

Cylchlythyr | Circular

Research Wales Innovation Fund: consultation outcomes

Date: 31 October 2019
Reference: W19/37HE
To: Heads of higher education institutions in Wales
Principals of directly-funded further education colleges in
Wales
Response by: No response required
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This circular reports on the consultation outcomes for the Research Wales Innovation Fund (RWIF). It confirms the distribution model and metrics that will be used to allocate future RWIF funding.

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Introduction

1. This circular publishes the outcomes of HEFCW's recent consultation on the implementation of a new fund to support innovation and engagement at higher education institutions (HEIs) in Wales. The responses submitted have informed the development of the Research Wales Innovation Fund, and HEFCW is now in a position to confirm the distribution model and funding metrics. Comment and suggestions provided by respondents in terms of strategy and monitoring requirements will feed into a guidance circular which will be published late March 2020.

Background

2. As a consequence of the introduction of the full-time undergraduate fee grant HEFCW took the decision to withdraw Innovation and Engagement Funding (IEF) in 2013/14. The fund had previously made available (in the region of) £8m per annum to support higher education institutions (HEIs) in their knowledge exchange; supporting economic, social, and cultural growth across Wales and beyond. HEFCW is now in a position to reinstate support for innovation from 2020/21 and this was announced more widely through circular [W18/24HE: Consultation on changes to the funding methods for 2019/20 and future developments](#).
3. In May 2019 circular [W19/13HE: Consultation on implementing the Research Wales Innovation Fund](#) (RWIF) published proposals for funding distribution models, associated metrics, and institutional requirements. Respondents were also asked to consider implications which might impact on equality and diversity, Welsh language, and Wellbeing of Future Generation Act goals.
4. A workshop to discuss the proposals was held in June 2019 and was well attended by the Welsh sector and other interested bodies. The session provided further insight into the proposals to implement RWIF.
5. Formal consultation responses were due in July 2019 and in total 11 submissions were submitted. These were predominantly by higher education institutions in Wales (9), one by [PraxisAuril](#), and a formal letter of response from the [Coleg Cymraeg Cenedlaethol](#). A summary of the responses for each question and the HEFCW comments/conclusions are provided at **Annex A**.

Consultation outcomes

6. HEFCW designed the new fund to meet the recommendations and ideals of the [\(Reid\) Review of Government Funded Research and Innovation in Wales](#). It is intended that the RWIF will incentivise and reward performance by HEIs in Wales, particularly in terms of external income capture. The

implementation of Reid is also central to meeting [HEFCW's Vision for Research and Innovation in Wales](#).

7. Overall there was strong consensus on how the fund could be best implemented in Wales and meet the Reid ideals of incentivising and rewarding performance. This was aided greatly by the debate which had taken place at the workshop. Based on the responses the suggested conclusions are as follows:

RWIF Model	HEFCW conclusion
Distribution model	All funding will be allocated, for 3 years initially, based on a formula which rewards and incentivises performance.
Capacity Grant	Each institution will receive a capacity grant of £250k per annum to prevent volatility, ensure stability, and to encourage collaborations. This will be reviewed after three years, with consideration given to a match funding requirement from HEIs.
Metrics	HEFCW's National Measures will form the basis of metrics for three years.
Funding Models	Model A which weights the income measures at X2 will be used for the initial 3 year period. This model supports the Reid ideals, but not at the expense of enabling institutions in their non-income generating knowledge exchange activities which will be central to HEFCW's Vision for R&I.
Annual weighting	Three years of HE-BCI data will be used within the formula weighted 2:3:5.
Funding thresholds	A minimum threshold of £400k will be established (this includes the £250k capacity grant). The maximum threshold will be set at £4m (see below).
Annual adjustments	Institutions will be protected to ensure that annual adjustments could only result in a maximum decrease of -10%. The fund will be limited to an up to +30% annual increase based on performance and availability of funding (see below).
Modelling the OU in Wales within RWIF	HEFCW will use Welsh FTE student numbers to pro-rata data submitted to the HE-BCI survey by the Open University UK. This % will be used within the formula driven funding.
Strategies and monitoring	All institutions in receipt of RWIF will be required to submit 3 year strategies. HEFCW will further review suggestions from the consultation relating to civic mission case studies and financial plans. Detailed

	guidance will be published late March / early April 2020.
Welsh language considerations	With the exception of one response, RWIF proposals were seen as having a positive impact on Welsh language, particularly through focus on 'place' within HEFCW's Vision for R&I. Future strategies will be required to note the impact of planned activities on the Welsh language.
Wellbeing of Future Generations Act	Proposals were viewed as having a positive impact on the WFG goals. Future strategies will be required to note the impact on the WFG Act.
Equality and diversity	Proposals were viewed as having a positive impact on equality and diversity. Future strategies will be required to note the impact on equality and diversity.

