



Reid Review of Government Funded Research and Innovation in Wales

A submission from the British Academy

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Questions for written evidence

Question 1: How can future support for Government-led investment and support for research and innovation in Wales be aligned with the requirements of the Well-being of the Future Generations Act (2015)? What link should there be between the WFG Act (2015) requirements and the economic and industrial strategy of the Welsh and UK Governments?

1. The Well-being of the Future Generations Act (2015) identifies long term challenges to the wellbeing of future generations that need to be tackled now. These challenges will only be met by the bringing together of knowledge and expertise from across the full breadth of research disciplines. The need for an interdisciplinary approach to tackle society's major challenges was highlighted by the British Academy in its report '[Crossing Paths](#)', which found that many barriers currently exist to undertaking interdisciplinary research across the UK's research sector. The economic and industrial strategy of the Welsh and UK governments should recognise the need to facilitate an interdisciplinary approach to tackling these major challenges for future generations.

Question 2: What can be done by the Welsh Government, Welsh universities and the private sector to increase the competitiveness of the research and innovation landscape in Wales, thereby increasing the attractiveness of Wales as a place to undertake research and innovation and attract inward investment and investors from outside Wales, both in academia and in industry?

2. Further to the Higher Education and Research Act 2017, the UK's research funding architecture will undergo significant changes, with the creation of UK Research and Innovation (UKRI) and the Office for Students (OfS). These changes present opportunities and challenges for Wales alongside the whole of the UK. To note, these changes should also be considered in the context of the UK's decision to leave the EU, discussed further in answer to question 3.
3. The White Paper '[Public Good and a Prosperous Wales](#)' proposes the establishment of a Tertiary Education and Research Commission for Wales. The shape of this commission, and its interactions with other UK bodies, will be crucial in delivering an attractive research and innovation landscape in Wales.
4. UKRI presents an opportunity to drive forward a positive and expanded role for research and innovation. It is well placed to develop an ambitious strategy and associated investment framework for the whole of the UK, that can be delivered coherently, effectively, and efficiently.
5. The Welsh higher education sector should ensure it is appropriately represented on the UKRI governance structure. As demonstrated by REF2014, much excellent and impactful research in Wales is in the humanities and social sciences (HSS). Welsh Government should seek to build on this strength by funding research and innovation across the full spread of disciplines. Maintaining the flow of quality related funding in particular to excellent research wherever it is found within Wales will be crucial for the ongoing competitiveness of its research and innovation landscape.

6. Welsh Government should also seek to work with UKRI to identify potential new areas of growth that are appropriate for Wales. One growth area to consider is the creative economy. In 2014, the creative economy was worth £133.3bn, accounting for 8.2% of the UK economy and 2.8m jobs, approximately 1 in 11 of all UK jobs. The creative economy grew by 25% between 2011 and 2014, a rate twice that of the UK economy as a whole. Crucially, a thriving cultural sector is able to attract business and investment and generate spill-over effects across the economy¹.
7. The scale and type of investment in Wales should also be place appropriate. Investment that might enable collaboration and innovation at a small scale could be more appropriate to facilitate lots of university business collaboration in Wales, for example with SMEs and outside of the main cities, where much university activity takes place in Wales.
8. The Industrial Strategy Challenge Fund themes have already been identified. These areas will raise human challenges, which will require understanding from HSS to resolve. The British Academy has urged the UK Government to consider the cross-cutting themes which link the potential areas of investment, and explore the potential for efficiencies by tackling these themes in a coordinated way, rather than on a sector by sector basis.
9. Moreover, effective adoption of technology throughout businesses and improvements in management and workforce skills are just as important and depend on the understanding and insight which HSS can bring. The Welsh Government should also bear these considerations in mind in determining its approach to the research and innovation landscape in Wales.

Question 3: What can be done by the Welsh Government, business and universities to increase research and innovation income in Wales in the light of the implications of BREXIT and the increased funding announced in the 2016 Autumn Statement and UK Government's 2017 Budget, the Global Challenge Fund and other, opportunistic Government funding opportunities?

10. The UK's national academies have recently published a report on the role of EU funding in UK Higher Education. The report is available in full [here](#). A specific case study in the report was dedicated to the role of research and innovation in Wales. This shows that Wales is highly dependent on European funding, which represents nearly two thirds of competitive funding from the UK Research Councils and Innovate UK, in contrast to one third in the rest of the UK. For example, prior to any changes following the UK's decision to withdraw from the EU, Wales had been allocated €388m (26%) of the UK's €1.4bn European Regional Development Fund (ERDF) for research and innovation under the 2014-2020 programming period, the highest of any of the UK Devolved Administrations. Between 2012 and 2016, Wales received €211m in EIB financing for key projects in Higher Education, 8% of the total awarded to the UK Higher Education sector over this period.
11. Stakeholder consultation about Wales through this report suggested that EU funding has played an important developmental role in Wales in two main areas: investment

¹ UNESCO (2012) Measuring the economic contribution of cultural industries. A review and assessment of current methodological approaches

in research and innovation-focused facilities, and the development of capabilities in the Welsh research base. This developmental support was described as being complementary to UK funding, which primarily supports areas of existing excellence.

12. The Welsh government could seek to reassure the community, where possible, of ways in which the increased funding announced in the 2016 Autumn Statement and the UK Government's 2017 Budget, alongside the Global Challenges Research Fund, might boost research activities that might previously have been supported through EU funding mechanisms. The Welsh government, alongside the UK Government, could also seek to advocate for the UK's continued involvement in EU funding programmes.

Question 4: What is the optimum balance between (a) geographically focused use of funding and (b) focus of funding on existing research and innovation excellence and capability, bearing in mind the Cabinet Secretary for Economy and Infrastructure's new regional approach to economic development?

13. The Academy strongly supports the UK's dual support funding system, which seeks to fund excellent research wherever it is found. REF 2014 demonstrates that pockets of research excellence exist in universities throughout Wales and the UK. It is crucial that quality related funding continues to be targeted at supporting this excellence.
14. As discussed above, while UKRI presents an opportunity for an expanded research strategy for the whole of the UK, this must be within the framework of a dual support system, where an appropriate balance is maintained within the new structure between both funding streams.