

HEFCE 01/22

April

Consultation

Respond by 4 May 2001

Higher Education Innovation Fund

Funding proposals

Office of Science and Technology

Higher Education Innovation Fund: funding proposals

To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Relations between HE and business and the wider community; contract and collaborative research; continuing vocational education; strategic planning
Reference	01/22
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Enquiries to	Adrian Hill, tel 0117 931 7351, e-mail a.hill@hefce.ac.uk Or HEFCE regional consultants

Executive summary

Purpose

1. This document outlines proposals for higher education institutions (HEIs) in England to apply for special funding for activities that will increase their capability to respond to the needs of business (including companies of all sizes and a range of bodies within the wider community), where this will lead to identifiable economic benefits.

Key points

2. The new Higher Education Innovation Fund (HEIF) builds on the third stream of funding initiated by the Higher Education Reach-out to Business and the Community fund (HEROBC). It is designed to sit alongside institutions' teaching and research activities, enabling them to secure the maximum economic benefit from those activities.

3. The fund will continue to provide a platform of core funding to help HEIs enhance organisational and structural arrangements for implementing their strategic aims in this area, so that they can contribute to economic growth and competitiveness.

4. The proposed activity builds on HEROBC, on which we consulted fully. However, we would welcome comments on our strategic aims and objectives for the fund, and on the proposed criteria for allocations and distribution arrangements. These are set out in the guidance notes on Knowledge Exploitation Funding (Annex A) and the application guidelines for HEIF (Annex B). A list of acronyms is given in Annex C.

Action required

5. Please send responses to this consultation to Adrian Hill at the HEFCE, to arrive **by 4 May 2001**.

Background

6. Funding for HEIF was announced following the Government's 2000 Spending Review, in order to continue and develop the work of HEROBC. The fund has been established as a partnership between the Department of Trade and Industry/Office of Science and Technology (DTI/OST), the HEFCE, and the Department for Education and Employment (DfEE).

7. As announced in the Science and Innovation White Paper published in July 2000, the HEIF is worth £140 million over three years and will help build on institutions' potential as drivers of growth in the knowledge economy. The fund will incorporate the existing HEROBC fund, for which the HEFCE is currently providing around £20 million a year. It is expected that the HEFCE will continue to provide third stream funding at that rate or greater.

8. New resources are being made available by OST of £20 million a year in each of 2001-02 and 2002-03, rising to £40 million in 2003-04.

Proposals

9. We propose to invite HEIs to apply for funding in May 2001, in accordance with the arrangements set out in this document. Applications from consortia of HEIs which show added value over what could be achieved individually will be welcome. Applications are also invited for large scale pilots or exemplar projects, along the lines of the University Innovation Centres described in the White Paper on enterprise, skills and innovation.

10. It is proposed that £80 million should be allocated in this way. Funds will be awarded to individual HEIs, or to consortia of HEIs through a nominated co-ordinating institution.

11. It is intended that permanent third stream funding will be available in future for supporting seed funding and entrepreneurial activities which have previously been funded under the separate University Challenge and Science Enterprise Challenge schemes. In order to progress the move towards a co-ordinated single funding stream, HEIs will be invited to submit bids for HEIF, Science Enterprise Challenge and University Challenge within a co-ordinated framework, as set out in the guidance notes on Knowledge Exploitation Funding (see Annex A). Applications for funding will be reviewed collectively, and one advisory group will assess proposals for all three competitions.

12. HEIs which apply for funding will be expected to show how their proposals fit with their strategy for managing and improving third stream activities, reflecting their mission and established record in this field, and recognising the specific needs of business.

13. Full proposed guidelines for preparing and submitting applications, and the arrangements for assessing these, are set out at Annex B.

Timetable

14. We propose to work to the following timetable:

- call for applications – 21 May 2001

- close of competition – 20 July 2001
- awards announced – end September 2001.

Issues for consultation

15. The proposed activity builds on HEROBC, on which we consulted institutions fully. As HEIF will also be inviting larger collaborative bids, we would welcome the views of institutions and others on the strategic priorities and funding proposals for this initiative.

16. Comments are invited in particular on:

- the objectives of the fund
- the proposed process and criteria for applications and awards
- the proposals for management, monitoring, and evaluation.

Responses

17. Responses to this consultation should be sent to arrive **by 4 May 2001** to:

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