Changes to allocation upper threshold and clarity over maximum annual increase

8. The consultation proposed setting a minimum threshold of £400k and an upper threshold of £3.5m (including capacity grant and formula funding). Respondents were content with the proposal for the minimum threshold, but one submission raised concerns that institutions who were potentially close to the £3.5m level would not be appropriately incentivised or rewarded for their performance against the metrics, particularly income capture. As a result of further discussion, and scenario testing, Council agreed to increase the maximum threshold level to £4m.
9. As noted RWIF has been designed to meet the Reid ideal of incentivising and rewarding performance. As such it was proposed that the formula funding would be reviewed annually with the potential for institutions to receive a maximum increase in annual allocations of +30%, or a maximum decrease of -10%. [*To note the Capacity Grant would be protected annually at £250k, and not subject to any reassessment.*] Respondents did not have an issue with this in principle.
10. However it was noted that given our assumption that the RWIF would remain static at £15m for 3 years, there may be insufficient funding available to simultaneously protect institutions to a maximum decrease of -10% and allow for a maximum annual uplift in formula funding of +30% based on performance. In reviewing this aspect it was agreed that in order to prevent volatility institutions would be protected to ensure they might only face a maximum decline of -10%. This would take precedence over any increases. As such the maximum annual RWIF allocation increase will be 'up to a maximum of 30%', with the percentage determined annually based on incentivising performance, and availability of funding.

Timetable for next stage

11. HEFCW will publish guidance for the three-year RWIF strategies in late March /early April 2020. The date will be dependent on confirmed HE-BCI data for 2018/19. The guidance will take on board the suggestions submitted to the consultation, and those raised through the discussion which took place at the June workshop.

Impact Assessment

12. HEFCW carried out an impact assessment of the proposals for RWIF prior to the consultation publication to help safeguard against discrimination and promote equality. We also considered the impact of policies on the Welsh language, and Welsh language provision and potential impacts towards the goals set out in the [Well-Being of Future Generations \(Wales\) Act 2015](#) including our Well-Being Objectives. Contact equality@hefcw.ac.uk for more information about impact assessments.
13. Equality and diversity implications were also considered as part of the consultation. The responses all noted the positive impact the RWIF will have on activities and relationships both internally and externally to HEIs. Further information is available in **Annex A**. Guidance for strategies and monitoring requirements will be developed in 2020 and will be subject to a further equality impact assessment prior to publication. In addition institutions will need to ensure that their own RWIF strategies are equality impact assessed.

Further information / responses to

14. For further information, contact Emma Morris (tel 029 2085 9664; email emma.morris@hefcw.ac.uk).

Summary of responses to the consultation on implementing the Research Wales Innovation Fund (RWIF)

Introduction

1. In May 2019 Circular W19/13HE published proposals for the establishment of the RWIF which would be implemented in 2020/21. The circular proposed distribution methods, metrics, funding models, and institutional requirements. Respondents were also asked to consider implications which might impact on equality and diversity, Welsh language, and Wellbeing of Future Generation Act goals.
2. A workshop was held in June 2019 to discuss the issues raised in the consultation and was well attended by the Welsh sector and other interested bodies. The session provided excellent debate and further insight into the proposals to implement RWIF.
3. Formal consultation responses were due in July 2019 and in total 11 submissions were submitted. These were predominantly by higher educations in Wales (9), one by [PraxisAuril](#), and a formal letter of response from the [Coleg Cymraeg Cenedlaethol](#). A summary of the responses for each question and the HEFCW comments/conclusions are provided below:

4. Distribution of Research Wales Innovation Funding (RWIF)

The consultation asked for opinions on distributing funding via the following three options:

