



**Cynulliad Cenedlaethol Cymru
The National Assembly for Wales**

**Y Pwyllgor Menter a Dysgu
The Enterprise and Learning Committee**

**Dydd Mercher, 20 Chwefror 2008
Wednesday, 20 February 2008**

Cynnwys
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University of Wales Institute, Cardiff

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynndi yn y pwyllgor. Yn ogystal,
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.
In addition, an English translation of Welsh speeches is included.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Alun Cairns	Ceidwadwyr Cymreig Welsh Conservatives
Christine Chapman	Llafur Labour
Jeff Cuthbert	Llafur Labour
Gareth Jones	Plaid Cymru (Cadeirydd y Pwyllgor) The Party of Wales (Committee Chair)
Huw Lewis	Llafur Labour
David Melding	Ceidwadwyr Cymreig Welsh Conservatives
Sandy Mewies	Llafur Labour
Janet Ryder	Plaid Cymru The Party of Wales
Kirsty Williams	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats

Eraill yn bresennol
Others in attendance

Yr Athro/Professor David Brooksbank	Cyfarwyddwr Menter, Ysgol Reoli Caerdydd, Athrofa Prifysgol Cymru, Caerdydd Director of Enterprise, Cardiff School of Management, University of Wales Institute, Cardiff
Yr Athro/Professor Robert Brown	Dirprwy Is-Ganghellor, Ymchwil a Menter, Athrofa Prifysgol Cymru, Caerdydd Pro Vice-Chancellor, Research and Enterprise, University of Wales Institute, Cardiff
Yr Athro/Professor Anne Carlisle	Dirprwy Is-Ganghellor (Academaidd), Prifysgol Cymru, Casnewydd Deputy Vice-Chancellor (Academic), University of Wales, Newport
David Lloyd	Cyfarwyddwr y Ganolfan Diwydiant Bwyd, Athrofa Prifysgol Cymru, Caerdydd Director of the Food Industry Centre, University of Wales Institute, Cardiff
Dr Peter Noyes	Is-Ganghellor, Prifysgol Cymru, Casnewydd Vice-Chancellor, University of Wales, Newport
Yr Athro/Professor Hefin Rowlands	Cyfarwyddwr Menter ac Ymchwil, Prifysgol Cymru, Casnewydd Director of Enterprise and Research, University of Wales, Newport
Matthew Taylor	Pennaeth Menter a'r Drydedd Genhadaeth, Athrofa Prifysgol Cymru, Caerdydd Head of Enterprise and Third Mission, University of Wales Institute, Cardiff
Karen Turnbull	Dirprwy Gyfarwyddwr Menter ac Ymchwil, Prifysgol Cymru, Casnewydd Deputy Director of Enterprise and Research, University of

Wales, Newport

Swyddogion Gwasanaeth Seneddol y Cynulliad yn bresennol
Assembly Parliamentary Service officials in attendance

Dan Collier	Dirprwy Glerc Deputy Clerk
Dr Kathryn Jenkins	Clerc Clerk
Ben Stokes	Gwasanaeth Ymchwil yr Aelodau Members' Research Service

Dechreuodd y cyfarfod am 9.00 a.m.
The meeting began at 9.00 a.m.

Cyflwyniad ac Ymddiheuriadau
Introduction and Apologies

[1] **Gareth Jones:** Croeso cynnes i'r Aelodau, tystion ac aelodau'r cyhoedd i'r cyfarfod hwn o'r Pwyllgor Menter a Dysgu. Fe'ch atgoffaf i ddiffodd unrhyw ffonau symudol neu ddyfais electronig arall. Ni fydd angen i chi gyffwrdd y meicroffonau yn ystod y trafodaethau. Nid ydym yn disgwyl ymarfer tân, felly os bydd larwm yn seinio, bydd rhaid i ni adael dan gyfarwyddyd y tywyswyr—byddwch yn barod i wneud hynny, os gwelwch yn dda. Mae'r cyfarfod yn ddwyieithog, ac mae clustffonau ar gael er mwyn i chi glywed y gwasanaeth cyfieithu ar y pryd o'r Gymraeg i'r Saesneg. Cymeraf fod pob dim yn gweithio'n foddhaol. Mae'r clustffonau hefyd yn chwyddleisio'r sain, sy'n ddefnyddiol weithiau. Bydd cofnod o'r cyfan a ddywedir yn cael ei gyhoeddi.

Gareth Jones: I welcome Members, witnesses and members of the public to this meeting of the Learning and Enterprise Committee. I remind you to turn off your mobile phones and any other electronic devices. You will not need to touch the microphones during the discussion. A fire drill is not scheduled for today, so should an alarm sound, we will have to leave under the direction of the ushers—be ready to do so, please. The meeting is bilingual, and headsets are available so that you can hear the simultaneous translation from Welsh to English. I take it that everything is working satisfactorily. The headsets also amplify the sound, which is useful. A record of all that is said will be published.

9.02 a.m.

Athrofa Prifysgol Cymru, Caerdydd
University of Wales Institute, Cardiff

[2] **Gareth Jones:** Symudwn ymlaen i'r sesiwn graffu, sef y brif eitem ar ein agenda heddiw. Mae'r sesiwn yn ymwneud â chlywed tystiolaeth ar gyfraniad economaidd addysg uwch. Yr ydym eisoes wedi cael dau bapur ar gyfer y cyfarfod hwn gan y ddau sefydliad fydd yn ymuno â ni heddiw. Rhwng 9 a.m. a 10 a.m., cawn glywed gan gynrychiolwyr Athrofa Prifysgol Cymru, Caerdydd, sydd wedi paratoi papur 1 ar ein cyfer. Estynnaf groeso i'r Athro Robert Brown, sef y dirprwy is-ganghellor â

Gareth Jones: We will move on to the scrutiny session, which is the main item on our agenda today. The session involves taking evidence on the economic contribution of higher education. We have already received two papers for this meeting from the two institutions that will join us today. Between 9 a.m. and 10 a.m., we will hear from representatives of the University of Wales Institute, Cardiff, who have prepared paper 1 for us. I welcome Professor Robert Brown, the pro vice-chancellor with

chyfrifoldeb dros ymchwil a menter; yr Athro David Brooksbank, cyfarwyddwr menter Ysgol Reoli Caerdydd, Athrofa Prifysgol Cymru, Caerdydd; Matthew Taylor, pennaeth menter a'r drydedd genhadaeth; a David Lloyd, cyfarwyddwr y Ganolfan Diwydiant Bwyd. Croeso cynnes i chi, a diolch i chi am baratoi'r papur ar ein cyfer—yr ydym wedi cael cyfle i'w ddarllen—ac hefyd am roi eich amser ac am eich presenoldeb yma heddiw. Yr ydym yn edrych ymlaen yn eiddgar am y drafodaeth. Gofynnaf i'r Athro Brown gyflwyno'r hyn sydd ganddo i'w ddweud am ryw bum munud, ac wedyn cawn gyfle i ofyn cwestiynau.

responsibility for research and enterprise; Professor David Brooksbank, the director of enterprise at the Cardiff School of Management, UWIC; Matthew Taylor, the head of enterprise and third mission; and David Lloyd, the director of the Food Industry Centre. A warm welcome to you, and thank you for preparing the paper for us—we have had an opportunity to read it—and for giving of your time and for attending the meeting today. We eagerly look forward to the discussion. I ask Professor Brown to present what he has to say for around five minutes, and then we will have the opportunity to ask questions.

[3] **Professor Brown:** Thank you. We also look forward to the discussion this morning. Thank you for the opportunity to give evidence to this committee. My introduction will broadly cover the three headings in the paper, and I will begin by highlighting some of the key characteristics of UWIC. UWIC has become recognised and acknowledged nationally and internationally as a provider of high-quality professionally orientated academic programmes. It makes a significant contribution to the Welsh economy via its own and its students' expenditure of approximately £100 million per annum, which includes £10.5 million in export income from international students.

[4] UWIC recognises the interdependence between a strong applied research base and successful engagement in enterprise activities. The application of knowledge through applied research and knowledge transfer forms the cornerstone of UWIC's research and third mission strategies. UWIC's philosophy advocates the belief that enterprise can only flourish in a vibrant culture of research and scholarship. It sees the discovery of knowledge through research and its application through enterprise as a key mechanism through which it will strengthen its position as a leading driver of economic growth.

[5] The application of research through enterprise activity also serves to inform curriculum development, providing what we believe to be professionally relevant and timely academic programmes. As one would expect from a modern, metropolitan higher education institution, UWIC is progressive, ambitious and responsive to the changing demands of a global marketplace and the needs of our various stakeholder groups. We pride ourselves on the quality of the student experience, our relationship with regional and local communities, and the active and relevant support provided by our academics to business and industry.

[6] We are in the process of building on our considerable achievements through investment of more than £50 million in our estate, which will include a purpose-built Food Industry Centre, which my colleague, David Lloyd, can tell you more about. For our discussions here today, we would like to articulate the depth of our engagement with business and industry by citing some specific examples of the work of a couple of UWIC centres of excellence in respect of knowledge transfer and enterprise, namely the National Centre for Product Design and Development Research, and the Food Industry Centre. For example, UWIC has delivered over 60 knowledge-transfer partnerships, primarily to small and medium-sized enterprises in Wales, and my colleague, Matthew Taylor, can elaborate on that later, if it is so desired.

[7] In the last two years, we have provided over 15,000 learner days through continuing professional development programmes, which we have delivered through industry, to industry, across Wales. In recent years, UWIC has made a significant investment in academic

staff, with a focus on the high-quality research and knowledge-transfer output, which is highly relevant to industry. For example, my colleague, Professor David Brooksbank, has recently joined the Cardiff School of Management at UWIC in order to further raise the profile of enterprise and entrepreneurship education. My colleagues who are here today are all active participants in the delivery of knowledge-transfer, enterprise and entrepreneurship programmes, with vast experience of engagement with business and industry. By citing some examples to the committee, we hope to give a flavour of the nature and ethos of UWIC and its centres of excellence.

[8] I will conclude my introduction by commenting briefly on the work of the National Centre for Product Design and Development Research, which is my own area of work. The National Centre for Product Design and Development Research—PDR—is a multidisciplinary product design research centre, offering a complete service to industry. The work of the centre covers the full spectrum of design and manufacture of a wide range of products in sectors such as the automotive, aerospace, medical and consumer-product sectors. PDR is a unique resource in Wales with an international client base, combining leading-edge research with the latest technologies. Our international award-winning team has worked with over 5,000 companies and developed over 450 products, providing realistic commercial and timely solutions since the centre's foundation 10 years ago. The centre has recently been awarded prestigious international design awards and PDR will host the European design management awards, in Cardiff, in October 2008.

