

Cylchlythyr | Circular

Innovation and Engagement – Monitoring Requirements and Funding Allocations

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To: Heads of higher education institutions in Wales
Response by: 20 September 2021
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This circular provides details of the monitoring requirements for the Innovation Capacity Development Fund (ICDF) 2019-20 and the Research Wales Innovation Fund (RWIF) 2020/21. Institutions are also asked to update approved RWIF strategies to align to the Knowledge Exchange Concordat, and to make reference to sector-wide targets for the Wales Innovation Network. The circular provides details of a RWIF uplift in 2020-21 and the confirmed RWIF allocations for 2021/22.

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		Page
Circular W21/24HE	• Outlines the monitoring requirements for RWIF 2020/21 and ICDF.	2-3
	• Requests HEIs to update and / or amend approved RWIF strategies.	3-4
	• Provides confirmation of Wales model of alignment to KE Concordat	4-5
	• Request for inclusion of sector wide WIN targets within strategies.	5
Annex A	• Research Wales Innovation Fund allocations 2021/22	8
Annex Ai	• Research Wales Innovation Fund uplift FY 2020-21	9
Annex B	• RWIF Strategy monitoring pro-forma	10
Annex Bi	• Confirmation of RWIF 2020/21 expenditure pro-forma	Separate Annexes
Annex Bii	• RWIF 2020/21 Civic Mission and Public Engagement Case Study template	
Annex C	• ICDF Economic Growth Case Study Template	
Annex Ci	• Confirmation of expenditure pro-forma ICDF	
Annex D	• National Measures – Performance and Forecasts	
Annex E	• Key priorities template – KE Concordat	

Background

1. In April 2020 HEFCW announced it was reintroducing support for innovation and engagement activities in Wales¹. This would be through a new Research Wales Innovation Fund (RWIF), designed to support the range of knowledge exchange (KE) activities that result in economic and social impact, including the wider civic mission role of institutions. RWIF is provided to incentivise institutions to work with businesses, public and third sector organisations, community bodies and the wider public. KE activities that contribute to economic growth, productivity, and supporting the civic role are high priorities for investment.

Impact of COVID-19 on innovation reporting requirements

2. RWIF 2020/21 and the Innovation Capacity Development Fund (ICDF) 2019-20 (a one off end-of-year fund) were announced through circular [W20/09HE](#). Due to COVID-19 institutions were not required to submit plans for the use of ICDF, allowing funding to be used flexibly during the pandemic and to avoid undue burden on providers. However, both ICDF and RWIF allocations would need to underpin activities and ambitions outlined in RWIF strategies which were approved by HEFCW in 2020.
3. Whilst institutions were not required to submit forecasts relating to HEFCW [National Measures](#) for innovation and engagement, it was noted these would be a requirement in 2021. Additionally it was agreed that reporting for the ICDF would be based on a case study detailing particularly successful interventions following increased knowledge exchange capacity. This would be accompanied by a confirmation of expenditure.

Monitoring Requirements – Research Wales Innovation Fund 2020/21

4. RWIF funding was provided on the basis of approved strategies which outlined ambitions in relation to both income and non-income generating knowledge exchange activities. Through these strategies institutions submitted targets in relation to:
 - Commercialisation and income driven activities
 - New business growth and skills support
 - Civic Mission and public engagement
5. We are now requesting institutions update on progress against these targets, alongside providing details on expenditure. **Annex B** provides a template for institutions to report on progress against RWIF strategy targets. This pro-forma has been provided for illustrative purposes. To note, institutional specific templates will be provided separately to the

¹ Circular [W20/09HE](#): Innovation and Engagement Funding for Wales

Wales Industrial Liaison Officers (WILOs) and will include all panel approved targets.

6. Institutions should report on RWIF expenditure in 2020/21 by using the template provided at **Annex Bi**. Acknowledging that COVID-19 may have had an impact on expenditure it is imperative that institutions note any underspends and make clear the plans in place ensure expenditure is finalised as soon as possible within academic year 2021/22. To note, HEFCW can reclaim any funding, or withhold further payments, where there are concerns regarding timely expenditure.
7. **Annex Bii** provides a template for institutions to provide an impact case study highlighting successful civic mission and public engagement interventions. In assessing the eligibility of activities institutions may wish to review the RWIF guidance (Circular W20/09HE) and the [Civic Mission Framework for Wales](#). Case studies should be clear on the impact of RWIF to the development of the highlighted activity e.g. direct investment, capital costs, underpinning central KE staff.

Monitoring Requirements – Innovation Capacity Development Fund 2019-20

8. As noted above [paragraphs 2-3] the impact of COVID-19 resulted in changes to the reporting requirements for ICDF. Funding was provided as pump-priming support for innovation and engagement, but with activities funded through ICDF aligned to RWIF strategies. We are now requesting the submission of an impact case study relating to economic growth in Wales which was supported by this investment. A template is provided at **Annex C**. Case studies should be clear on the impact of ICDF to the development of the highlighted activity.
9. Institutions should report on ICDF 2019-20 expenditure by using the template provided at **Annex Ci**. As with the RWIF reporting [paragraph 6] institutions must ensure that detailed plans exist to manage any underspend and assurance is provided that expenditure will be finalised as soon as possible within academic year 2021/22. To note, as with RWIF, HEFCW can reclaim any ICDF funding where there are concerns regarding timely expenditure.