- | |
|---|
| a) Allocate all funding, for 3 years initially, based on a formula which rewards and incentivises performance. |
| b) Split funding into two pots – a percentage distributed by formula (as above), with the remainder provided to support collaborative innovation hubs. This would support the Reid review ¹ recommendation of Welsh Government funded industry led hubs ² . |
| c) Neither of the above. |

Response from consultation:

All respondents who completed the pro-forma (10 in total) were highly favourable towards option (a). Most voiced the opinion that following a period of underinvestment in Wales funding should be prioritised to rebuild capacity, enabling institutions to take opportunities as they arose. The decline in HE-BCI reported income in Wales since 2013/14 (9.5% to 2017/18) is not replicated elsewhere in the UK where innovation and engagement funding has been continuous. In order for Welsh institutions to improve their outcomes a period of pump priming and financial stability were recommended which would ensure a planned approach to growth and improved performance. It was considered that such investment should enable Welsh HEIs to compete on the same terms as those in other parts of the UK.

¹ [Reid Review of Government Funded Research and Innovation in Wales](#)

² Reid recommended that 3 industry led hubs would be funded through the Welsh Government via the St David's Investment Fund. They would aim to raise £5-10m annually working with partners such as City Deals, Sector Deals, Catapult Centres and Innovate UK so seize economic opportunities in Wales.

Respondents who mentioned hubs in their responses noted that significant work would be required to ensure that the best format for the concept was developed. There was concern that the required industry input needed to ensure long-term success could delay the deployment of RWIF further compounding issues around KE growth in Wales.

Five respondents noted that whilst hub investment would not be appropriate/ desirable at this point in time there was future potential which could be further explored at a later date. They recommended that when RWIF is reviewed in 2023 hubs should be reconsidered given the sector would be better placed to welcome and actively support their development.

HEFCW conclusion:

- Between 2020/21–2022/23 RWIF will be distributed based on an agreed formula which will incentivise and reward performance. When RWIF is reviewed in 2023 further consideration will be given to the development of HE-Industry hubs.

5. Proposed metrics for distributing RWIF – Capacity Grant

The consultation proposed providing each institution in Wales with a capacity grant of £250k (£2.25m in total). This would be aimed at stabilising HEI functions and reducing volatility.

There was unanimous support for the inclusion of the Capacity Grant (CG) as part of the distribution model. It was thought that funding would stabilise functions, providing a strong foundation to build sustainability and improve performance. It was noted that team capacity in some institutions had been degraded more than others and that the CG would ensure uniformity of capacity and benefits to the whole of Wales. One response noted that the CG would restore capability and enable Welsh HEIs to compete on an equal footing for UK and international funding. Additionally it would allow Welsh institutions to plan activity according to their mission and place based opportunities, and aligned well with the principles of the [*currently draft form*] Knowledge Exchange Concordat.

Three respondents suggested that, without being overly prescriptive, it would be useful if HEFCW could outline in its guidance the broad purpose of the Capacity Grant. This would ensure it was allocated internally in a way which would support HEFCW’s Vision for Research and Innovation, Reid outcomes, and institutional RWIF strategies.

Two respondents questioned the level and method for allocating the Capacity Grant suggesting it be increased, or distributed on the basis of FTE academic staff. However, the majority of respondents strongly supported parity in the sector as a means of supporting Welsh KE and economic success and social impact. The potential for institutions to use this funding as a basis for collaborative approaches was also noted.

HEFCW conclusion:

- The RWIF will provide a £250k Capacity Grant to all Welsh institutions between 2021/21–2022/23. It will be ring-fenced within the funding formula, and not subject to annual reassessment or change. In 2023 the Capacity Grant will be

reviewed and consideration given to provision on the basis of agreed institutional match funding.

- RWIF guidance produced in 2020 will provide broad suggestions on the purpose of the Capacity Grant. This should ensure it is used as a means to meet Reid recommendations, the aims of HEFCW's Vision for Research and Innovation, and to enable institutions to meet the ambitions of their RWIF strategies.

6. HEFCW National Measures³ – proposed metrics

HEFCW has agreed with the sector a set of National Measures which would be used as a means of reviewing and measuring KE performance in Wales. These are drawn from the [Higher Education Business Community Interaction Survey](#), and have formed the basis of proposed funding metrics for RWIF. Overall respondents were supportive of the metrics, with the proportion that reported a positive response outlined below.