[9] UWIC also delivers Design Wales on behalf of the Welsh Assembly Government, providing support to Welsh businesses in key areas of business support and development. In the last five years, Design Wales has made 4,700 specialist advisory visits to industry and undertaken over 60 events and workshops. In 2007-08, Design Wales seminar events attracted over 1,000 delegates from industry and related sectors. In addition to assisting Welsh industry, Design Wales undertakes specific support activities for the creative industries and the education sector, and leads both UK and European networks on design support programmes. In 2004-06, Design Wales hosted international design workshops on design support, which attracted 200 delegates from 20 countries across the globe. That concludes my introduction.

[10] **Gareth Jones:** Thank you very much, Professor, for that introduction. You mentioned that they may want to, but do any of your colleagues want to comment at this particular point or can we turn to the questions?

9.10 a.m.

[11] **Mr Taylor:** We will wait for the questions.

[12] **Gareth Jones:** Fine, thank you. Jeff, you have the first question.

[13] **Jeff Cuthbert:** Thank you for the written paper and for the oral presentation, both of which were extremely interesting and well presented.

[14] My questions are similar to those that I have asked other representatives from higher education, and that is because I am keen to get the overall picture. On the fourth section of your paper, where it states, 'UWIC as a provider of skilled people', in paragraph 4.1 you refer to the partnerships that you have established with sector skills councils. We are keen for the SSCs to do the business in Wales by driving forward the training and development needs for their occupational areas. I am aware of the work in terms of food and drink manufacturing through Improve. Could you say a little more about which other SSCs you are engaging with and whether some are better than others—and I am sure that that is the case—because it is good for us to know who is doing the work that we want them to do and who needs to catch

up? So, I would be grateful for that.

[15] In paragraph 4.3, you refer to the wide variety of bespoke courses that you offer. Could you say a little more about those? Are they designed specifically for industries and, if so, for what industries are you designing them at the moment? Similarly in terms of continuous professional development, who are you engaging with? Are you engaging with individual companies or are you looking across the occupational spectrum in terms of SMEs?

[16] On structural funds, which are of particular interest to me, in paragraph 5.5—and I know that Cardiff was not a convergence area—you rightly state that you aim to exploit Cardiff in a more strategic manner, but could you give more information on what you intend to do there?

[17] Finally, on the relationship with further education, which is part of our scoping inquiry, do you have links with Coleg Glan Hafren and what are they?

[18] **Mr Lloyd:** I will start off from the food point of view, which we can respond to on several levels. I will work backwards. On the relationship with further education, a key issue facing industry at the moment is the lack of provision of technical expertise in the food industry. We have franchised with Coleg Menai in Bangor to provide a structured HND in north Wales to meet the growing and ever-increasing demand for food technology students across Wales. There are 700 food companies in Wales, and I think that, across the whole of Britain, there are only 100 food graduates, so that is a major shortfall.

[19] We have worked closely with Coleg Menai over the past five years. The Food Industry Centre is one of three centres across Wales delivering bespoke courses and listening to what the industry wants in terms of skill and identifying the skills that it needs. Having players within the three food centres who have come from an industrial background helped in terms of working with food companies to ensure that the bespoke courses that we provide are either tailored through HND, through a structured further or higher education programme such as we provide, or through listening to industrial partners on a daily basis.

[20] **Jeff Cuthbert:** So, from what you are saying, you do not necessarily organise bespoke courses leading to a qualification or to part of a qualification; it could be for the specific needs of industry.

[21] **Mr Lloyd:** We do both. As I said, UWIC is strong on getting people from industry who have a base understanding of some of the issues that arise in the daily running of the industry within their sectors. So, we have approached this from both angles—we have developed programmes that have been well taken up and, through some research programmes, we have undertaken gap analysis of the industry to find out if we are missing or need something. Our industry is a fast moving one, so things change weekly.

[22] **Mr Taylor:** I will just pick up on one example about the sector skills councils that we are working with, if I may. That one is the Energy and Utility Skills council, and we are talking to it about developing a range of courses at foundation level and beyond, not just through UWIC, but with other institutions. That is one example of the 10 or more that we are engaging with strategically.

[23] Related to that, you mentioned continuing professional development and providing courses that are relevant to industry. We have recently invested in a new centre for personal and professional development, which seeks to cohere all of the institution's activities across a range of academic disciplines to make them more accessible to industry. So, there may be a specialist course, as Dave mentioned, in the food sector; we also have similar courses in health science, podiatry or in the school of management. We are making it easier for industry

to access those now by having them in a one-stop shop. For instance, a company that might approach us for one type of course will also then be exposed to any other continuing professional development opportunities that we can offer them. Coupled with that, we will be offering a training needs analysis service to companies—free of charge, in the first instance—so that we can start to build relationships with them and establish what we can do for them. If we cannot offer the services, we can refer them to others. We see that as an area in which to invest in the future. As I say, we have just made three appointments to set up our new centre.

[24] **Jeff Cuthbert:** Very quickly, you said that you are engaging with 10 or more sector skills councils. There is no time to go into that now, but is it possible for you to give the committee a brief account of which ones they are, and the level of their engagement?

[25] **Mr Taylor:** Absolutely.

[26] **Gareth Jones:** Are there any questions on structural funding, further education links or any other aspect?

[27] **Mr Taylor:** On structural funding, UWIC has made efforts in various schools to engage in European funding, particularly structural funds and framework programmes. However, we have acknowledged that we need to be more strategic about it. At this very moment, there is an advert in the press for a senior position on UWIC's management team, for a European projects director. I think that the closing date is tomorrow. Quite a specific skills set is required in engaging European funding at a very high level and identifying network opportunities across Europe, but also more specifically in having a knowledge of the procedural process and of what qualifies for what funding, and so on. It is an area that we think we can capitalise on by making that investment, which we are committed to doing, and we hope to have someone on board within six to eight weeks.

[28] **Professor Brooksbank:** I will briefly pick up on the structural funding issue. One reason I have joined UWIC is because of the opportunity for the institution to engage more with structural funding. UWIC has recognised that the new structural funding regime is much more about large-scale collaboration, strategic projects and bringing together partners from across the sector. So, at pro-vice chancellor level, as I am sure the committee has heard from other institutions, we are engaging positively with a whole range of higher education institutions, looking at enterprise, entrepreneurship, leadership, skills development, and projects that we can take forward as a sector. I am looking at a project—which, at the moment, will be called Speed Cymru—involving undergraduates starting businesses as part of their courses. That will involve, I hope, every higher education institution from across Wales. At the moment, the indications are that everyone wants to be a part of that, and Robert has been engaging with the other pro-vice chancellors at that level. We certainly recognise that structural funding can cross boundaries; we have convergence and competitiveness funding, and UWIC needs to be part of that. We have recognised that in the strategic direction that the third mission, enterprise and research services area has taken.

[29] **Professor Brown:** I will just add to that by saying that it is reassuring that the higher education sector in Wales is responding very positively to the opportunities offered by structural funding, and is looking to cohere its activities and collaborate wherever possible. In that way, funds that are drawn down can be used far more strategically to deliver the appropriate services across the economy of Wales.

9.20 a.m.

[30] **Gareth Jones:** Was that your last point? I see that it was. Are there any comments on links with further education?

[31] **Professor Brown:** We have a close working relationship with Coleg Glan Hafren, and with Barry, Bridgend and Ystrad Mynach colleges. We have an established partnership through the Further Education to Higher Education Consortium, to ensure continuation and further opportunities for students. That has been given a high priority within UWIC, strategically, and it is embedded in our corporate plan that we will move forward positively in that sense.

[32] **Sandy Mewies:** I have just a couple of questions which, in part, pick up on the points that Jeff made. First of all, however, I want to thank you for your presentation. I found the fact that you gave us examples of what is going on particularly interesting and valuable, as that has not always been the case. I found it particularly useful to see what you are doing and how you are doing it.

[33] Jeff was talking about sources of structural funding, and you said that you have access to some, but not to others. It is a good thing that you recognise that there is other money that can be accessed if you use it in a clever way. I was talking to someone from one of the other institutions about this, and they said that it is a two-way process in Europe. Do you have any two-way links? It is not always a matter of bringing skills in from other parts of Europe, as sometimes we can transfer them there, but it is a two-way process. Do you recognise that, and do you have the links by which you can bring in skills from other areas, working with Europe?

[34] On the sectors skills councils, I may be wrong, but the picture I am getting is one in which institutions are looking at what they provide, and linking with the relevant skills councils to what they provide. It seems to be eminently sensible, but is it the right way forward? Will we see some institutions specialising in one sector skill area while others specialise in another?

[35] You also make a point that we have heard here time and again that the graduates of today and tomorrow may go through several career changes in their lives. I found it interesting to hear about your process of converting science graduates into food science graduates. Are you looking at opportunities to do something similar in the other areas of your involvement, and can you tell me a bit more about that? I found it absolutely fascinating.

[36] You have an enterprise club and entrepreneurial scholarships. It may not be long term, but do you have any idea of how sustainable it is? Are you doing any monitoring of the sustainability of that approach?

[37] I was pleased to hear you make the point that you do work with small and medium-sized enterprises, as Wales is a country of small and medium-sized enterprises. How do you engage with them in the types of things that you are doing?

[38] **Mr Lloyd:** I will start off on the food side. We had a relatively small amount of core funding—I am working backwards, again—and we have used that to do diagnostics for small and medium-sized companies. That is through UWIC, but it is also in our links to other bodies, through Food Centre Wales in Horeb and the Food Technology Centre at Coleg Menai. So, we are taking a pan-Wales approach to delivery.

[39] We have used the core funding to establish diagnostics for companies, but, in doing that, on almost a weekly basis, we have worked very closely with Improve, the relatively new sector skills council for the food and drink industry, which was re-launched in the past year or so. It has used us as a fulcrum to get into industry, as a lever in to industrial partners. So, we have built up a very good relationship, but, unfortunately, as I said earlier, food science is not that widely used any more as a discipline. In Wales, as across the rest of the UK, we often struggle to get the numbers. However, the link with UWIC has certainly helped us, because

we are the only provider of food science higher education in Wales, and it has also helped Improve, the sector skills council, because it has been able to use us to get into the small and medium-sized companies. There are 700 food companies in Wales, but, through our links with other food bodies in Wales, we have been able to lever in to vast numbers of them.