RWIF Strategy Updates

10. RWIF strategies are roadmaps for growth, outlining key areas of focus over the strategy funded period. Where RWIF funding, or external factors, have resulted in a change in the direction of travel or focus, institutions can submit a revised strategy alongside their monitoring return. We would encourage institutions to make these changes as HEFCW will be far better placed to provide external briefing information and appropriate feedback on

external funding applications if we are aware of current areas of focus and delivery.

11. RWIF strategies were assessed by an independent panel in July 2020. Given the impact of COVID-19 feedback was provided with two timescales i) changes / clarification required immediately to ensure approval ii) longer term / strategic clarifications which should be submitted in 2021. Institutions must now update strategies in line with the longer term panel feedback as well as other changes required as a result of external factors and provide to HEFCW for approval.
12. Noting the developments in paragraph 20, all RWIF strategies must refer to the agreed key performance indicators for the Wales Innovation Network (WIN). Institutions will oversee management of WIN through the PVC R&I group and will update HEFCW on performance through review meetings and via annual RWIF monitoring reports.
13. Once approved by HEFCW updated and / or amended RWIF strategies should be published online.

National Measures Forecasts

14. The National Measures for innovation and engagement form the basis of the RWIF funding model. As noted above [paragraph 3] as a result of the COVID-19 pandemic HEFCW did not require the submission of three-year forecasts in 2020. We are now formally requesting the submission of National Measures forecasts for 2020/21 – 2022/23.
15. **Annex D** provides an outline template for the submission of this data taken from the Higher Education Business & Communities Interaction Survey ([HE-BCI](#)). Templates with individualised HE-BCI institutional data will be emailed to WILO representatives separately. Performance against these forecasts will, as in previous years, form part of the discussion at annual Research and Innovation Review Meetings between HEFCW and individual institutions which in turn informs HEFCW's internal assurance processes.

Knowledge Exchange Concordat

16. All institutions used their RWIF strategies to commit to the [KE Concordat](#) and are now formal signatories to the principles. In February 2020 a joint HEFCW Research Wales Committee & PVC R&I workshop agreed that 2020/21 would act as a development year for further in-depth alignment to the concordat. As part of this process a WILO-HEFCW workshop was held in 2021 to discuss a way forward.
17. Institutions in receipt of RWIF are required to have an approved RWIF strategy. Following discussion and agreement at the workshop institutions

are now required to undertake a self-evaluation against the eight guiding principles of the KE Concordat and conduct an internal gap analysis. Institutions may wish to make use of guidance provided by UUK on the [KEC website](#). This will be a requirement of an approved RWIF strategy.

18. Institutions should summarise findings, highlighting their top five priority actions and submit via the Key Priorities Template at **Annex E**. As agreed by HEFCW's Research Wales Committee and the PVC R&Is the National Measures for innovation and engagement will form the basis for benchmarking. However, all KEC alignment should be specific to mission and institutions may wish to gather further benchmarking data if they consider it appropriate.
19. Whilst the submission of Annex E is a requirement of an approved RWIF strategy, institutions in Wales are not required to publish this information in 2021, given this is not yet a requirement for other parts of the UK. Further discussion at the all UK KEC Strategic Group will form the basis of confirming next steps in terms of publication.

Wales Innovation Network

20. In October 2020 the [Strength in Diversity](#) report by Professor Graeme Reid noted that diversity is an untapped strength of the Welsh research base. All institutions have expertise and assets that can add further to the strengths of collaborative proposals in Wales. The report noted that the geographic locations of universities in Wales bring a rich variety of relationships with high technology business; proximity to rural populations; access to coastal waters; and understanding of social and economic challenges faced by individual communities. As such the report recommended the creation of a team, situated in Universities Wales, which would focus on increased research collaboration enabling higher levels of external income capture and support economic growth in Wales.
21. In line with the recommendation HEFCW has agreed to ring-fence funding for the Wales Innovation Network. In total £1.035m will be provided over three years to support WIN which will be overseen by the PVC R&I group. WIN has been funded via an uplift to RWIF with allocations calculated using the RWIF formula. WIN funding will be paid directly to institutions. As noted in paragraph 12, RWIF strategies should be updated to include WIN key performance indicators and institutions will report on progress via the standard RWIF monitoring process.

Research Wales Innovation Fund 2021/22

22. Following a [public consultation](#) the RWIF formula was agreed by HEFCW Council in September 2019 initially for a three year period. There are two elements to the funding methodology. Firstly a Capacity Grant up to a

maximum of £250k per annum for all institutions, and secondly a formula element based on the National Measures for Innovation and Engagement.

