

<p>Cyngor Cyllido Addysg Uwch Cymru Higher Education Funding Council for Wales</p> 	<p>Research, Innovation and Engagement Committee</p> <p>Disclosable</p>
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Unconfirmed notes of the meeting of the Research, Innovation and Engagement Committee held on 4 May 2017 at the HEFCW offices, Bedwas

Present

Members

Professor Robin Williams (Chair)
Jarred Evans – Cardiff Metropolitan University
Professor Steve Gill - Cardiff Metropolitan University
Dr Owain Kerton – Welsh Higher Education European Liaison Officers (WHEELOs)
Professor Hilary Lappin-Scott - Swansea University
Chris Meadows – Business representative, IQE plc
Josh Miles – Federation of Small Businesses
Professor Mark E Smith - representing HEFCW Council
Matthew Taylor – Chair, Wales Industrial Liaison Officers Network (WILOs)
Alex Vincent – Research Councils UK
Dr Colin Wyatt – representing HEFCW Council

Attendees

Liz Flint – for presentation on Innovate UK

Observers

Phil Allen - Welsh Government (DEST)
Dr Robert Hoyle – Office of the Chief Scientific Adviser for Wales
Dr Carolyn Reeve - Department for Business, Energy and Industrial Strategy

Officers

Bethan Owen – Director of Institutional Engagement
Linda Tiller – Senior Research Manager
Dr Alyson Thomas – Head of Research, Innovation & Engagement

Apologies

Jackie Cresswell-Griffith – Head of Skills and Employability
Sue Morgan – Welsh Government (DEST)
Dr Tove Oliver – Senior European and International Manager
Professor David Shepherd – Bangor University
Professor Hywel Thomas – Universities Wales nominee
Amanda Wilkinson – Universities Wales

1 Welcome and Introductions

1.2 The Chair welcomed the following to their first meeting of the Committee:

- Jarred Evans, Director of PDR, Cardiff Metropolitan University, who had been appointed as a member of staff involved in innovation and engagement activities.
 - Josh Miles, Policy Manager at the Federation of Small Businesses Wales, who had been appointed as a representative of the small business sector.
 - Dr Owain Kerton, Chair of Welsh Higher Education European Liaison Officers (WHEELOs).
- 1.3 The Chair also welcomed Liz Flint, Innovate UK, who was attending to give a presentation on the work of Innovate UK. (Minute 5 refers.)
- 1.4 The Chair thanked Chris Meadows, IQE plc, for agreeing to be re-appointed to the Committee for a second term of three years as a business representative.
- 1.5 The Chair congratulated, in his absence, Professor Hywel Thomas, Cardiff University on the award of a CBE in the New Years honours.

2 Notes of the Meeting held on 20 October 2016

- 2.1 The notes of the meeting held on 20 October were accepted as a true record.

3 Matters Arising

a) *Item 5: Research Indicators 2014/15*

Linda Tiller reported that the Elsevier update report on bibliometric indicators had been published on the HEFCW website in November 2016, as agreed by the Committee.

b) *Item 7: Innovation and Engagement Activity*

Alyson Thomas reported that the Chair of HEFCW wrote to Ministers in November 2016 to highlight the outcomes of the HE-BCI Survey 2014/15, as the Committee had suggested.

c) *Item 9: HE Strategy for Wales*

Alyson Thomas reported that HEFCW had taken the Committee's comments into account in finalising the draft HE Strategy for Wales. The draft Strategy had been submitted to the Welsh Government in December 2016, and a formal response is awaited.

d) *Item 10: REF Consultation*

It was noted that this issue was covered under item 7 on the current agenda.

e) *Item 11: Global Challenges Research Fund*

Linda Tiller reported that HEFCW had published the 2016/17 allocations from the Global Challenges Research Fund in November 2016 and released the payments in December. Subsequently, BEIS had notified HEFCW of a

separate allocation of £227k for the Newton Fund for 2016/17. HEFCW had allocated that funding on a similar basis to GCRF, and had released the payments in December. It was anticipated that further funding under both schemes would be made available to HEFCW in 2017/18.