[40] **Professor Brown:** To pick up on the point about bringing expertise in and out of Wales, I can give you a specific example. Within Design Wales, we have just completed a fairly major INTERREG programme with partners in five other European countries, which has been about exchanging best practice. So, it has been about Wales exporting best practice in the delivery of relevant design support services, and Wales looking at how best to bring in best practice from other countries. That has been very successful, and we hosted a number of international design workshops in 2004 and 2006 based on that activity. That programme has just been completed, and we were encouraged to submit another INTERREG bid to extend the work further, with the intention of expanding that network globally. So, we are at the forefront of promoting best practice, which is best serving the industry base of Wales.

[41] **Sandy Mewies:** Can you tell us which countries you have been involved with?

[42] **Professor Brown:** We have worked with France, Spain and Denmark, among others, and we are looking to broaden that base of activity. We have done this in close partnership with the Welsh Assembly Government, through the work of Design Wales.

[43] **Mr Taylor:** I will try to answer the question about sector skills councils and the targeting and their relevance, and also about the enterprise club at UWIC. UWIC has skills and strengths in certain areas, and it is the sector skills councils relevant to those areas that we have the most successful engagement with. We cannot add value to areas in which we do not have academic strengths, so the paper that I will provide after this meeting will give you an outline of the 10 or so councils—at the last count—and the particular areas in which we are engaging, and what the outcomes of those engagements will be. We are taking quite a targeted approach to that. We are leading the way on engagement with sector skills councils across higher education institutions, but, even then, we are working with those 10 councils because we feel as though we have particular skills that are relevant to them, and we feel that we can add something to the industry that they represent.

[44] The enterprise club is called the BEE, which stands for ‘Becoming enterprising and employable’, and it also has a logo of a little bee. The idea behind it is to provide an opportunity for students and staff who are interested in enterprise and entrepreneurship to have a community, or forum so that they can come together, exchange ideas, invite guest speakers and enter competitions. For instance, an elevator pitch competition—a business planning programme—is under way, which gives students a three-minute window within which to sell their business idea to a panel. It is about trying to get them to think about these things earlier in their career. I am sure that my colleague, Professor Brooksbank, can elaborate on that.

[45] As for whether the club is sustainable, it has been running for a year and a half, and we have made use of some Higher Education Funding Council for Wales funding to kick-start it and launch the event, and so on. We have also employed one of our students for a couple of hours a week to help to run it. It must appeal to students, and so it might be more relevant to students if it were marketed by an existing student rather than by anything that I could come up with. So, we are working closely with the student community to develop what it wants. Therefore, I believe that it is sustainable. We have a fresh cohort of students coming in every year, and we expose them to the club at every opportunity when they enrol at UWIC. We are continuing with a range of events and programmes that will be of interest to them. So, I am sure that it is sustainable.

9.30 a.m.

[46] **Professor Brooksbank:** One point with regard to sustainability—which I am sure you will have heard from other institutions—is that universities tend to rely on public funding. So, you will have heard the issues around the knowledge exploitation fund, namely the sustainability of that funding and the fact that it has been stop/start. One plea that I would make, as an academic working in this area, but also as someone interested in the sustainability of enterprise across the board, is that the committee considers the longevity of these types of funding arrangements. I think that that is an area for you to focus on. I am not specifically targeting UWIC as I have worked elsewhere, as you know, but it is very difficult for institutions to commit long term to employing people and to make these kind of commitments. Vice-chancellors tend to get revved up when there is money available and then, when they see the money fading away, we have to make strategic decisions about employment, and that becomes an issue. Some institutions—and UWIC is one of them—have made strategic decisions to invest in this kind of area: enterprise has become part of the mission of the university, and that is good. However, others have not and then the funding often becomes the issue.

[47] Our paper describes the knowledge-transfer partnership mechanism, which is one of the key ways of engaging with SMEs. You talked about the two-way link and that particularly applies to SMEs, where we build a longer term relationship. In the PDR centre, there is repeat business; the clients keep coming back because of the relationship that we build with SMEs. Again, as you have heard before, there is a balance to be struck. Wales is a country of SMEs, we know that. The economic profile of Wales demonstrates that we need to be involved with SMEs, but there is also an issue with the supply chain. We must not ignore the fact that there are lots of medium and large companies—not that many large ones, but lots of medium-sized companies—that form part of the supply chain for industry. We engage with companies at all levels, if we can, primarily with the objective of getting repeat business, so that they understand that they can trust the local university and come back and work with us again.

[48] **Gareth Jones:** Professor, I believe that there is a follow-up question on engagement with SMEs from Kirsty Williams. Before we get to that, I want to refer to the matter of funding, which is a key issue that you have drawn to our attention. It is of great interest to us in terms of sustainability. Related to that, I believe, is a reference in paragraph 5.6 to the knowledge-transfer partnerships. I am not prying in any way, but I am interested in a statement in that paragraph:

[49] ‘In recent years, however, a number of external factors have led to a reduction in the numbers of KTP programmes’.

[50] Is there anything that the committee needs to know about or is that just how things happened, as it were? In terms of those external factors, is there anything that we can do?

[51] **Professor Brown:** The external factors that we were referring to were the issues around budgets. Basically, we were finding that we were putting forward very relevant programmes and that they were being turned down on a funding basis. I think that it was really a strain on budgets that caused the difficulty. We were seriously concerned about that because, in preparing such an application, we work for maybe six months with a particular company and expectations are raised. When we then get to a position where a project is turned down simply because there are limitations on the budget, it becomes very difficult to sustain that relationship. That has caused a lot of frustration, not only to the academic community, but particularly to the business and industry community. I think that the danger is that one raises expectations and then if one cannot deliver on the basis of budgets, there is an issue of credibility. We were finding that companies were beginning to question us and that motivation was becoming an issue with some companies. I think that the situation has eased

recently because, clearly, a number of concerns have been raised about that. From the point of view of delivering knowledge transfer into companies, the KTP is the most successful programme. We could cite many examples where we have worked with very small companies in Wales and moved them on by an order of magnitude over a very short period. We are keen supporters of the KTP programme and we would argue very strongly that that programme should be protected and enhanced.

[52] **Gareth Jones:** I am grateful to you for sharing that information with us. It is a key area for us, if we are going to make progress with this report. For it to be instrumental in bringing about any further change in Wales, we need to look at such difficult areas, and it is a point that is well worth making. Should you wish to elaborate further on that, or if you feel that we can further progress any aspect of that, please write in or contact us.

[53] **Professor Brown:** It might be helpful for us to provide you with some evidence through case studies whereby we could clearly demonstrate the benefits of such programmes to small companies so that we, basically, give you a before-and-after scenario.

[54] **Gareth Jones:** It gets to the heart of the matter as far as we are concerned as a committee.

[55] **Alun Cairns:** The KTP was going to be core to my questions, but it might be useful to raise it at this stage. It sounds like an excellent programme, as is evidenced by your comments. To play devil's advocate for a second, if undertaking such programmes is so valuable to businesses, universities and students why is that activity or a similar activity not core to the MBA programme—because you talk about MBA—so that students, as a part of the course, would have to go into a business and work on projects? Perhaps it would not be the two-and-a-half year partnership that is mentioned here, but it would become core to the course. Therefore, it would be part of the core activity of the university rather than an additional, separate programme, as the KTP is.

[56] **Mr Lloyd:** Within our sector, we build in elements of the course where students are exposed to industry, which could be an industrial work placement for three months or a year, often looking at specific projects that a company has to raise. We have a new product development section in our degree course for food science and technology and consumer science. In the last few years, because of our growing links with industry, industry has come to us with products that it would like to develop along a particular line and our students get involved and provide all the technical back-up for the company to the point of launch. So, it is being built in, probably more in sector-specific courses, but I am sure that that happens across UWIC to a great degree already.

[57] **Professor Brown:** I think that the attraction of the KTP is that industry gains a high-quality graduate for up to three years—normally two years—and appropriate funding follows that. So there is a contribution via the Welsh Assembly Government and the Department for Universities, Innovation and Skills's technology strategy board, as well as a contribution from the industry, so that the cost is shared. It is a three-way partnership between an academic department, business and the graduate, with a clearly focused set of aims and objectives. So, basically, the graduate is working in the company full-time. Even though the graduate is employed by the university, to all intents and purposes the graduate associate is an employee of the company and works to the requirements of the company. So, the companies see the graduate as an integral part of the company—an integral part of the strategic development, often, of that company, providing specific expertise. So, the depth of knowledge that comes with that kind of programme is highly attractive to companies, whereas with a student placement, which might last for between six weeks and six months, you do not have the same level of contribution and commitment.

[58] **Mr Taylor:** To pick up briefly on that point and the example that we give in our paper, you cannot overemphasise the importance of KTP as a method for higher education institutions to engage with industry because it is a relatively structured way for it to engage with us. Many industries and companies do not know how to access the expertise within universities. We can go to them and say, ‘This is what it will cost you and what you will get out of it: there is a structured relationship with support built around it.’ So, they feel more comfortable engaging in that manner. I gave an example in the paper of a KTP project that we have just finished with Cardiff airport. A number of offshoots came from that, and MBA students were able to contribute. So, the KTP associate was working on a particular project with clear objectives, but, at some point, other avenues were identified that he could not explore, and we were then able to call in some MBA students to work on that. That was very successful, so it is a very structured way of starting that relationship.

9.40 a.m.

[59] **Professor Brown:** There is another attractive element to the KTP, which is career progression and opportunities for our graduates in Wales. The programme has been around for over 25 years and if you look at where graduate associates are now positioned in business and industry across the UK, they are in very senior strategic positions. That is down to the very nature and structure of the programme. It is attractive from the point of view of retaining graduates in Wales, because we have worked with, and other universities across the sector have worked with, small companies in Wales that would not have dreamt of employing a graduate. They did not have that kind of confidence or belief in their organisation, as they did not feel that a graduate would be attracted to a relatively small company. However, that has not been the case. Many of the graduates or associates that have gone into those companies have remained within them. There are two advantages, therefore: it retains high-quality graduates in Wales, and puts in a graduate knowledge base within small companies, which is vital for sustainability and long-term economic growth.

[60] **Gareth Jones:** Thank you very much for that very useful exchange of information.

