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Higher Education Funding
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hefcw

HEFCW/15/82: Annex A

31 July 2015

Professor Martyn Harrow
Chief Executive
One Castlepark
Tower Hill
Bristol
BS2 0JA

Dear Martyn,

Jisc funding from HEFCW for 2015/16

I am writing to confirm the arrangements for providing grant from HEFCW to Jisc (Company No: **05747339**) under section 65 (3) (b) of the Further & Higher Education Act 1992 in respect of services falling within section 65 (2) (d).

The grant we are providing is to support Jisc's work on behalf of the Welsh higher education sector. For the period, 1 August 2014 to 31 July 2015, HEFCW is prepared to provide the following maximum grant to Jisc: £2,001,470 in core grant for Jisc to address the objectives and priorities set out in **Annex A**. You will also collect subscriptions from Welsh Higher Education Institutions. We will pay the grant in monthly instalments subject to an agreed cash flow forecast. Jisc may approach HEFCW to adjust the funding profile at any time.

The terms and conditions of grant described in this letter are in addition to the general accountability terms and conditions described in the HEFCW-Jisc funding agreement that was agreed between us on 1 December 2012.

We cannot provide assurance regarding any in year cuts given the impending elections and comprehensive spending review. However, as the HEFCW contribution is paid for by the sector, we do not anticipate that such cuts will be necessary.

Yours sincerely

David Blaney
Chief Executive

www.hefcw.ac.uk

Mr David Allen
Cadeirydd/Chair
Ffôn /Tel 029 2068 2280

Dr David Blaney
Prif Weithredwr/Chief Executive
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Annex A – Priorities and Objectives of the Funders

1. We believe that Jisc is an essential part of building both the capability and capacity of the UK Further, Higher, and Vocational Education sectors in terms of both innovative, secure, and robust ICT infrastructure and promoting new and best practice to exploit this infrastructure effectively. The funders wish to work with Jisc in achieving these aims and objectives.

2. We value a fast, reliable, and resilient network with quality support services which enable the development of world class teaching, learning and research. These services are increasingly important in the areas of genome research, climate change, radio astronomy and social sciences. They also enable all parts of the sectors to achieve cost savings through the use of cloud technology and shared services.

3. We value cost effective and easy access to relevant online digital resources. These resources provide raw material for the sectors to conduct and innovate in teaching, learning, and research and also provide a method for dissemination of outputs.

4. We recognise the role that quality guidance and advice play in ensuring best value is obtained from digital developments. The availability of both local contacts and sector specialists will be important to the successful embedding of benefits from Jisc initiatives UK wide.

5. We understand the importance of innovation and the role it plays in maintaining the world class position of the UK education sectors. Jisc has a track record of excellence in the development of innovative and novel services.

6. As funders we wish Jisc to use its resources and expertise to add value to the HE, FE, and Vocational Education sectors and wish Jisc to:

    a. Continue its work on achieving and demonstrating value for money and the wider positive impact of its activities to the sector;

    b. Ensure services across the Jisc portfolio are backed-up with appropriate and available information and support;

    c. Continue to review service arrangements with a focus on efficiency and effectiveness;

    d. Ensure innovation continues through horizon scanning and targeted research;

e. Ensure quality stakeholder engagement across all services;

f. Maintain and develop critical core-services during reorganisation;

g. Develop the commercial exploitation of Jisc resources through Jiscom.

7. The funders have been kept suitably informed of progress against our priorities through Funders and Owners Group (FOG) meetings and Jisc Board papers and wish the Jisc leadership team to continue this practice. This is important as it is a key method of providing confidence to the funders in the development and future direction of Jisc.

8. Jisc has completed significant organisational change in the past year and is expected to achieve planned organisational efficiencies. This has included establishing a single customer support model across all services. Jisc has also implemented new corporate finance and customer relationship management systems to support this single organisation approach. We look forward to the further development of this approach and the improvement of customer services to the sector.

9. Jisc has successfully incorporated MIMAS, an archive and academic resource services data centre, previously hosted by the University of Manchester. We recognise that this was a significant task and that it forms part of the wider review of how Jisc services can be delivered effectively and efficiently to the sectors. We fully support Jisc in continuing to review how its services are best delivered to the sectors.

10. The co-design approach involving stakeholders in key Jisc activities received positive feedback from the sectors. This included the Summer of Student Innovation competition looking to turn student ideas into new services. We note that this approach has now been extended from initially including higher education students to those studying in the further education and vocational sectors. We look forward to seeing the winning ideas being developed and delivering benefits to the sectors.

11. Jisc has established Jiscom, a wholly owned subsidiary, whose objective is to commercially exploit the resources of Jisc. We note that the initial business focus concerns bidding to be part of the government public sector network supplier framework. We support Jisc's investment in this initiative and expect to be kept fully informed of developments.

12. Following the Government response to the Further Education Learning Technology Action Group (FELTAG) report we note that Jisc has taken a lead

role in the FELTAG Coalition. This group brings together membership bodies representing the whole of the FE and Skills sector to help achieve the ambitions set-out in the report. We believe that Jisc's role will assist in co-ordinating this work reducing duplication of effort and ensuring the FELTAG recommendations are implemented effectively in England, and that lessons learned are passed on to the devolved administrations.