Does this metric support I&E activity and meet the Reid Review aim of incentivising and/or rewarding performance?	
Agree / somewhat agree	
Total income reported to HE-BCI per academic staff FTE	80%
Total actual income reported to HE-BCI (£ actual)	100%
CPD/CE learner days delivered per academic staff FTE (HE-BCI table 2)	90%
Spin-offs ⁴ still active which have survived for at least three years (HE-BCI table 4) by research income (HESA - excluding QR)	80%
Graduate start-ups still active which have survived at least three years by UG FTE (HE-BCI table 4)	90%

Feedback on the metrics

As noted above, respondents were, for the most part, positive about the metrics. A small number of issues were raised, often only in individual submissions to the consultation. Some clarification comments are provided by HEFCW in response below:

- 1) It was noted by one respondent that normalising total income by FTE would favour smaller institutions, and there was concern that relatively minor changes in activities at these HEIs could make a difference to the funding allocations.

HEFCW response - in proposing the metrics HEFCW has tried to ensure income is used in ways which incentivise growth regardless of institutional scale (FTE academic) and also rewards actual HE-BCI income performance (total actual

³ [HEFCW National Measures](#)

⁴ Includes spin-offs with some HEP ownership, and formal spin-offs, not HEP owned.

income). Both are weighted higher than non-income measures and are aimed at supporting knowledge exchange outcomes based on relative and actual performance.

- 2) It was noted that the number of spin-offs (and graduate start-ups) which have survived three years would see limited impact from RWIF funding during the initial three year stage. One respondent also noted that spin-offs represented only one route to commercialisation and could result in institutions investing heavily in an area which might not be the most suitable innovation route.

HEFCW response - the decision to include both spin-offs and graduate start-ups as National Measures was influenced by the need to monitor long term aspirations and the sustainability of KE activity across Wales. RWIF will support the work undertaken by institutions to develop lasting spin-offs and graduate start-ups. It is likely that both metrics will be revisited when RWIF is reviewed after three years and when impact across Wales should be evident. It should also be noted that non-income measures such as these are not weighted as highly as the income metrics.

Further modelling and scenario testing has taken place at HEFCW utilising the last 6 years of HE-BCI data in order to examine impact on funding patterns and any potential for volatility within these metrics. These tests have not highlighted any major issues or concerns, even in years with anomalous one-off increases in performance. [*To note, this covers the period when HEFCW withdrew support for innovation and engagement.*]

We would also encourage Welsh institutions to engage in the HESA review of the HE-BCI survey to encourage the collection of data relating to other innovation routes which could be considered in future RWIF funding models.

General issues:

- 3) Three responses suggested data on public engagement collected by HE-BCI be reviewed for inclusion within the funding model.

HEFCW response – the Council did discuss whether to include Table 5 HE-BCI data within the funding model. However, there remains a lack of consistency in reporting across the whole UK, drawing concerns about the robustness of this data as a funding lever. HEFCW’s focus on Civic Mission is also broader than the current event based data collected for the HE-BCI survey. We have specifically raised with HESA the need for the inclusion of new civic engagement related data in the revised HE-BCI survey.

- 4) Consistency of approach in submitting data to the HE-BCI survey. This concern was raised in 8 of the responses. It is clear that respondents felt that Welsh HEIs would benefit from clarity on HE-BCI reporting expectations. This would enable a consistent approach across Wales, ensuring that all eligible data is input by institutions.

HEFCW response – we are engaged in the HESA review of HE-BCI and have recently confirmed that we will be part of the Strategy Group. We have also written to Welsh HEIs to note that a phase 1 [consultation](#) has been published. HEFCW is keen to see Welsh institutional representatives on the various working groups which will form part of the next phase. This should ensure HE-BCI guidance is clearer and that new survey better reflects changes seen in the knowledge exchange landscape

in Wales. HEFCW will also give consideration to working with WILOs to hold, alongside HESA, a workshop to share good practice and ensure more consistency of approach across the Welsh sector.