[61] **Kirsty Williams:** What has struck me as slightly curious as we have gone along is that every educational institution that has come before us to date—and you are no exception today—talks about its wonderful links with industry and how much the institution is contributing to individual businesses. Yet, the representatives of business that have come before this committee have been critical, and, in the case of the Federation of Small Businesses, highly critical, of the ability of academic institutions—not specifically UWIC, but academic institutions as a whole—to truly understand the problems of business and engage in a way that is useful to them. Point 2.3 of your paper states that you have created specific experience and expertise within UWIC of how to understand the problems of small and medium-sized enterprises and how to engage with them, and you have identified budgetary issues with the KTP as one of the barriers that academic institutions face in developing these relationships. In your experience, what other barriers are there that may lead business organisations such as the CBI and the FSB to come here and state that academic institutions do not understand them, while institutions come here full of wonderful examples of how they are helping businesses to develop? In your experience of dealing with SMEs, what are the barriers to developing those relationships more fully?

[62] **Mr Taylor:** The first thing, to which I alluded earlier, is the ease with which the KTP enables companies to come to us. There are many companies that do not think of approaching their local university in the first place—or any other university for that matter, but their local one is the obvious one. Secondly, if they do have that spark to think that they could pick up the phone and ring the university, they do not know how to get involved. That is something that UWIC has addressed quite strategically. Most institutions have an office responsible for the engagement of outside industry, with a single point of contact, a web page and so on, but

UWIC has invested in the likes of the Food Industry Centre. That targets a particular industry and can go out there and engage at a strategic level with the Welsh Assembly Government in terms of developing strategy, but also on the ground in terms of training, consultancy and the like. Again, you mentioned the National Centre for Product Design and Development Research, which is targeting a particular specialism and shouting about it. I cannot say why all companies do not come to UWIC, but those that do have a very positive experience. As we have seen, there are plenty of examples.

[63] The major barrier is companies not thinking to approach universities. Over the last 10 years, in my experience of the KTP, I have contacted hundreds of companies and told them about it and they have said that they would never have even thought of approaching their local universities to help them with a product development problem or a marketing problem. They did not even know that they could do that sort of thing. So, it is a about change in culture I guess, which has developed over the last 10 years, but maybe the job is not done just yet.

[64] **Alun Cairns:** I would like to pursue that a bit further, Chair—you can cross me off your list then. I have been to see the National Centre for Product Design and Development Research, which is excellent. It is really fantastic and I was extremely impressed. This follows on from Kirsty's question, and what you said, Mr Taylor, about how small businesses sometimes do not think about the university, or do not know how to approach a university or where to start when they might have an innovative idea that they need some help and support in developing. The product design unit is based at the Llandaff campus. What would stop you having that campus located in a business park or an enterprise zone, which would help to change the thinking so that people see you as being there to do business rather than as an academic institution? I am probing a little bit here.

[65] **Professor Brown:** Basically, the success of the centre—I can speak passionately about it, having established it over 12 years ago—and its strength is in transferring academic knowledge to business and industry in a timely and appropriate manner. Over that period, we have developed an interface with business and industry whereby we are basically speaking their language. We are working to business and industry deadlines, and we are delivering products appropriately. When I established the centre, my interest was in supporting indigenous Welsh SMEs, because I felt that there was a lack of expertise and support in that particular area. However, interestingly, as we have developed our expertise, we have become a very attractive proposition to large multinationals, because we have needed to be fleet of foot and innovative in the way we work with small companies in order to bring products to the marketplace when they often have a limited base of expertise and technology.

[66] So, yes, such centres could exist outside universities, but I think that it would be very difficult, because the unique selling proposition of the centre and others, such as the Food Industry Centre, is the inter-relationship between the exploration and development of new knowledge and its application to business and industry. Without that base of knowledge, scholarship and research, you end up with just a technical resource. In a knowledge-based economy, what we desperately need to be providing to industry and business is that very focused knowledge base, so that we can deliver to the business industry sector in Wales the most relevant and timely expertise. It is about bringing in best practice and state-of-the-art knowledge and technology, giving companies in Wales the opportunities to compete in a global marketplace.

[67] **Mr Lloyd:** May I just come in on that? When we were looking at building the Food Industry Centre, we looked at several sites, but one of the key issues was that, when we looked back at the work that we had done with industry, it was not just about the technical aspects of food and the development of food science within companies; it was also about the fact that we had used the business skills, and we had very much an interdisciplinary approach

to developing food companies. All the expertise is within UWIC, and that was one of the reasons why we decided to locate the Food Industry Centre at Llandaff as well.

[68] **Professor Brown:** To add to that, interestingly enough, we are working very closely with the Food Industry Centre and the PDR in terms of finding new areas of development, such as food packaging, which is a very hot topic at the moment in terms of sustainability and the environment. So, we are given the opportunity to look at innovation in a timely manner.

[69] **Professor Brooksbank:** May I come back briefly on Kirsty's point, because that kind of thing gets me going on the subject.

[70] **Kirsty Williams:** I have that effect on people. [*Laughter.*]

[71] **Professor Brooksbank:** The issue does not surprise me at all. Just look at the membership of the Federation of Small Businesses. Just look at the kinds of companies that are represented and come here and bemoan the fact that universities do not engage. The reality is that we engage all the time. Universities have professional courses on a whole range of subjects, and people come in to follow them, are educated—for want of a better word—and engage with us. So, we are there for teaching, research, enterprise and economic impact issues. I think that it is a bit rich, because they have been saying these things across the UK, and not just in Wales, for decades, whereas the reality is that we are actually engaging all the time with people outside of our walls, who are businesspeople in the communities of Wales. So, to say that we have no clue about this is completely wrong.

[72] **Gareth Jones:** We understand the frustration that you feel regarding this particular topic. Our concern is that, if there is a problem—and we are not apportioning blame—is there anything that we can do, through the medium of this report eventually, to enable this engagement to be more productive, constructive and so on? That is the essence of our work. If you have any suggestions in that sense, we would welcome them, obviously.

9.50 a.m.

[73] **Professor Brown:** I think that that issue is one of awareness raising. We are very much aware, even in the National Centre for Product Design and Development Research and the Food Industry Centre, that we are working with a relatively small percentage of businesses in the sector. We are very keen, both in UWIC and as a HE sector, to increase the level of engagement with small companies. I think that there is an issue of awareness raising. We can undertake limited exercises within our own institutions, but raising the visibility and profile of the contribution of universities is an important consideration. Finding innovative mechanisms to achieve that would move the whole agenda forward by an order of magnitude.

[74] **Gareth Jones:** Thank you, Professor. Those are valid points and we will take them into consideration and, hopefully, do something about them. It is a very interesting part of the discussion. Christine wants to come in, as do Janet and Jeff, and then I have a question from David Melding.

[75] **Christine Chapman:** I would like to pursue that last point that Kirsty raised. One concern that I have had, like many of us, is that there are parts of Wales where there is a high rate of economic inactivity, for example, the Heads of the Valleys area, but I know that there are other areas as well. There is a big strategic push in the Heads of the Valleys area, particularly on tourism, which I know is one of your key areas. We have already had comments on whether or not SMEs are engaging, despite what the FSB is saying and so on. Do you have a mission to work with businesses in those areas or do you just leave it to chance? Are you strategically approaching areas where we really need the engagement of the higher education sector, for example, the Heads of the Valleys area? Even though you are

based in Cardiff, do you see your role as being to reach out to areas like the Heads of the Valleys?

[76] **Mr Lloyd:** In truth, from a food point of view, and it is probably true of other sectors as well, a lot of our business partners are based in the Valleys and in more rural areas. You do not get too many food processing companies based in Cardiff; there are some, but the majority are based outside, in the Valleys and rural Wales. One of the issues that counts against us, which you need to consider as a committee, is that when knowledge-transfer programmes were originally set up, they were for small to medium-sized companies to access the type of expertise that only major companies would usually be able to access. However, that now seems to have changed in terms of the central funding source, which is now looking for larger companies and perhaps bigger profits in the results and the outputs.

[77] That is one of the things with which we have been heavily involved, in working with Improve Ltd, our sector skills council. We have also had discussions on this with Welsh Assembly Government departments involved with food, which have been extremely good, I must say, in talking and listening to us. We have had several food companies that are based in the Valleys and rural areas that, because they are small to medium-sized, because they are developing and perhaps their profit margins are not great—they never are in food; the margins are usually quite low—have almost been negated from the knowledge-transfer programme. The Welsh Assembly Government has been very keen to listen on this and we are actually working with officials at the moment to put in a proposal. In the last year, there have been nine or 10 companies with which we have gone through the first stages of knowledge transfer that have failed on the financial side. Those companies are not struggling in any way—they are not going to disappear in the next year or two—but they just do not stack up against other major companies in the UK. The Welsh Assembly Government has been quite open in talking to us about this and asking, ‘Can we develop a similar system with you, using the food network partners across Wales, to deliver that type of knowledge transfer?’. That is encouraging. However, from our point of view, to answer your original question, most of our companies are based outside the city.

[78] **Christine Chapman:** We are also concerned that some of these companies are quite isolated from each other; they do not always network. That is the reality. They say that they are very busy and that they do not have enough time to network and to do all the other things that make businesses a success. So, how do you target those that are not on your radar? How do you go beyond the usual communication networks and try to reach out to those sectors?

[79] **Mr Taylor:** I can give you a brief example of how we might market our services, or at least make industry aware of what we have to offer. A simple method is a targeted mailshot based on either industry type or, probably more relevant to your question, on geography. So, we would target a particular geographic region, for example, west Wales—and a number of KTPs there were alluded to earlier—or areas such as the Heads of the Valleys. So, targeted marketing activities are undertaken for those areas, either around a geographic area or a particular industry.

[80] At the other end of the spectrum, I mentioned earlier our centre for personal and professional development delivering continuing professional development, which will also encompass widening access and lifelong learning issues. Again, that is about trying to make the university more accessible to people for their education and targeting areas that have not, traditionally, been strong for us in terms of recruitment. So, we are aware that, at both ends of the spectrum, this is important.

[81] **Mr Lloyd:** We have also held specific conferences and seminars around Wales. Those are specific to the food industry, but are of great relevance to food companies of all sizes.

[82] **Janet Ryder:** On the geographical location, picking up on something that Alun raised, are you suggesting that the best location for any business support from the university is at the heart of the university campus, where you are surrounded by all the departments that you link into and that can support you, and that business comes to you? It has been suggested by other universities that the business support side of the university should be located in a place where it is surrounded by businesses, so that it is easier for them to access it.