13. In September 2014 Jisc launched a Janet-connected national data centre for UK research. The anchor tenants comprised The Francis Crick Institute, King's College London, London School of Economics and Political Science, Queen Mary University of London, Sanger Institute, and University College London. The design of the service aimed to reduce the barriers associated with data-sharing and collaboration. We note that, with the success of this service and the addition of new tenants, initial trigger points for greater economies of scale have already been reached. We believe this is an excellent example of a shared service delivering both cost-effectiveness and new capability to the sectors and look forward to its further development.

14. We note that you have completed the review of the current management arrangements of the "ac.uk" internet domain following a sector-wide consultation exercise. We also note that the new arrangements and processes take into account new entities in the sector and the changing landscape of service provision. The use of "ac.uk" is an important part of the UK education sectors digital presence and we would wish to be kept informed of any developments or issues in this area.

15. The following priorities and objectives remain current and we would wish that Jisc continue to work and report back on these areas:

    a. Progressing work on learner analytics

    b. Supporting the transition to full open access of research publications

    c. Ensuring the JANET network continues to have the capacity and resilience to meet the needs of the UK Further, Higher, and Vocational Education sectors

    d. Supporting the continued development of institutional repositories.

    e. Supporting the increased accessibility of research data.

    f. Improve the digital literacy of the sector workforce.

g. Increasing the provision of dual resilient network links to the FE sector subject to funding.

h. Progressing work on the exploration of appropriate shared services and other efficiencies.

i. Supporting the sector through enhanced guidance tailored to the different stakeholder groups.

j. Improving dissemination of beneficial Jisc developments so that usage is more widely embedded and that large numbers of stakeholders may benefit from the public investment made.

16. We are also keen for Jisc to remain engaged nationally and internationally by continuing to foster good relationships with partners and organisations including:

- Universities UK (UUK)
- The Association of Colleges (AoC)
- Guild HE
- The Society of College, National and University Libraries (SCONUL)
- Research Libraries UK (RLUK)
- Russell Universities Group of IT Directors (RUGIT)
- Universities and Colleges Information Systems Association (UCISA)
- European University Information Systems Association (EUNIS)
- The GÉANT Association
- The Higher Education Statistics Agency (HESA)
- The Higher Education Academy (HEA)
- Research Councils UK (RCUK)
- Colegau Cymru
- Universities Wales
- Innovate UK
- National Centre for Universities and Business (NCUB)

This list is not exhaustive and we would wish for Jisc to endeavour to liaise and work with other relevant groups such as the Gazelle Colleges.

17. We would expect this to include not only keeping up to date with, but also participating in, joint activities where the output would be of clear benefit to Jisc stakeholders. Jisc's key role in the FELTAG Coalition and participation in the HEDIIP project are good examples of this type of activity. Through this approach we would expect to reduce fragmentation of effort across the sector.

18. In order to evidence to funders and stakeholders alike that Jisc is both providing a quality service and is committed to improvement, we would wish to see Jisc develop comprehensive key performance indicators (KPIs). These would need to be robust and be able to demonstrate that Jisc is operating effectively and providing value to the sector. The KPIs should cover all areas of delivery including:

   a. Digital Content;
   b. Network and IT Services;
   c. Advice;
   d. Research and Development.

19. Jisc will need to work closely with all funders and take into account strategy, policy and working group outcomes. Selected links to funders' strategies, policies, and business plans are provided below for reference:

   [HEFCE Strategy Statement](#)

   [BIS Response to the Further Education Learning Technology Action Group](#)

   [HEFCW Corporate Strategy](#)

   [HEFCW Enhancing Learning and Teaching through Technology](#)

   [DELNI Corporate and Business Plan](#)

   [DELNI Higher Education Strategy](#)

   [DfES All Sector Policies](#)

   [HE Wales Online Digital and Learning Working Group](#)

   [SFC Strategic Plan](#)

20. The funders note that Jisc has kept us up to date on monies allocated to a transitional fund in order to support transformational activities in relation to the new organisation. We continue to wish to be appraised of how they have been used.

21. A state aid review was conducted in 2014/15. The review indicated that there is a low risk of state aid in the current Jisc funding model. Jisc will still need to mitigate against this risk by:

- Utilising suitable accounting practice to separate commercial activities;

- Maintaining a registration process for recipients of Jisc services not classed as undertakings taking into account the de minimis limits;

- Ensuring that any commercial activities of Jisc derive no undue benefit from grant funded activities and are charged at suitable rates taking into account market forces;

- Ensuring guidance and/or terms and conditions of service are made available to users taking into account EC state aid and commercial activity guidelines as updated from time to time.

22. We note that a market study in relation to state aid will be conducted by the funders towards the end of 2015. We request your full cooperation in this process. With the development of Jiscom and the potential for commercial exploitation of Jisc resources it is increasingly important that Jisc ensures compliance with European Union state aid law in its uses of funding. In the case of any breach of state aid law, funders may be required to recover all or some funding, together with interest. Funders may also be required to withhold funding, or aspects of funding should Jisc be subject to a state aid enquiry or have an outstanding recovery notice against it.