HEFCW conclusion:

Given the broad overall agreement on the metrics RWIF formula funding [outside of the Capacity Grant] will be allocated between 2020/21-2022/23 based on metrics based on HEFCW National Measures. These will be taken from the HE-BCI return over a three year period (in its first year this will be 2016/17–2018/19 data).

Further modelling and scenario testing has been undertaken to examine how the data works over an extended time period (6 years), given highs and lows of performance, particularly the impact of anomalous one off increases. These tests have not highlighted any major issues or concerns. We will continue to update institutions on the HESA review of HE-BCI, and discuss the possibility of running a workshop in Wales to share good practice and ensure consistency in reporting.

7. Proposed Funding Models

In using the National Measures as metrics for the RWIF formula, two funding models were proposed. Both were aimed at meeting the Reid Review recommendation that funding should be distributed to incentivise the attraction of *‘the highest levels of external income through collaborations with business and other partners’*. For both models income measures were weighted more highly than non-income measures.

The proposed funding models aggregate data in the following ways:

- **Model A – non income measures weighted x1; income is weighted x2**
- **Model B – non-income measures weighted x1; income is weighted x4**

Eight of the responses advocated for Model A as this would reward large research intensive universities but not at the expense of incentivising growth in smaller, less research intensive institutions. It was felt that the model struck the right balance between income and non-income measures and balanced the need to support non-income generating knowledge exchange, including civic mission activity. With lower weighting focused on income generation the model was viewed as providing greater protection for areas included in HEFCW’s Vision for Research and Innovation such as HE-FE collaboration, skills pipeline needs, and entrepreneurship. There was concern that Model B would lead to a narrow focus of activity solely on income generation.

Model B was preferred by one respondent who argued it would boost external partner competitiveness and drive up their investment in research and development. The model was also viewed as stimulating performance and rewarding the outputs of excellent research. One institution, who stated a preference for Model A, did note that Model B more accurately reflected the recommendations of the Reid Review.

Finally one respondent suggested a compromise model of weighting income at X3. This would continue to incentivise performance but also limit slightly the amount of funding which would be taken by the large research intensive institutions in Wales.

HEFCW conclusion

It is clear from the responses that model favoured is A, even whilst it has been acknowledged by some that Model B is arguably a better fit with the Reid

recommendations. The case that Model A could better enable all institutions in their non-income generating KE, particularly Civic Mission activities, is compelling. It is also arguable that given the underfunding of the sector since 2013/14 it is simply too early to move directly to a heavily income incentivised funding model. The x3 model was developed for consideration. It was concluded that whilst it offered a middle way between the proposed models it would, compared to Model A, have a negative impact on funding levels for more than half the sector. Given the model was not provided for consideration during the consultation, and the overwhelming support for Model A, it will not be implemented at this stage. However, it could be considered as formula model for future versions of RWIF.

Therefore, formula RWIF funding 2020/21-2022/23 will be distributed based on Model A.

8. Annual data weighting and funding thresholds of formula allocations

The consultation proposed that the chosen model would be formulated using data from three years of HE-BCI returns. Within the model:

- Years would be weighted 2:3:5 with the model re-run annually based on the latest data;
- Based on performance, total allocations could be subject to a maximum increase of 30% or maximum decrease of 10% of funding;
- Respondents were also asked to consider a minimum and maximum threshold e.g. all allocations should be at least £400k, and no more than £3.5m?

No issues were raised over the proposed annual data weightings, which were viewed as non-extreme and would incentivise and reward the latest performance. It was also felt that the weightings would smooth out any data abnormalities.

All responses were, in the main, favourable to the proposed annual maximum 30% increase or decrease of -10% based on latest performance. This approach was seen as fitting well with the Reid recommendations of rewarding performance, and also aiding in the successful implementation of institutional strategies for growth. Concern was voiced over the potential to see fluctuations based on large increases in some metric areas. One concern raised by two respondents noted that the planned fund is likely to remain static at [*in principle*] £15m for the first three years. There is potential that without additional funds providing an extra 30% could prove impossible whilst also protecting other institutions from a more than -10% drop.

In terms of threshold limits most respondents felt a floor was essential in terms of planning and staff retention. It would meet the funds aims of reducing volatility and increasing stability. One respondent noted that imposing a maximum threshold would avoid large fluctuations at the higher end of the income allocation model. Conversely one response noted that an upper limit of £3.5m would potentially disincentivise growth in institutions who are already near the upper limit.