[83] **Professor Brown:** I am not suggesting that. I suggest that, if you are to provide an appropriate service to business and industry, you need those clear academic links. The opportunities to transfer those, or to move them out, are considerable. We are keen, in UWIC, to explore that, as we feel that that is how to move forward. We operate across Wales in terms of the delivery of our services to business and industry. This is about finding the appropriate means of delivering that. In terms of PDR, if you had one or two members of staff who were located in north or west Wales, there would be a difficulty in terms of providing the full support. So, this is about finding mechanisms to be able to get out to business and industry, while retaining that solid base of expertise in research and development. It is about balance.

[84] **Janet Ryder:** So, the university becomes the hub and you virtually transport that knowledge out to businesses across Wales. Is it the case that if you were dealing with different skills sectors and different routes, you would get businesses to interact with several universities on several different levels, making those virtual connections?

[85] **Professor Brown:** Absolutely. Going back to PDR, we have delivered KTP programmes throughout Wales—in north, south, west and mid Wales. We have delivered those effectively and not found any difficulty in ensuring that the appropriate and relevant expertise is delivered to those companies.

[86] **Janet Ryder:** So, we should not think of universities as just feeding into their close, narrow localities; we should look more at developing sectors within universities.

[87] **Professor Brown:** Exactly. Universities today are operating in a global marketplace. We deliver services to Wales and the UK and we deliver services internationally. We now have a global, international client base in many of our centres of excellence. That is entirely appropriate, because the broader the reach and the range of expertise, the better the service that we can provide to industry. The issues confronting a small business in Pembrokeshire or north Wales are no different to those confronting businesses in the rest of Europe or throughout the world. It is about having that very broad reach, bringing the very best expertise and building that knowledge base, and delivering it in an appropriate way.

10.00 a.m.

[88] **David Melding:** Wales has one of the smallest private sectors in the UK, and general economic indicators show that we are becoming poorer in relation to all the other regions of the UK, so that picture is fairly gloomy. We are identifying a great deal of good practice in the higher education sector—there is no question about that—but there still seems to me to be a cultural problem and a problem of volume in terms of how many graduates are being motivated into business, to take a chance and try to develop products and services that SMEs would take up. I wonder whether your evidence has taken us in that direction—we need a lot more of this good practice. I suspect that if we look at the HE sector in most other parts of the UK, they would demonstrate good practice.

[89] There must be some explanation for where we are at present, and I wonder whether you have any reflections on that. It seems to me that we must anticipate much better areas, particularly in the private sector—although I accept that enterprise can be part of the public

sector as well—and develop new areas. Many of your examples have been concerned with food, which I completely understand, because Cardiff is the pre-eminent place in Britain for this type of education, but it was 30 years ago as well, which is the point that I am trying to make. When you talk to American entrepreneurs, for example, you will hear about California, where they had so many people wanting to do their PhD or MA and then go into business that many of them would have developed wonderful ideas that never got to the market. However, the volume was there, so some did succeed, and those who did not succeed in that respect still ended up in very productive careers somewhere else in the industry. Is there a cultural problem, or am I exaggerating things?

[90] **Professor Brooksbank:** Clearly, Wales is a small country and it is geographically diverse.

[91] **David Melding:** Yes, but it could be small and prosperous, rather than small and relatively poor.

[92] **Professor Brooksbank:** I agree. Clearly that is the ambition, but in terms of creating a knowledge economy, what universities can do about that is a question of scale to some degree. We have only one very large institution and we have a number of others that are of a similar size. So, you are right that there is an issue. One of the arguments that I have often made is that this is a generational issue. We have had policies in Wales to try to encourage more people to be enterprising, such as the entrepreneurship action plan that you are now all familiar with. However, one of the arguments that I made very strongly when we wrote that plan back in 1999 was that it will take 20 years for the sorts of cultural changes to which you are alluding to take place. Until it becomes commonplace for enterprise and entrepreneurship to be spoken about around the breakfast table every morning, and until people are not afraid of it, any change is going to be slow. However, I think that you are right in the sense that universities such as ours—and, I am sure, all of the others to which you have spoken, and will speak to—are giving good examples of good practice. So, ramping up the scale of good practice is clearly part of the short, medium and long-term future. We cannot do everything as a university, but we can certainly contribute to the scale of the activity as and when it is identified in particular areas. That issue of volume is one that you are clearly alluding to. We have research-led universities and we have teaching and research-led universities in Wales, all of which are attempting to engage in this activity, but there is a question of scale.

[93] **Professor Brown:** You are right. There is a cultural issue and universities across the piece do everything that they can to change that culture. However, it starts much earlier than that. By the time our students reach us, they have a tendency to be risk averse. The issue lies in primary education; it is about creativity being introduced at a very early age. We need to look at education across the piece to begin to redress that particular cultural issue.

[94] **Gareth Jones:** Diolch yn fawr iawn. Deuwn â'r rhan hon o'r sesiwn graffu i ben. Yr wyf yn siŵr mai dymuniad yr Aelodau fyddai imi ddiolch yn fawr ichi am eich cyflwyniad, am eich papur ac am rannu eich syniadau gyda ni. Yr ydym ninnau, fel Aelodau, yn cydnabod eich blaengaredd a'r ffordd ddychmygus yr ydych yn mynd ati yn y maes hwn. Mae'r sesiwn hon wedi bod yn hynod ddifyr inni, ac yn adeiladol ar sawl ystyr, a mawr obeithiaf y gallwn sicrhau ein bod yn cynnwys llawer o'r hyn a drafodwyd yn yr adroddiad.

Gareth Jones: Thank you very much. That brings this part of the scrutiny session to a close. I am sure that Members would want me to express our thanks to you for your presentation, your paper and sharing your thoughts with us. We, as Members, recognise your innovation and the imaginative way in which you have set about tackling this subject. This session has been extremely interesting, as well as being constructive on many levels, and I very much hope that we can ensure that much of what has been discussed is incorporated in the report.

[95] Os oes unrhyw agwedd arall yr ydych yn teimlo efallai y dylem fod yn ymwybodol ohoni, a fydddech mor garedig â chysylltu â ni? Yr ydym am weld adroddiad fydd yn gwneud gwahaniaeth go iawn yn y maes hwn. Diolch ichi, ac estynnwn ein dymuniadau gorau i chi ac i'r sefydliad.

Should you feel that there are other aspects that we perhaps ought to know about, would you be so kind as to contact us? We want to see a report that will make a real difference in this area. Thank you, and we extend our best wishes to you and to the institute.

[96] Symudwn ymlaen yn awr i ail hanner y sesiwn graffu. Yr ydym eisoes wedi derbyn papur gan Brifysgol Cymru, Casnewydd ac wedi cael cyfle i'w ddarllen. Yr ydym yn hynod ddiolchgar am hynny. Croesawn i'r bwrdd gynrychiolwyr Prifysgol Cymru, Casnewydd. Estynnaf groeso cynnes i Dr Peter Noyes, yr is-ganghellor; yr Athro Anne Carlisle, y dirprwy is-ganghellor â chyfrifoldeb dros ddatblygiad yn y cyddestun academiaidd; yr Athro Hefin Rowlands, cyfarwyddwr menter a dysgu; a Karen Turnbull, dirprwy gyfarwyddwr menter a dysgu. Yr ydym yn falch eich bod wedi ymuno â ni. Dr Peter Noyes, a ydych am wneud cyflwyniad byr o ryw bum munud?

We now move on to the second half of this scrutiny session. We have already received a paper from the University of Wales, Newport and had the opportunity to read it. We are indeed grateful for that. We welcome to the table representatives of University of Wales, Newport. I extend a warm welcome to Dr Peter Noyes, the vice-chancellor; Professor Anne Carlisle, the deputy vice-chancellor with responsibility for development in academic fields; Professor Hefin Rowlands, director of research and enterprise; and Karen Turnbull, deputy director of research and enterprise. We are glad that you could join us. Dr Peter Noyes, would you like to give a brief presentation for about five minutes?

[97] **Dr Noyes:** Thank you for that warm welcome. I am delighted that the National Assembly for Wales has instigated this review of the economic contribution of higher education in Wales. The contribution made by universities will be a major determining factor in whether Wales continues to prosper and develop its economy in the future. This is an excellent opportunity for the universities to demonstrate our readiness to fulfil that role. So, I am glad that we are here, and I am glad that all universities are giving evidence to this committee.

[98] The review is timely in that the roles and responsibilities of universities in general are being redefined in the context of the Leitch, Sainsbury, Graham and Webb reviews and reports. It is no overstatement to say that the educational mission and character of universities are experiencing a sea change right now, so it is timely that we have this sort of discussion. At Newport, we have cherished our community mission ever since, at the time of the Chartist movement, the Mechanics' Institute was founded in the first half of the nineteenth century. Building on this vocational past, we are rapidly developing as a university that meets the needs of the business community, particularly through part-time education and direct contribution to economic regeneration. It is not through chance that our student body has a significant proportion of older students—50 per cent are aged over 30 and 80 per cent are aged over 21, and many already work or are destined to work in small and medium-sized enterprises.

10.10 a.m.

[99] As well as this direct contribution to professional and entrepreneurial practice, the university is eager to collaborate directly with businesses in the initial stages of their development, and be heavily involved in, and sometimes lead, the creation of new businesses and explore opportunities for wealth creation. The signs that this shift in the role of the university in Newport are already happening are provided in the written evidence that we have provided, but I would draw your attention to three specific facts that demonstrate that.

The first is the performance of the university in the knowledge exploitation fund audit, where we have been judged top in Wales for entrepreneurial education in successive years. The fact that the university has been selected as the site for the all-Wales centre of Study Group International—the largest private provider of English-language and foundation programmes for international students—will provide a conduit for international students to study at any university in Wales. Finally, there is also the fact that the new city centre campus is designed specifically with the business interface in mind through its unique hothouse development, and I am sure that we could say more about that side of things later.

[100] The regeneration of Newport and the five counties surrounding it is central to the mission of the university, and it is no coincidence that Newport Unlimited—the regeneration arm of Newport City Council—and the Welsh Assembly Government have helped us to locate the new £50 million city centre campus development at the heart of the city in order to act as a catalyst for economic regeneration. We hope to extend this influence throughout the Valleys by collaborating with other local authorities and further and higher education providers to lead the development of a Head of the Valleys institute, making the desire for towns such as Merthyr Tydfil and Ebbw Vale to become university towns and helping skills development and wealth creation again. Working with the National Assembly for Wales and a range of other partners, the university is convinced that it can make a real impact on the wealth and wellbeing of the region it serves, and it welcomes this opportunity to answer questions about any aspect of its activity.

