Fund allocations will be used over the three period, which is sufficient to satisfy the Council's duties in respect of ensuring the proper use of public monies.</p>	
<p>Presented an operational plan for each of the three years of the planning cycle, which provides the Council with confidence in the institution's ability to deliver third mission activities.</p>	
<p>Developed or is developing a policy for promoting its contribution to the HE third mission agenda in such areas as:</p> <ul style="list-style-type: none"> <li>• Community support/interaction</li> <li>• Cultural activities/facilities</li> <li>• Schools links</li> <li>• Business support</li> <li>• Entrepreneurship</li> <li>• Innovation</li> <li>• Graduate employability</li> <li>• Public sector links</li> </ul>	

Has the institution ? -	Comments (include strengths and weaknesses)
Paid due regard to all relevant legislation and associated agendas in the preparation of this strategy, eg that pertaining to equality of opportunity & the Welsh language (see Annex C of Circular).	
Demonstrated that it has systems and processes in place to monitor & evaluate performance at both the operational and cross-institution level and how this information will be used to inform future strategy development	
Formulated verifiable indicators of performance to monitor and evaluate its success or otherwise in achieving the projected impacts and outcomes of the institution's third mission strategy.	
Put forward an adequate set of milestones/performance indicators for inclusion in the Annual Monitoring statements to be submitted to Council from 2004/05 onwards.	

**Indicate your overall assessment of the plan's overall:**

- Strengths
- Weaknesses

**State any areas of good practice identified:**

**Recommendations :**