



## Priorities for the Economy, Trade and Rural Affairs Committee

### About Universities Wales

Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK. Universities Wales' membership encompasses the Vice Chancellors of all the universities in Wales, and the Director of the Open University in Wales.

Our mission is to support a university education system which transforms lives through the work Welsh universities do with the people and places of Wales and the wider world.

Universities Wales welcomes the opportunity to work with the committee during the sixth Senedd. We were pleased to support a number of inquiries undertaken by the previous Economy, Infrastructure and Skills Committee during the fifth Senedd including on research and innovation, automation, and degree apprenticeships.

### Universities' economic impact

Across Wales, universities play a crucial role in supporting and driving the Welsh economy. An [independent study published in 2018](#) found that Welsh universities generated £5bn of output and nearly 50,000 jobs in Wales.

The nature of that economic contribution is broad, from directly employing staff to research and innovation links with communities and employers. All universities in Wales are accredited Living Wage Employers – the only higher education sector in the UK nations to have achieved this status.

When compared to the rest of the UK, Welsh higher education is of greater relative importance to Wales, forming an even larger part of its economic base, than the UK higher education sector is to the UK overall.

Should the committee wish to pursue work on the foundational economy, as recommended by the fifth Senedd, Universities Wales would be happy to facilitate engagement with Welsh universities and their role within the foundational economy, including the rural dimension.

### 1. What do you think the Committee's strategic priorities should be over the next six months?

The anticipated Tertiary Education and Research (Wales) Bill will introduce a wide range of reforms to post-16 education and research in Wales. Over the next six months, Universities Wales suggests the Committee scrutinises the relevant skills, and research

and innovation aspects of the Tertiary Education and Research (Wales) Bill. These are areas of critical importance to Wales' future prosperity.

### **Research and innovation**

Universities in Wales undertake world-leading research that brings tangible benefits to the people and places of Wales. From international partnerships drawing in investment and expertise, to localised collaborations with small and medium sized enterprises bringing innovation to the front line of Welsh business, developing new products and services and generating jobs.

Welsh Government, via HEFCW, provides un-hypothecated 'quality related' research (QR) funding for universities. This funding for basic research provides security and stability for universities' core research capacity, and is proven to have a direct impact on their ability to bring investment to Wales through securing funding from sources such as UKRI and Horizon Europe.

Over the last decade, a significant proportion of funding for the Welsh research base has been accessed through European Structural Funds. The transition away from these funds poses a significant risk.

Public funding for research and innovation in the Wales is guided by the [Haldene Principle](#), which sets out that decisions about which research projects to fund should be made through independent evaluation by experts, based on the quality and likely impact of that research, and not by politicians.

### **Skills**

There more than 130,000 students in higher education in Wales. Beyond the traditional undergraduate, master's and PhD courses of study, Welsh universities provide a variety of flexible learning opportunities to ensure higher education is accessible, creating highly skilled workers for the future. Over the next decade and beyond, [Wales will need a greater number of people of all ages and backgrounds to gain university-level skills](#), to meet the needs of a changing workforce.

**Degree Apprenticeships** are integrated degree programmes that involve employers, and where on the job learning plays as important a role as the time spent studying at university. In the previous Senedd the Committee recommended Welsh Government consider broadening the range of degree apprenticeships available, develop a strategy for widening access to degree apprenticeships, and develop a strategy for promoting them to teachers and schools. Universities Wales continues to call for the expansion of degree apprenticeships into a wider range of subject areas and to level 7.

Universities Wales is keen to support and work with the Committee as they scrutinise the Tertiary Education and Research (Wales) Bill, and the work of the Committee more broadly.

## **2. What do you think the Committee's longer-term objectives and priorities should be for the term of the sixth Senedd?**

Longer-term, the Committee may want to consider an inquiry into entrepreneurship in Wales, including the link between entrepreneurship and innovation. Wales performs well on graduate start-ups. The annual Higher Education Business and Community Interaction survey consistently finds that [Wales outperforms the rest of the UK on the number of graduate start-ups we have per capita](#) and these start-ups are more likely to last three years or more than those elsewhere in the UK. Student and graduate start-ups therefore have the potential to be an important part of Wales' future economic prosperity.

Graduate start-ups are an important vehicle for enabling innovation in Wales. For example, the 2019 winner of the Graduate Start-Up of the Year award was [SmallSpark](#), a

company based in Cardiff developing the next generation of technologies that will enable easier, lower-cost access to space. Enabling innovation in Wales, including through entrepreneurship, will be an important feature in preparing Wales for digital change, automation and the recovery from the pandemic.

Universities Wales would be able to support the Committee in facilitating meetings with graduate start-ups and gathering evidence on how universities support their growth.