[101] **Jeff Cuthbert:** I thank you both for the written presentation that you have given us and for your oral statement, which were useful and helpful. I have a few points that I would like to know a little more about, and these are questions that I have asked of your colleagues from other higher education institutions as I am anxious to get the picture across Wales as far as I can.

[102] An issue that concerns us particularly is involvement with large and small businesses—we know that Wales is predominantly a land of SMEs, and they are notoriously hard to engage, as is demonstrated by the evidence so far in many respects. You refer to involvement with sector skills councils in paragraph 10 of your paper—you refer specifically to the Skillset Screen Academy Wales—but I would be grateful if you could give a brief overview of your involvement with other sector skills councils, because we are anxious to see how well they are doing their work in Wales with you and other organisations.

[103] In paragraph 2, you also mention bite-size courses that you provide. Are those at the request of industry? They may not necessarily lead to a qualification, but are they bespoke courses that industry may want you to lay on for specific purposes? Is that what we are talking about here, or are we talking about a mixture of things?

[104] On European funding, which is a matter of particular interest to me, I can see the success that you have had as a result of Objective 1 funding, but how are you planning to engage with convergence and competitiveness funding?

[105] Finally, you quite rightly mentioned the importance of engagement with the further education sector, following Leitch and Webb, so how are you engaging with Coleg Gwent?

[106] **Dr Noyes:** I will kick off with the answer to the first of those questions, and I am sure that my colleagues will join in accordingly. You talked about the sector skills councils, which are intended to create a voice for the range of businesses in their sectors. We are eager to engage with them. It is fair to say that, at the moment, the various sector skills councils have a mixed performance in terms of the extent to which they represent their sectors. We have demonstrated in the written evidence the extent to which we engage with Skillset Screen Academy Wales, and the large project that we have with the University of Glamorgan

specifically in that area is a real beacon of the success of our relationship with that sector skills council. There are similar success stories that we can identify in other areas, particularly in health and social care. The most recent engagement that we have had is with a sector that Wales generally has had difficulty engaging with, namely financial services. We hosted a meeting with the Financial Services Sector Skills Council just last month, and it is eager to look outside London for the site of a centre of excellence in financial services. It is happenstance that it has just changed its remit to encompass the whole arena of accountancy, in which Newport has great strength. So, we can see ample opportunities to engage on that front. Karen, do you want to add something on our engagement with the other sector skills councils?

[107] **Ms Turnbull:** As Peter said, the sector skills councils are at different stages of development. Some had their agreements in place in the first tranche, and so they are quite well developed; others may have come through on the second or third tranche, and so are a little further behind. We have been working with the Higher Education Funding Council for Wales and the SSCs to try to get them to focus on higher level skills, because the councils must engage with employers' training needs at all levels. From the university's perspective, it is helpful if they can crystallise the specific needs that they have with which the university sector can help them. So, through the higher education funding council and the Sector Skills Development Agency, we have asked the SSCs to highlight in writing their HE needs in a very specific way. That will help the HE sector to look at the training needs that employers may have and help to develop solutions for them.

[108] At Newport, we target the SSCs that are relevant to our portfolio. Peter has outlined some examples of our full engagement. There are other SSCs with which we are less than fully engaged, but we still work with them on a variety of different projects to look at how we can support the employers that they represent. There is sometimes a question mark over how representative the SSCs may be of the sector that they are representing, and sometimes that can create difficulties. So, we still try to maintain our direct links with employers, in addition to working with the SSCs.

[109] **Professor Rowlands:** To pick up on the question about whether bite-sized courses are put on in response to industry demand, the answer is that, quite often, they are. We have a number of bespoke courses in engineering, health and social science. They are specialised courses, and we have a track record of running courses in those areas for a number of years. However, we are also looking at developing courses based on our core curriculum. For example, there are opportunities to bring in students to follow modules on Masters courses and to run those as bespoke courses. So, there are opportunities there for the future.

10.20 a.m.

[110] **Professor Carlisle:** Just to add to that, if I may, we have a large part-time provision and a strong vocational portfolio, and so, as I hope you can imagine, it would not be possible to construct a sustainable portfolio that people would want to study if it were not designed with close links with employers from the outset. We can demonstrate how employers are involved in all stages, right from the very concept of the courses, through to their design, their validation and their ongoing monitoring and reviewing. That comes full circle when people from those industries come to study our courses part time. So, for us, it is almost second nature because of the significant part-time activity that we have. As Hefin has said, given that we have that type of portfolio, we are looking at methods of constructing it in other packages beyond the modular framework that we currently have, to make it even easier for people from business to access it and to pick up elements of it over time. That would be designed to fit their needs, as opposed to being constrained by conventional programme structures.

[111] **Jeff Cuthbert:** On that point, I am certainly not asking you to justify your bite-sized

courses; I think that they are excellent. I just wanted to see the relationship with industry, and to know whether it is being proactive in coming to you to say, ‘We need a course on this or that’, for whatever reason.

[112] **Professor Carlisle:** I can give you two examples of that, the first being on accredited courses and the other being on non-accredited courses. We have a link with the animation industry, for example, because we have big animation provision at Newport. Our credit-bearing courses are constructed directly with close industry involvement, but continuing professional development opportunities can also come out of that, which the industry needs. We would then design the courses to fit what could be quite specific and small needs. Given that we operate at an industry standard in the university, we can respond very quickly to employees from companies such as Aardman Animations Ltd in Bristol, or any companies based in Wales. We found that to be very effective and we can quite easily respond to it.

[113] **Gareth Jones:** You touched on a very important issue there, namely the impetus for that design. Can you elaborate slightly more on how that comes about, so that it is fairly clear in our minds?

[114] **Professor Carlisle:** Are you referring to the impetus for the design of—

[115] **Gareth Jones:** I was referring to how you create the content of courses of that nature. Does the content come from you, industry or business, or a combination of those?

[116] **Professor Carlisle:** In our case—and I would argue that this is best practice—we have a dialogue with industry at the point of developing provision, and the need for that comes about largely through information directly from what you could call the marketplace. By that, I do not mean the question of whether students will take the courses; I mean the link right through to whether there is a need in the marketplace for the skills and learning that people would gain from the courses. So, the dialogue would take place at that point, which would be quite detailed. For example, all the film courses that we develop at Newport are discussed with the industry, which is part of the scrutiny of courses, right down to the module level and the way in which we might arrange placements for students in industry. Our industry panel works with us to look at provision at every stage of its development, right through to its validation and post its implementation.

[117] **Gareth Jones:** That is very interesting. If we were to have sight of a successful process that is worked all the way through from the initial dialogue, which we could refer to and possibly incorporate in the report as a case study, that would be useful.

[118] **Professor Carlisle:** We could provide that.

[119] **Christine Chapman:** On the point about the film school, I know that you have an excellent reputation built up over many years, but my concern is that there is a perception, in the film industry particularly, that to be a success, you really need to go to London. I know that there are some really good examples in Wales and that things are happening all the time, but do you see your role as being one of helping to change that perception, based on the reputation of the film school? It is about people from outside Wales coming in and seeing this as a centre of excellence, but also about encouraging students from within Wales to grasp these opportunities. It is about taking it to the next level. We have talked about Wales as a small country, but we want it to be a prosperous country, and we need to go to the next stage. I think that the media skills side is an excellent example of where we could, with support and political will, go to that next stage. Do you have any comments on that?

[120] **Professor Carlisle:** I will pick up on that, and others may want to join in. The challenge to the film industry in Wales is brain drain: people moving out of the country. We

have produced excellent graduates and postgraduates for these industries—and there are other institutions involved in this as well—and there is a tremendous pull to places like London and Bristol because of the centres of activity there. You will probably know the well-trodden-out phrase that Wales currently has only one and a half film crews. Having said that, the rest of the UK does not have a lot either, because crews are highly specialised. We contribute to producing the quality graduates, but also to retaining people here in Wales. That is very much part of our mission, to help to build the industry in Wales.

[121] Something that is often overlooked is the whole post-production aspect of film, namely all the back-room stuff, such as the scene builders, and all the people who construct that enormous labyrinth that is the film industry. We are also helping to educate those people. Wales is producing some excellent companies that are involved in the post-production end of things, such as Barcud Derwen. We are feeding graduates into those companies, but also working with them on developing courses and provision. It is about making sure that we keep that activity in Wales and build its reputation as a place where people could come to do their post-production work, for instance, even if they shoot their films elsewhere. There is also good news on that side, of course, because of the *Torchwood/Doctor Who* effect. Moving drama into Wales and its being seen as a centre of expertise is fantastic, because we can join that up to the skills that are coming out of the universities and say, ‘The talent is here’. If you look at the people who are behind those dramas, you will find that quite a few of them have been educated in Wales. They have been to London, but they are coming back home, which is nice.

[122] **Ms Turnbull:** May I just add to Anne’s points by mentioning the entrepreneurship support that we offer to all our students, but specifically those in the school of art, media and design? A large number of those graduates go on to set up their own companies or become freelancers in the industry. We work quite hard to ensure that the courses that they study have commercial reality attached to them so that, when they graduate, they are aware of the issues that they will face. We also work closely with Newport and Gwent Enterprise, Newport City Council and other economic development agencies, to look at incubation facilities and the development of opportunities for students to set up businesses when they leave us. So, we have an infrastructure to support those graduates and the industry so that they do not have to leave Wales, and I think that that is another important aspect.

10.30 a.m.

[123] **Janet Ryder:** To take the Irish model for example, Ireland really upskilled its population, but that did not actually drive its own economy; it just became an exporter of skilled people. Other things drove its economy, which then enticed some of those people to return home. That accords with some of what you have said. What do we need to do to ensure that, as we upskill our population in Wales, we create the opportunities that will enable them to stay in Wales and use those skills to drive our economy, rather than them being exported to drive someone else’s economy? What have you learned from the work that you have undertaken and what does this committee need to look at to ensure that we use universities in Wales to create that skilled workforce and also opportunities for those people to stay here and use those skills?

[124] **Dr Noyes:** There are a variety of ways in which we could answer that. One relates to redefining the notion of what a university does. Not all universities are the same. Those that are business-facing and linked with both their locality and the industries operating in that locality are the ones that can best meet that agenda and provide not only a skilled workforce, but exciting new developments and innovation in technology and new media and so on. That is what is happening in Newport. It is not only the university that is developing, because there is a huge amount of inward investment in new companies in Newport and in new small and medium-sized enterprises locating there and developing into much bigger companies. The

university is at the heart of that development and it wants to be even more involved in the future. It is that notion of being an agile and responsive institution that we want to drive. That is our vision for the institution in the future, based on some good success stories in art, media and design and in some of the public sectors, but moving towards a greater collaboration with businesses in a variety of other spheres.