23. The formula element is recalculated annually using the latest three years of data submitted to the Higher Education Business Community Interaction Survey (2017/18 to 2019/20) with the years weighted 2:3:5. In recalculating the formula element there is potential for institutions to see an up to 30% increase, or decrease of a maximum -10%. The level of percentage increase will be determined annually based on incentivising performance, and availability of funding.
24. The finalised RWIF allocations for 2021/22 are provided at **Annex A**. All institutions have received a maximum capacity grant of £250k. Should further innovation funding become available during 2021/22 it would be allocated purely on the basis of the formula. To note these figures replace those published as provisional in [W21/15HE: HEFCW's Funding Allocations 2021/22](#).

Research Wales Innovation Fund Uplift 2020-21

25. In March 2021 the Minister for Education provided HEFCW with a revised [remit letter](#) which stated that additional funding would be made available from the Welsh Government's COVID-19 reserve in FY 2020-21. This would include £3m degree apprenticeship funding repurposed to support research and innovation activity aligned to the economy. Funding was allocated in March 2021 using the 2020/21 RWIF formula and allocations can be found at **Annex Ai**.

Further information / responses to

26. For further information, contact Emma Morris (tel 029 2085 9664; email emma.morris@hefcw.ac.uk), or Clare Davies (clare.davies@hefcw.ac.uk).

Assessing the impact of our policies

27. We have carried out an impact assessment screening to help safeguard against discrimination and promote equality. We also considered the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales 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.
28. Welsh language versions of all templates referenced in this circular will be made available on request.

Submission Checklist

29. The timetable for submission of templates and updated RWIF strategy are detailed below.

Submission	Template	Required or Optional	Submission Date
<u>Update to the RWIF Strategy</u> <ul style="list-style-type: none"> ➤ General update / changes to focus and delivery ➤ Responding to longer term RWIF Panel feedback ➤ Inclusion of WIN key performance indicators 	W20/09HE	Optional Required Required	20 September 2021
<u>RWIF 2020/21</u> <ul style="list-style-type: none"> • RWIF Strategy monitoring pro-forma • Confirmation of expenditure pro-forma RWIF • RWIF Civic Mission and Public Engagement Case Study template 	Annex B Annex Bi Annex Bii	Required Required Required	
<u>ICDF</u> <ul style="list-style-type: none"> • ICDF Economic Growth Case Study Template • Confirmation of expenditure pro-forma ICDF 	Annex C Annex Ci	Required Required	
<ul style="list-style-type: none"> • National Measures – Performance and Forecasts 	Annex D	Required	
<ul style="list-style-type: none"> • Key priorities template – KE Concordat 	Annex E	Required	

30. All returns should be submitted to clare.davies@hefcw.ac.uk by 20 September 2021.

Research Wales Innovation Fund – finalised allocations 2021/22

	RWIF allocations 2021/22
University of South Wales	1,259,192
Aberystwyth University	1,700,505
Bangor University	2,117,987
Cardiff University	2,442,123
University of Wales Trinity Saint David	1,794,128
Swansea University	2,673,603
Cardiff Metropolitan University	1,378,218
Wrexham Glyndŵr University	1,089,414
Open University in Wales	544,829
Total	15,000,000

Research Wales Innovation Fund uplift - FY 2020-21

	RWIF uplift allocations 2020-21
University of South Wales	254,424
Aberystwyth University	344,985
Bangor University	431,495
Cardiff University	537,138
University of Wales Trinity Saint David	343,246
Swansea University	512,971
Cardiff Metropolitan University	281,082
Wrexham Glyndŵr University	179,141
Open University in Wales	115,518
Total	3,000,000

Research Wales Innovation Fund Strategy 2020/21 – 2022/23
Report on how investments have enabled progress against KPIs

Institution:	
RWIF strategy lead:	
Contact details:	

1. Capacity Grant
<i>Provide an update on investments made using the Capacity Grant element of RWIF</i>

Section B: Specific content	
2. Commercialisation / income generating activity	
Provide an update on progress against KPIs. Outline clearly where activity is on-going and likely timescales for achievement. Be clear if there has been a shift in priority and note any changes to focus and delivery. [To note: this should be reflected in a revised RWIF strategy].	

3. New business growth and skills support

Provide an update on progress against KPIs. Outline clearly where activity is on-going and likely timescales for achievement. Be clear if there has been a shift in priority and note any changes to focus and delivery. [To note: this should be reflected in a revised RWIF strategy].

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4. Civic Mission and Public Engagement

Provide an update on progress against KPIs. Outline clearly where activity is on-going and likely timescales for achievement. Be clear if there has been a shift in priority and note any changes to focus and delivery. [To note: this should be reflected in a revised RWIF strategy].

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Signature: Vice Chancellor	
Date	Click or tap to enter a date.

NB: RWIF strategy update reports should be completed and submitted to clare.davies@hefcw.ac.uk by **Monday 20 September 2021**.