4 Communication from Chair

4.1 There were no additional communications from the Chair.

5 Presentation and discussion: Innovate UK

- 5.1 The Committee received a presentation on the work of Innovate UK from Liz Flint, who had been Innovate UK's Head of Cities and Regions until the end of April 2017, when she had taken up a new post with the Compound Semiconductor Applications Catapult. *(A copy of the presentation is available on the Committee Extranet.)*
- 5.2 Liz outlined Innovate UK's role and strategy, and reported on recent simplification of funding competitions. Innovate UK is keen to work with partners in the devolved nations and regions, looking at the interface between regional and national priorities. Examples of major Innovate UK investments in Wales include the Compound Semiconductor Applications Catapult and funding for SPECIFIC. Innovate UK's lead contact for Wales is Dr John Wood.
- 5.3 Liz provided a breakdown of Innovate UK funding by type of organisation. The proportion of funding provided to big business has decreased, and SMEs are the largest single category of recipient. Currently, around 56% of all funded projects involve HEIs, with the remaining 44% being industry-only.
- 5.4 Liz also provided figures on Innovate UK spend by region. Key points were:
- total Innovate UK funding in Wales is low (£7m out of a UK total of £267m in 2015/16 – 2.6%). It is, however, likely to increase in future years because of the funding for the Compound Semiconductor Applications Catapult.
 - Funding **per business** in Wales is somewhat better – currently £32 per business. This is lower than Scotland (£49 per business) and most regions of England, but higher than Northern Ireland and the South West.
 - Academic uptake of Innovate UK funding is also low in Wales, especially in relation to KTPs, where Wales is below both Scotland and Northern Ireland. Cardiff University is the only Welsh university in the top 20 for total KTP funding; and Aberystwyth University is the only Welsh university in top 20 for collaborative R&D funding from Innovate UK.
- 5.5 Liz reported that the success rate for Innovate UK funding applications from businesses in Wales is just as good as for other parts of the UK, but numbers of applications are low. The Committee discussed possible reasons for this. Liz indicated that the relatively low number of head offices in Wales was not necessarily a factor. The low application rates may be due to the high proportion of micro-businesses in Wales, and company type. Many small businesses do not think of themselves as innovators, despite the fact that they

do develop new products and services. There is a need to encourage such companies to apply for Innovate UK funding. A pilot has been run in England, but focusing on established companies. It was noted that it was possible that, in Wales, some companies may apply for funding from ERDF rather than Innovate UK.

5.6 It was noted that, since Innovate UK funds universities in partnership with businesses, a low participation rate by businesses in Wales also affects levels of funding for universities.

5.7 The following points were also discussed:

- BEIS has announced the six thematic areas to be funded through the Industrial Strategy Challenge Fund. Wales should be well-placed to secure funding through several of these, including leading edge health care, energy technology and robotics (in the context of nuclear).
- It was asked how the BEIS Science and Innovation Audits would be used. Liz indicated that they are likely to feed into BEIS' approach to place-based innovation.
- Phil Allen reported that the Welsh Government is discussing possible co-funding with Innovate UK, and already co-funds KTPs in Wales.

5.8 The Chair thanked Liz for her excellent presentation and suggested that the Committee might wish to invite her back to a future meeting to provide an update on the progress of the Semiconductor Applications Catapult.

Action: HEFCW to circulate the presentation to Committee members.

6 Innovation and Engagement Activity Update

6.1 The Committee considered a paper on developments and investments relating to innovation and engagement activity in Wales and across the UK. The paper also invited the Committee to consider how these developments, and other future emerging opportunities, can be used to maximum advantage. Alyson Thomas reported that she would additionally circulate material on KTP support in Wales and the Youth Entrepreneurship Strategy after the meeting.

6.2 The following points were made in discussion:

- The recommendations of the Diamond review are welcome and much needed, but it is important that they are implemented quickly. There is a feeling that, in the current funding situation, Wales is 'living on borrowed time'. Hilary Lappin-Scott drew attention to the fact that English universities have been allowed to increase their undergraduate tuition fees by £250. Bethan Owen indicated that this was being discussed with Welsh Government as part of wider funding discussions.
- Robert Hoyle reported on arrangements for the Reid Review of Government Funded Research and Innovation in Wales, which was currently underway. Bethan Owen commented that, in giving evidence, it will be important for HEFCW and universities to provide a strong and compelling case for increasing QR, presented in terms of what the funding achieves; it will not be sufficient to argue simply on the basis of a funding gap with England.

- In relation to the Hazelkorn recommendation for the establishment of a single body responsible for HE and FE, the Chair commented that it will be important to ensure that research does not get marginalised in the larger body. It was noted that the Welsh Government would publish White Papers on the Hazelkorn review later in the year.
 - It was noted that some of the funding from the £4.7 billion for R&D announced by the Westminster Government in the 2016 Autumn Statement would be allocated via HEFCE. HEFCW was working with Welsh Government to establish the position in relation to any consequential for Wales.
 - In relation to the SMART Expertise programme, Phil Allen commented that the initial call had been competitive, and so it had not been possible for Welsh Government to work with universities on the development of bids. All of the initial bids had been rejected, but Welsh Government is now working with institutions to address the deficiencies identified, including in relation to WEFO requirements, so that they can be re-appraised. It is anticipated that just under half of the original bids are likely to be funded.
 - Hilary Lappin-Scott reported on the progress of the REAP programme, which is based on a model developed by MIT. The Wales brand of REAP will be called Be the Spark, and it is currently looking to recruit its first 300 members. A major stakeholder event has been scheduled for 28 June.
- 6.3 Members agreed that HEFCW's *Innovation Nation* publication and launch event had been very successful. It was agreed that HEFCW should produce a further *Innovation Nation* publication next year, and hold a launch event. The focus on next year's publication is likely to be the civic and community role of universities.
- 6.4 The Committee noted that the Sêr Cymru programme, led by the Welsh Government's Chief Scientific Adviser, was very successful and was providing valuable additional research investment for the sector. The Chief Scientific Adviser, Professor Julie Williams, would be stepping down shortly to become Director of the new Dementia Research Centre at Cardiff University. It was agreed that the Chair should write to Julie Williams on behalf of the Committee to thank her for all her work and achievements.