[125] **Professor Carlisle:** I think that what would help most—and we think about this quite a lot at Newport—is creating an environment in which ideas can evolve. I would argue that your pool of ideas in a university fundamentally resides with your students. There is a tendency among us arrogant professors to think that it resides with us, but it does not; it resides in the student body. That is where innovation will come from. So, it is about creating an environment in which you can bring business and industry into dialogue at the point when the ideas are being shaped and formed, as opposed to the point that we traditionally bring them in in universities, which is when you are moving through the research phase to output. That is quite a slow process. So, as Peter says, it is about changing the idea of what a university is. There is a challenge there in that people might say that it does not look much like a university, but we can certainly look to other countries such as America—and there are also examples of this in Ireland—where that has happened and people have been brought together at the earlier stage. The commercialisation strategy also talks about getting people involved sooner—the idea generators, the creators and the business—at the formation point, as opposed to the output point.

[126] **Janet Ryder:** It has been our experience that trying to create any form of change in universities' central culture is not easy, and you are talking about a change in culture within universities. Are there lessons that we can learn from what has been done in the past in Wales or elsewhere, and are the grants structures now correct in order to match what could be a new mission for universities? If not, what needs to happen?

[127] **Dr Noyes:** That is an enormous question. There are aspects of the current funding regime that militate against this new vision of what a university is about, particularly things such as the research assessment exercise process, which is heavily focused on academic output rather than on entrepreneurship and wealth creation. That is one example of where the structures could change. However, the other thing is for universities to look at avenues for funding other than Government funding, and links with businesses are crucial.

[128] We are working on that at the moment. We have received extremely encouraging noises from businesses. We have not had much cash yet, so it is early days, but they are encouraging us to engage on that front and to begin to take risks and work on the development of new companies. That is the arena in which we want to work, and, again, as a small, locally based institution, we can do that with the big companies and the small SMEs that either spin out of those big companies or are created by our graduates. We can do that in the arena around Newport and expand that gradually up into the Valleys and further afield on an international front as well. It is that connection with what companies are doing locally in Newport that is the real driver, rather than our relying on policy-driven initiatives from Westminster or the Assembly in all instances.

[129] **Janet Ryder:** Does the Higher Education Funding Council for Wales need to change to meet that agenda?

[130] **Dr Noyes:** Could I plead the fifth? [*Laughter.*] All the agencies need to change in some respects—the National Assembly for Wales needs to change in that respect—and view universities not as a drain on the economy, but as an investment. HEFCW itself does its best in terms of initiatives such as the knowledge enterprise fund. There are a variety of rafts of grant funding that we access very successfully, and it is very helpful with regard to certain aspects of what we are attempting to do at Newport, but it tends to be less responsive than the

market and business environment that we are trying to focus on now.

[131] **Professor Carlisle:** The enemy of successful businesses is slowness, and the pace of the traditional university life and the pace, sometimes, of the funding coming through the channels is more of a challenge than what the types of funding are. It is about being able to change the pace and momentum to be sufficiently responsive so that the opportunity can be captured. We have to collectively work out how we can do that—while still managing risk, obviously, as everyone would want to do.

[132] **Dr Noyes:** Being more sympathetic to risk taking might be one way in which all the Government agencies could respond. Universities are still perceived as public sector bodies that cannot take risks. Universities should be edging much more towards fleet-of-foot private enterprises and should be able to take risks, while managing them very effectively.

[133] **Ms Turnbull:** You talked about a change in culture. That requires a number of different things to take place. As you have heard, in Newport we have support from the top to look at the university in a different way and there is a strategic vision for that. However, you also need to change people, and knowledge transfer is very much about people. One practical example of how Newport is working to try to change the culture of our institution is through a scheme, supported by HEFCW's third mission fund, called the strategic insight programme, which we are about to launch at our institutions. It is about our people and staff going into external organisations—private, public and voluntary sector organisations—to gain an insight, at a strategic level, into the issues faced by those organisations. It is very much about knowledge and cultural understanding of those different environments, and knowledge exchange in two directions. So, we are hoping that that will help us to build capacity within our institution and help our people to understand what is happening within industry, but also help industry and the public and voluntary sectors to understand the benefits that universities can offer.

[134] **Gareth Jones:** I know that Alun wants to come in, but we have just heard from the previous institution giving evidence, UWIC, that it had some experience of having entered into negotiations in terms of knowledge-transfer partnerships, and of having spent six months or whatever of professional time on them, only for them came to no avail. I cannot think of anything more frustrating than that. Have you any such experiences that we, as a committee, could take on board and try to do something about?

10.40 a.m.

[135] **Professor Rowlands:** Perhaps I can answer in relation to KTPs specifically. We have been involved in KTPs and the college business partnership, which was a scheme piloted in Wales a few years ago. We have experienced similar frustrations, in a sense, in working with businesses to develop a project proposal, only to find that it took an awfully long time to get the funding in place. We have then looked at different ways of engaging with the company, using schemes such as GOWales and other mechanisms to carry on working with the company. As Peter said, there are different ways of engaging with companies, and we should be looking for different mechanisms, and not just relying on one approach. If the KTP approach takes a long time, and we are aware of that, then we should be looking at other ways of working with businesses.

[136] **Gareth Jones:** Thank you. Alun, did you have a question on a separate matter, because Huw wants to come in on this?

[137] **Alun Cairns:** My question builds on what has just been said, really. Sorry, Huw.

[138] You talked about GOWales, and we have talked about KTPs—one of my questions

related directly to KTPs and the evidence from UWIC, and that has just been addressed. You also mentioned college business Wales, or whatever.

[139] **Professor Rowlands:** It is the college business partnership. It was a pilot scheme, but it is no longer running.

[140] **Alun Cairns:** The point is that there seem to be an awful lot of such programmes. Would it not be better if the funding for these sorts of initiatives were put together and handed over to the universities, or made available so that the universities could bid for it centrally? There would be far fewer programmes, and a clear objective in terms of a general message about driving relationships with business or entrepreneurship, or whatever the policy decision may be. Would that help?

[141] **Professor Rowlands:** From my experience, that would enable us to respond to industry needs, so that when a company approaches us, there is not a bureaucratic process of applying for funding and waiting for committees to approve the projects, and so on. That would certainly help.

[142] **Alun Cairns:** I would add that if the evaluation of these programmes is successful, the policy should perhaps reflect that in the funding made available, and the regulation should possibly be lighter if it is deemed to be successful.

[143] My second question was about access, but from a commercial perspective. I know that many of your postgraduate courses are modular, and that provides an awful lot of flexibility for graduates or postgraduates in terms of pursuing businesses. Is that a conscious decision, or is it because you have experience of accessing part-time students as undergraduates? Is that a habit, or the result of a conscious decision? From my experience of Newport, the number of business people who actively participated in postgraduate courses was quite high, and my judgment is that that is because of the modular format, which allows people to leave for a term and pick up where they left off a term later, because changing business needs might mean that they cannot quite deliver.

[144] **Professor Carlisle:** It is, of course, totally deliberate. [*Laughter.*] Seriously, it is deliberate, because we want people to join and have periods in the professional domain and then come back, as that absolutely and utterly enriches the cohort of students. It brings in a whole other set of learning, which is student-held learning, as opposed to what is being brought in from the academic staff. It also partly comes out of what I talked about earlier, which is that the programme gets designed with industry need in mind. That has to include patterns of delivery. In other words, you have to take on board the fact that people may want to move in and out, or may need to access it according to a particular pattern. For instance, we have programmes that have block delivery, which works well for some industries and sectors, whereas others would perhaps want it spread out according to a different delivery pattern. So, it comes from those two routes, but it is a very desirable feature, because it gives you a really interesting student profile.

[145] **Gareth Jones:** Jeff Cuthbert asked earlier about European funding and the FE links. Can you elaborate on that?

[146] **Dr Noyes:** Certainly. We have included in the written evidence the extent to which we are utilising structural funds for a variety of projects, particularly in the Valleys. I am happy to answer questions about that. If we also look to the future, our major focus is the Heads of the Valleys initiative that we are undertaking with the University of Glamorgan and FE colleges, such as the University of Glamorgan's Merthyr Tydfil FE link, and also Coleg Gwent. We are looking for substantive further development of provision in the Valleys, so that people can access further and higher education in a seamless fashion. That needs to be

sustainable over a long period of time, so we are looking at a variety of funding streams to support that over a longer period, rather than the short structural funds projects that we have undertaken up to now; however, it will build on those. Embedded within that are the links with FE colleges. Coleg Gwent, the largest FE college in Wales, has historically had very strong links with the university, and they are increasing year on year. The college recently asked us to assist it in developing its response to aspects such as the Leitch and Webb reports on the skills front, particularly in terms of engagement with business. We intend to work together on that, because businesses do not always define the distinction between FE and HE. The more that we can provide a combined provision and progression from FE programmes at Coleg Gwent to those at the university, the better we can respond to the needs of businesses.

[147] The other strand of our future structural fund allocation is on a competitiveness front. Karen or Hefin may want to come in on that specific issue.

[148] **Ms Turnbull:** Looking ahead to the structural fund programmes for 2007-13, we are working with our other HE partners to look at pan-Wales bids, across a number of different activities, including work-based learning, foundation degrees and entrepreneurship provision. We are currently working out the detail of those proposals and we are liaising with the Welsh European Funding Office on that.

[149] **Huw Lewis:** I have a question about the Government manifesto commitment to university town status for Ebbw Vale and Merthyr Tydfil, which Dr Noyes touched upon at the beginning. It follows on neatly from those aspects of looking for longer-term funding beyond the structural fund injections of cash that we have had in the past, because that is crucial to making this work. To my mind, part of the reason for making that commitment was to provoke an attitudinal and real educational shift within the population in those areas. There are shockingly low levels of educational attainment in those communities, as you know. It was also to provoke an attitudinal shift among people from outside of those communities as to the types of communities that they are and their potential for investment, and so on. I am a reasonably local Assembly Member—Merthyr Tydfil is on my patch—and although I do not want to provoke any kind of alarm, are you confident that the attitudinal shift that we need exists among the active partners that are required to make this come about? I am talking about the Heads of the Valleys project itself, the local authorities, WEFO and other partners, right up to ministerial level. I know that the idea is there on paper and that an awful lot of good work is being done, but how far away are we from seeing something that a member of the public would recognise as a university town? Have we made the mind shift within the active partners to make that happen? Can you identify any obstacles that might need to be broken down to make these things happen?