HEFCW conclusion

It was agreed that HE-BCI data used in the RWIF metrics will be weighted over 3 years at 2:3:5, and that a baseline amount of £400k be set to ensure stability across the sector. The upper threshold will be increased to £4m incentivising institutions closer to the original threshold allow them more room for growth.

To prevent volatility in knowledge exchange activity HEFCW will confirm the maximum per annum decrease in formula allocation will be set at -10%. Given RWIF may remain static at £15m pa, maximum per annum increases will be referred to as 'up to +30% increase' and will be decided annually based on rewarding performance and availability of funds.
 [To note, the Capacity Grant will be set at £250k pa and will not be subject to annual reassessment].

9. Complications of using HE-BCI data for the Open University in Wales

The Open University returns data to the HE-BCI survey but it is not disaggregated for devolved countries in the UK. Respondents were asked to submit their viewed on pro-rating the Open University UK HE-BCI data against the FTE student numbers in Wales.

Eight of the consultation responses provided commentary on this issue. Five were supportive of the proposal to use student numbers as a proxy for the level of HE-BCI data in the formula. Two stated that the OU should be asked provide a granular level of data which could be used across the UK. One response queried the inclusion of the OU in Wales given the HE-BCI reported outcomes may have no impact on social and economic wellbeing in Wales. It was also noted that the OU in Wales is not eligible for other research funding streams such as QR and PGR.

HEFCW conclusion

Overall there was support for the inclusion of the OU in Wales within the RWIF, and the suggestion of utilising FTE student numbers to apportion HE-BCI outcomes. HEFCW has noted the issues raised in terms of data and funding and will undertake further discussion with other UK funders in terms of consistency of approach.

10. Strategies and Monitoring

The consultation proposed that eligible institutions would be required to submit and have approved a 3-year strategies aligned to HEFCW's *Research and Innovation: the Vision for Wales*. It was proposed to monitor institutions annually against their performance in the HEFCW National Measures.

Respondents were all supportive, or in agreement with, the suggestion that 3 year strategies should be provided by institutions in Wales. This would enable strategic planning, and provide valuable information relating to institutional mission priorities and provide HEFCW with assurance on knowledge exchange investments.

Furthermore respondents made suggestions relating to the requirements for both strategies and monitoring returns to ensure they functioned as roadmaps to meeting both HEFCW's Vision for R&I, and institutional mission priorities. It was noted that the Vision addressed the significant issues and challenges which HEIs should be considering in their portfolio of activity.

- RWIF Strategies should reflect institutional priorities / existing institutional strategies, including use of existing internal KPIs.

- HEFCW should stipulate requirement for inclusion of knowledge exchange activity not directly aligned to the HE-BCI funding metrics e.g. civic engagement, meeting skills needs, HE-FE collaboration – it was considered that the Vision alignment would support this approach.
- Several responses made recommendations that the annual monitoring report should be accompanied by civic engagement case studies which could be utilised for future ‘Innovation Nation’, or other external publications to demonstrate the impact of Welsh institutions within their communities.
- Strategies should be accompanied by an associated annual spending plan / three year spending projection. It was suggested that these would not need to be overly detailed but would confirm strategic alignment, investment, and impact.
- Strategies to be reviewed, and updated if necessary, annually. They would be living documents reflecting current opportunities and activities.
- Strategies to articulate strengths around place based innovation with reference to Economic Action Plans and City / Growth Deals, and partnerships with Public Services Boards, and Regional Learning Partnerships.
- Strategies should be used as the basis to identify good practice and to highlight where improvement is needed.
- There was concern that strategies may not be required to reflect Welsh language considerations.

Additionally three institutions requested that in producing its guidance HEFCW supply a RWIF pro-forma to clarify information that would be required. Two institutions noted the latest update on the Knowledge Exchange Concordat referred to the requirement for implementation plans, with potential for duplication of activity from institutions. [To note HEFCW had raised this issue in its formal response to the KE Concordat consultation.]

