

Cynulliad Cenedlaethol Cymru	National Assembly for Wales
Pwyllgor yr Economi, Seilwaith a Sgiliau	Economy, Infrastructure and Skills Committee
Blaenoriaethau ar gyfer Pwyllgor yr Economi, Seilwaith a Sgiliau	Priorities for the Economy, Infrastructure and Skills Committee
EIS 49 CBI Cymru	EIS 49 CBI Wales



Priorities for the Economy, Infrastructure and Skills Committee

Cardiff University response

Contact: Pro Vice-Chancellor, Research, Innovation and Engagement, Professor Hywel Thomas | Phone: 029 2087 0652 | Email: pvc-research@cardiff.ac.uk

Cardiff University is deeply committed to working with the Welsh Government to improve the prosperity of the Welsh economy and to tackle barriers to growth. Our institution has a multi-faceted, anchoring role in the region. The University is a major employer and it is also a provider of skilled, graduate labour, of valuable knowledge and innovation expertise for businesses and it develops research and analysis which can inform policy decisions.

The value of the technological and scientific education we offer, as well as our research and development capacity, leverages investment into Wales (an independent report in 2015 by London Economics found that Cardiff University contributes £2.7bn annually to the UK economy, generating more than £6 for every £1 we spend¹). We are an important agent of change and will contribute significantly to the Welsh Assembly's aspiration to create a strong knowledge-based economy and society. We launched the Cardiff University Innovation System in 2014 with the aim to create economic and social prosperity by turning ideas and innovations into products, technologies, spin-outs and start-ups (<http://www.cardiff.ac.uk/innovation>). Examples of actions that we have taken as part of our Innovation System include working with industry in key areas, e.g. establishing the Compound Semiconductor Centre with IQE, creation of the Welsh Wound Innovation Centre with NHS Wales and private sector partners, and Y-Lab, a public service innovation facility in partnership with NESTA.

For the University to play its critical role in realising the value of the investment the Welsh Assembly has made to date, we need to ensure that future investment in research capacity and growing the skills base is secure. In this respect, the loss of innovation funding to support and develop a broad range of knowledge-based interactions, has disadvantaged Welsh institutions, when compared to England (Higher Education Innovation Funding or HEIF) or to Scotland where the Scottish Funding Council has introduced the University Innovation Fund (UIF) from 2016/17 to replace the Knowledge Exchange Grant and the Knowledge Transfer Grant. The loss of the European structural funds will further exacerbate

¹ [Economic and social impact of Cardiff University, London Economics, October 2015](#)

this problem and a long term strategy is needed to address this gap. We would recommend that the Committee considers the case for sustained investment to support HEIs to collaborate with business which will provide the innovation and jobs that Wales needs. The translation of research into economic benefits is a key aspect and the absorptive capacity of industry in Wales to innovate needs to be fostered and supported, as a capillary conduit for sustained growth.

We see a number of high priority areas which could be the focus of the work of the Committee, but we also note that there is a need to improve the quality and quantity of information available about the state of the Welsh economy to inform policy makers. In this respect, Cardiff University's Wales Governance Centre recently produced an inaugural report presenting a comprehensive multi-year analysis of Wales' public sector spending, public sector revenues and the nation's overall net fiscal balance, *Government Expenditure and Revenue Wales 2016*. Using detailed methodologies to estimate the composition and the trends of public finances in Wales, it is designed to enhance public understanding of Wales' fiscal position and contribute to the continuing debate over Wales' fiscal and economic future.

We believe that it is vital that the progress of the Cardiff Capital Region City Deal is unhindered and that any perceived or real obstacles addressed. This is a linchpin initiative, the key elements of which have the capacity to underpin the transformation of the region over the coming decade. This is particularly important in the light of Brexit. Cardiff University is an active partner in the City Deal, entirely committed to the collective aspiration to tackle the barriers to economic growth.

We see the priority areas for the Committee over the next few years as follows:

1. Exploring the development of an Innovation ecosystem in Wales that will drive economic activity and prosperity. Within this there are a number of areas that would merit the attention of the committee:
 - Entrepreneurial workforce
 - Collaboration and partnerships
 - Establishment of novel funding instruments to support innovation
 - Leadership within Wales – establishment of the National Innovation Body for Wales
2. Skills development – higher level and vocational skills through apprenticeships to drive economic activity;
3. Developing the Compound Semiconductor Cluster, fulfilling its potential to create up to 5,000 high value jobs in the economy of South Wales;
4. Connectivity and transport links of the region – Metro and the M4 corridor;
5. The potential that the energy sector has to grow the economy;
6. Tidal Lagoons and their possible long term economic impact by seeding a new sector within the Welsh economy;
7. The role and how to increase the value of the Life Sciences sector in Wales;
8. The role of Digital in underpinning growth in other sectors in the Welsh economy
9. Public Sector innovation;
10. Brexit: we would urge the Committee to consider how government can work with key partners such as Cardiff University to secure the best post-EU referendum future for Wales. Particular concerns include: loss of Structural Funds, lack of access to EU funding & access to networks and free movement of people, affecting staff &

students. We need to ensure that Welsh and UK researchers can continue to form productive collaborations across Europe.

We would welcome the opportunity to discuss these matters with the Committee in the future to see how we can work together in support of growing the prosperity of the Welsh economy.