

## **A Welsh Government Response to the Call for Evidence on an Innovation Strategy for Wales - Submission from Higher Education Wales**

### **1. About Higher Education Wales**

1.1. Higher Education Wales (HEW) represents the interests of Higher Education Institutions (HEIs) in Wales and is a National Council of Universities UK. HEW's Governing Council consists of the Vice-Chancellors of all the HEIs in Wales and the Director of the Open University in Wales. HEW provides an expert resource on the Welsh Higher Education sector.

### **2. The consultation context**

2.1. The Welsh Government launched 'Innovation Wales – A Call for Evidence' on 30 April 2012. Following the publication of the Science Agenda for Wales<sup>1</sup> in March 2012, the development of an Innovation Strategy for Wales was intended to provide a complementary strategy dealing with the commercial exploitation of Research & Development and promotion of innovation. Higher Education Wales made a detailed response to the Call for Evidence consultation ending on 23 July 2012. In the current consultation, launched around 07 November 2012, the Welsh Government invited comment on its initial proposals in the light of the responses to the call for evidence. The following paper sets out the response from HEW to this second consultation.

### **3. Response**

3.1. HEW welcomes this opportunity to comment on the key features of the proposed Innovation Strategy for Wales in advance of its more detailed development. From the outline, it appears that many of the key points made by HEW in its submission have been responded to in the Welsh Government's proposals or do not need restating. We hope, however, that the following comments on the initial proposals are helpful.

3.2. We welcome the emphasis on greater focus in the strategy. Our response to the Call for Evidence supported the proposal that the Three Grand Challenge areas identified by the Welsh Government's Science Strategy should provide the focus for development, particularly for science/technology intensive innovation. As recognised in the Welsh Government's response, they are very broad areas and we

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<sup>1</sup> (Welsh Government 2012)

would expect that the innovation potential for these areas would be more fully mapped and areas of greatest opportunity within these identified through a more detailed analysis as part of the smart specialisation approach.

- 3.3. Given the difficulty of identifying in advance those ventures which may lead to high-growth, it will be important to have good systems in place to be responsive and flexible in identifying and supporting initiatives that can demonstrate innovation excellence as they emerge. We welcome the comments on the need for funding mechanisms to be faster and more agile. We will similarly need to look at other supporting processes surrounding the successful exploitation of opportunities.
- 3.4. In our view a successful long-term approach, however, also requires an actively planned and sustained investment in key areas over a number of years. Some of the most striking examples of successful innovation strategies in recent years have involved highly planned and centrally driven strategies e.g. Saxony. We need to be as clear as realistically possible about which areas will be prioritised in the short and mid-term to provide an effective framework for decision-making and to foster a sense of future direction to encourage longer-term developments. The need to avoid risk aversion should also extend to strategic planning in this context, and much can be done to manage the inherent risks of this approach by ensuring that robust monitoring and evaluation processes are in place.
- 3.5. The formation of 'clusters' involving businesses and universities, as identified by the Welsh Government in its proposals, is in our view central to the successful development of this strategy. We need to actively foster all elements of a successful eco-system and this will involve a wide variety of partners of different sizes (anchor companies and SMEs) and interfacing sectors. The example given in the strategy relates to a large-scale individual initiative, but we would envisage that large-scale interventions encompass a broad programme of interrelated projects, collectively guided over a significant period of time.
- 3.6. We welcome the broadening of the definition of innovation and the areas to be supported by the Innovation Strategy and in our response we highlighted the potential for genuinely transformational innovation in a range of areas not encompassed in the Three Grand Challenge areas such as the creative industries and services. It is important in particular, however, not to lose sight of the importance of research and development for innovation including basic research.
- 3.7. It is clear from the responses that tackling cultural barriers to innovation and education is a priority for Wales and we would like to ensure that this is fully recognised in the more detailed strategy. Universities play a critical role in supporting innovation in diverse ways including equipping its graduates for future enterprise, facilitating business needs, and leading in the development of an overall culture of innovation.

- 3.8. We will look forward to more detailed elaboration of specific initiatives. Through the Call for Evidence we have a better picture of the relative value and success of the various initiatives and it is hoped that evaluation processes are further enhanced in the future (the outcomes of the Guilford review may be helpful in this respect). In this context, we would like to reiterate our view that it would be helpful to streamline our range of support and processes to facilitate access to the range of opportunities for funding and support.
- 3.9. Finally, we look forward to further details about how this will be taken forward, including clarification of the role of the task and finish group and how Universities can continue to contribute to the process. We welcome the intention to make more strategic use of external funding streams and align strategies and in particular it is essential that Wales takes advantage of its access to European Funding. As previously indicated, we would also like to see the Welsh Government submit its strategy for external peer review as part of the Smart Specialisation Platform in Seville. More generally, we would welcome a fuller recognition of the role of Higher Education in the strategy.

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**HIGHER EDUCATION WALES**