HEFCW Conclusion

Institutions will be required to submit three year RWIF strategies which reflect institutional mission and align with HEFCW’s Vision for R&I. Full requirements will be developed into a guidance document to be published, alongside allocations for 2020/21, in March/April 2020. A pro-forma will be developed to assist institutions in drafting. Welsh language considerations will be a requirement of each strategy. Further consideration will be given to the requirement for case studies and annual / 3 year spending plans and will be published as part of the guidance document.

11. Welsh Language Considerations

Respondents were asked to consider whether the proposals and requirements of RWIF would impact on opportunities for persons to use the Welsh Language; or treat the Welsh language less favourably than the English Language.

Nine of the responses to the consultation addressed this question, and bar one response the RWIF was seen as a positive force in addressing Welsh language considerations.

It was noted by one respondent that a positive effect would be that the RWIF would enable CPD to be developed and delivered through the medium of Welsh. CPD development is incentivised through RWIF, and supported twice within the formula metrics. Other respondents noted the innovations created by some HEIs often have

strong Welsh language components. RWIF funding, and the strong link to ‘place’ and ‘collaboration’ through the Vision, pointed to a further enabling of such developments. Several responses noted ambitions for institutions to be bilingual, with materials available online and hard copy. Civic mission and community engagement was also an area where sensitivity to Welsh language context would be essential for success.

One response was critical of the proposals noting that HEFCW would apparently not be seeking to take Welsh language into consideration in regard to strategies. The response also noted that the funding models did not specifically mention the Welsh language.

HEFCW Conclusion

Most responses to this question were positive in terms of the direct impact RWIF could have on interactions with local businesses (SMEs), community, industry, and civic engagement focused on ‘place’.

In response to the issues raised above - unfortunately there are no specific Welsh language innovation data from verified, auditable and trusted source such as HE-BCI. However, respondents were clear on the impact the funding could have, broadly in Wales, and particularly in Welsh speaking areas. Bilingual provision of CPD was singled out and both income from CPD, and learner days, form two of the funding metrics.

In line with HEFCW policy, requests for strategies will as standard require the submission of information noting the impact of developments on the Welsh language; equality and diversity; and the Well-being of Future Generations Act goals.

12. Impact of RWIF on the [Well-being of Future Generations Act \(2015\)](#)

What impact would the RWIF have on achieving the goals of the WFG Act?

Nine respondents commented on this issue and were all positive that RWIF and associated strategies would map well against the goals of the WFG act. Specific points raised:

- RWIF will have a direct and positive impact on local economy.
- RWIF needs to ensure importance is given to rewarding growth but not at the expense of inclusive and sustainable growth.
- Funding will allow HEIs to share research data and allow it to be exploited to fullest in a way which benefits economy and society, in a sustainable way.
- Economic prosperity and long-term sustainability will be supported through RWIF.
- All HEIs to build capacity to support long-term opportunities, address social and technological challenges.
- The Act should be a core principle across all aspects of HEIs leading to responsible citizens and creating problem solvers.
- RWIF will act as vehicle to embed the 5 ways of working, to support actions related to the wellbeing goals.

HEFCW Conclusion

The RWIF is seen as having a positive impact on achieving the goals of the WFG Act. In line with HEFCW policy, requests for strategies will as standard require the submission of information noting the impact of developments on the Welsh language; equality and diversity; and the Well-being of Future Generations Act goals.

13. Impact on equality and diversity

How will the proposals for RWIF impact on equality and diversity?

Eight of the respondents addressed this question and were all positive about the likely impact of RWIF. Specific points raised:

- RWIF will enable institutions to extend their internal positive approach to E&D to the wider community.
- The Capacity Grant will have a positive impact on the sustainability of knowledge exchange related roles, opening them to a more diverse group of people.
- Responses noted that RWIF would fit well, and support, existing E&D policies within institutions.
- Both HEFCW’s Vision for R&I, and RWIF Strategies will align to the WFG Act, central to which is the goal of a more equal Wales.
- Links to further education will develop skills and benefit wider communities.
- RWIF will stimulate diversity in research and the knowledge exchange base.

HEFCW Conclusion

The RWIF is viewed as having a positive impact on equality and diversity. In line with HEFCW policy, requests for strategies will always require the submission of information noting the impact of developments on the Welsh language; equality and diversity; and the Well-being of Future Generations Act goals.