10.50 a.m.

[150] **Dr Noyes:** Again, that is quite a complex question. I think that we are some way away from the sea change that is necessary to make the population of the Heads of the Valleys believe that they are living in an university town. We are doing that, a little by stealth, in that we have things like the RISE network, where HE provision is offered through 200 centres across the Valleys. The trick to that is drawing people into a whole variety of locations to undertake higher-education-type experiences without them realising that that is what they are doing, because the barrier is one of self-confidence, and the perception that they cannot achieve at the level that is necessary for higher education. If we can overcome that in the first instance, we then need the policy-makers and the partners in local authorities, FE colleges and suchlike to pull in behind the strategy for the Heads of the Valleys, and I am certainly not hearing any unwillingness to undertake that work. It is a question of getting all the troops lined up and moving in the right direction, at the same speed and on the same path. In order to do that, there is a real strategic leadership role for the university in Newport and the University of Glamorgan. We are willing to do that and we can provide a focal point for

the strategic development in Ebbw Vale and Merthyr Tydfil, specifically, and from that, as we have done from Newport up into the Valleys, develop real confidence among the population. This is central to the mission of both universities; that is why we are there.

[151] **Huw Lewis:** I pay tribute to you for that. I know that that is true from the feedback that I get on the ground. I am worried about remaining stealthy for too much longer, though; there is a downside to being stealthy. We are provoking changes of attitude in a large chunk of the population that, as I said, has lamentably low educational achievement. I can see why you say what you say, but this is also about the image change of an entire community. There are 0.75 million people whose educational attainment levels are so low that the rest of Wales pays an enormous price for that every day. I would not like to be an Assembly Member coming up to retirement—whenever that is; it might be sooner rather than later—who is still coming to the table trying to make a special case for these communities. The educational partnerships that you were talking about are crucial to this.

[152] You have described a picture of complexity, but do we not have to get to the point where we put up a billboard somewhere and say ‘The University of Ebbw Vale: coming to you next Easter’, or whatever? Will we get to that point in the next two, three or five years? When will that be?

[153] **Dr Noyes:** It is contingent upon the Heads of the Valleys institute initiative activity that Glamorgan and Newport are leading being successful. One measure of that will be sheer physical presence. We have moved in that respect in Newport, because Newport requires that sort of confidence in the future and is doing that through inward investment in its companies. We are at the heart of that development through the new city centre campus, but we only got on-site two or three weeks ago, so we have to deliver that. We are now turning our attention to the physical location in Ebbw Vale and Merthyr Tydfil; in Ebbw Vale, that is led predominantly by Coleg Gwent. You talked about political barriers; one of the barriers there is at a level that the universities are not involved with, in terms of the future of sixth forms in that region, and in Merthyr Tydfil as well. That is a big political barrier that the local authorities have to grasp and take on. If that is undertaken, there would be a major shift in developments in the region. I have detected no lack of enthusiasm or willingness; it is just about marshalling all the forces and moving them in the right direction.

[154] **Professor Carlisle:** I understand completely what you are saying about the symbolism and the importance of status in terms of a university town, and I think that it is incredibly important. However, I also understand, as I am sure everyone here does, that universities are about activities. There is a lot of evidence to show that prospective students will engage in universities if they want to do an activity that they love. So, in some respects—Peter used the word ‘stealth’—it is about almost penetrating a community with the right offerings, to enthuse and excite people, so that they end up in a university environment without having to go through that fear barrier that they are not the kind of people who go to university. That is almost groundwork, really, but it is important. It is possible to project something in, like a spaceship, which sits there as something incredibly shiny and very important but does not win hearts and minds or get people to feel that they can confidently engage with the subjects. That work is just as important as having a billboard, but we need both of them.

[155] **Gareth Jones:** The approach that you are taking in Newport is encouraging. There is a vision here that could spread to the Heads of the Valleys—that is the important point that you are making, which the committee needs to grasp.

[156] **Dr Noyes:** Newport has benefited considerably from developments in Cardiff and Bristol.

[157] **Gareth Jones:** Precisely; there is a knock-on effect, which we can do our utmost to try to promote throughout Wales in terms of economic development, which is the theme of our review. Do you want to come in, David?

[158] **David Melding:** I apologise for missing the first part of the session. Did anyone mention the Equinex programme?

[159] **Gareth Jones:** No.

[160] **David Melding:** I will mention it then, as it follows on from what we have just heard. I was very impressed by how focused your paper is, and how much space you devote to raising skills levels, in particular, which is very important at the moment. Skills levels are very low, especially if you consider people who have been ill or are disabled. Many of our relatively poor communities are poor because not enough people are working. I may be stating the obvious, but if we get more people to work, that will have a big impact.

[161] You said that the good practice that you have developed is starting to create interest in the European community. I would like a bit more detail on that and on some of the outcomes, in terms of how you engage people. The first worry that people will probably have will be about whether they will lose their benefits. I am not disparaging people; that is exactly what I would think in their position. Can you give any indication of outputs, in terms of how many people have entered the workforce, for example?

[162] I have asked the following question to all the witnesses, so I am not getting at you in any way. We are seeing lots of good practice. We know that Wales has one of the smallest private sectors in the UK, and that all the general economic indicators are taking us away from the UK average as we are getting relatively poorer. It seems to me that there is an issue about a lack of volume. There is good practice, but not enough students are going in and having a go at forming a business, and we are not generating enough ideas from our postgraduate programmes. In California, there is a lot of business take-off, because hundreds of people in the same sector are trying to develop something. A small percentage of those people get their ideas to market and succeed. Without that volume, you will not get that final success. Is there still a cultural issue in Wales, and in south-east Wales in particular, where many of your students will be from? Are people risk averse? How do we start to turn that culture around, if you feel that it is a problem?

[163] **Dr Noyes:** I will answer your second question, and then Karen can perhaps deal with the Equinex question. I think that there is a cultural issue, but I think that it is changing palpably in Newport, which is our patch. A particular link that we have been developing for a number of years is that with the companies of Sir Terry Matthews, namely Wesley Clover, INUK Television and the Celtic Manor Resort. We are establishing a variety of different links with those companies in order to create wealth in the region and to increase its economic output. That can be done in combination with the university, in that we need to change our culture and take the risks that are necessary to engage in that work and to spin out more companies from Wesley Clover. That is what that company does extremely well—the reason why it exists is to invest in new ideas, technologies and business concepts—and it allows our graduates, some of whom have joined Wesley Clover, to spin out their own companies as a result.

11.00 a.m.

[164] That is the style that we hope to adopt in the future. It is a sea change in the way in which universities operate. These are early days yet. I am not going to say that that has been solved because it certainly has not, and this is the beginning of a long process. However, there are certainly a lot of green shoots in evidence around the Newport area and a notion that the

culture is changing. That encompasses not only those companies and the universities, but local authority partners. I have been really impressed by the way in which Newport City Council and Newport Unlimited are looking at that type of culture change to generate wealth creation and economic development in the region. That is something that could easily be exported across Wales so that the performance against those criteria that you are using to measure success improves over time.

[165] **Ms Turnbull:** I will answer your question on the Equinex project. I went with colleagues from our centre for community and lifelong learning to Brussels, last October, to disseminate the findings of the Equinex project to various European Commission officials. It was met with great interest, so much so that we, as an institution, have now been invited back to speak to a wider group of European Commission officials to disseminate the work of the project. They were particularly interested in the active research dimension. The project was very much a partnership approach, working with a number of different partners across the region, including the National Autistic Society, Jobcentre Wales and Newport City Council. We have developed a number of different mini projects under the Equinex banner, looking at barriers to the workplace, but also looking at specific issues faced by people with disabilities. It was very much a capacity-building project, so the outputs of the project have looked at developing equality and diversity toolkits for employers so that employers better understand the needs of, and the issues faced by, people with disabilities. There is also an online directory for employers, which has proved to be helpful. We have been working with transnational partners in Italy, Ireland and Estonia on teleworking initiatives. Again, that was met with great interest from European Commission officials because they are looking at how people can work more flexibly, so teleworking was another project that they were interested in.

[166] **David Melding:** Have you seen any increase in social enterprises, for instance? Has that been part of the picture?

[167] **Ms Turnbull:** I do not think that that was one of the projects that they focused on, but they have looked at capacity building in a number of ways. We are looking now to continue the good work that the partnership has begun and maybe to explore issues that have arisen from the first part of the project and other dimensions. However, I will check on that point. There are many aspects to this project—it is quite a huge project—but I will check on that for you.

[168] **Gareth Jones:** Nid wyf yn meddwl bod rhagor o gwestiynau. Yr wyf yn awr am ddirwyn y cyfarfod i ben. Fy lle i, o'r Gadair, yw diolch o galon i chi am eich presenoldeb ac am rannu eich arbenigedd a'ch profiad pwysig yn y maes hwn. Mae'n deg dweud bod sesiwn y bore yma wedi bod yn hynod o ddiddorol ac mae'r cyfraniad a gawsom gan Gasnewydd, yn sicr, wedi dod â dimensiwn gwahanol i'n trafodaethau. Yr wyf yn siŵr bod lle i ni ystyried ymhellach yr hyn yr ydych wedi ei drafod â ni'r bore yma. Yr wyf am ddymuno'r gorau i chi yn y gwaith pwysig yr ydych yn ymwneud ag ef. Mae'n amlwg eich bod yn deall yr her sy'n wynebu nid yn unig Casnewydd, ond Cymru gyfan, ac yr ydym yn cydnabod hynny o'n trafodaethau. Dymuniadau gorau i chi fel sefydliad a diolch yn fawr iawn am eich cyfraniad. Dyna ddiwedd y cyfarfod.

Gareth Jones: I do not think that there are any further questions. I will now bring the meeting to a close. As Chair, I would like to thank you all for your attendance and for sharing your expertise and important experience in this field. It is fair to say that this morning's session has been extremely interesting and Newport's contribution has certainly added a different dimension to our discussions. I am sure that we can give further consideration to that which you have discussed with us this morning. I wish you all the best with the important work with which you are involved. It is obvious that you understand the challenges facing not only Newport, but Wales as a whole, and we acknowledge that from our discussions. Best wishes to you as an institution and thank you very much for your contribution. That brings the meeting to a close.

Daeth y cyfarfod i ben am 11.05 a.m.
The meeting ended at 11.05 a.m.