Actions:

- **Alyson Thomas to circulate additional material on KTP support in Wales and the Youth Entrepreneurship Strategy.**
- **All organisations submitting evidence to the Reid Review, including HEFCW, to provide clear evidence of the importance and achievements of QR funding.**
- **HEFCW to produce a second Innovation Nation publication, with associated launch event, in 2018, based on the theme of universities' civic and community role.**
- **The Chair to write to the Chief Scientific Adviser to express the Committee's thanks.**

7 Consultation on second Research Excellence Framework: Responses from Wales

- 7.1 The Committee considered a paper which provided an overview of responses from universities in Wales to some of the key questions in the UK-wide consultation on arrangements for the second Research Excellence Framework (REF).
- 7.2 Linda Tiller updated the Committee on the funding bodies' emerging thinking on several of the key questions, following a meeting of the REF Steering Group which had been held since the paper was written.
- 7.3 The Committee urged the REF Steering Group to keep the rules for the 2021 REF as simple as possible, including in relation to calculating the average number of research outputs required per researcher.
- 7.4 It was noted that there were still concerns about the effects that potential changes to the REF rules might have on joint submissions.
- 7.5 Linda Tiller indicated that the funding bodies would test their emerging thinking on arrangements for the REF through a process of soft consultation over the summer, such as the present discussion with the RIE Committee.

8 Concordat on Open Research Data

- 8.1 The Committee considered a paper which invited members to endorse HEFCW's intention of becoming a signatory to the Concordat on Open Research Data. The Concordat had been launched by Research Councils UK, HEFCE, the Wellcome Trust and Universities UK in 2016, with the intention that other organisations would also become signatories over time.
- 8.2 The Committee endorsed HEFCW's intention of becoming a signatory, but noted that there were cost implications for universities, and asked whether any detailed costings had been undertaken.
- 8.3 Alex Vincent commented that RCUK is aware of the cost implications, and intends to work closely with the sector to get a better understanding of the costs. It would also discuss the issue with BEIS. Carolyn Reeve agreed that it would be useful to get a better understanding of costs, and she indicated that she would take this point back to BEIS.

Actions:

- **To recommend to Council that HEFCW should become a signatory to the Concordat on Open Research Data**
- **Subject to Council agreement, HEFCW to apply to RCUK to become a signatory.**

9 HEFCW remit letter 2017-18 and Development of Corporate Strategy 2017-2020

- 9.1 The Committee considered a paper which presented the research and innovation aspects of HEFCW's 2017-18 remit letter, together with a draft consultation on HEFCW's Corporate Strategy for the period 2017-20.
- 9.2 Alyson Thomas introduced the paper and commented that the new draft Corporate Strategy looks very different from previous ones. In place of a structure based around separate policy themes (including research, innovation and engagement) the new document is structured around HEFCW's role as a regulator, funder and influencer. Additionally, in place of targets for the HE sector, the new Corporate Strategy will contain targets for HEFCW and a commitment to monitoring a series of measures of sector performance.
- 9.3 The following points were made in discussion:
- It was noted that the remit letter included reference to institutions' procurement activities as an aspect of civic engagement.
 - The following additional measures or performance were suggested: indicators of collaborative research (e.g. collaborative research income); FTEs related to engagement; numbers of STEM and non-STEM staff.
- 9.4 It was noted that publication of the consultation on the draft Corporate Strategy might have to be delayed until after the General Election.

Action: Institutions to respond to the consultation on the draft Corporate Strategy, when published.

10 HEFCW-RCUK Assurance memorandum

- 10.1 The Committee received, for information, a copy of an Assurance Memorandum between HEFCW and Research Councils UK, which was due to be signed shortly. The Memorandum set out arrangements for sharing assurance information between the two organisations to minimise duplication.

11 Recent Research and Innovation Funding Successes

- 11.1 The Committee received, for information, a paper summarising major research and innovation awards which had recently been secured by the HE sector in Wales, together with some information about awards and events.

12 Any Other Business

- 12.1 There were no items of additional business.

13 Dates of Future Meetings

- 13.1 The next meeting of the Committee will be held on Wednesday, 25 October 2017.