

peter halligan **view from the top**

# Welsh research needs funding boost if reforms are to succeed

Last month, the Welsh government published a white paper proposing significant changes to the regulation of the nation's research and post-compulsory education. The bill would create a Tertiary Education and Research Commission for Wales, designed to replace the fragmented existing system with a more strategic, coordinated and coherent approach to education provision across Wales.

The white paper recognises that Wales has outperformed its small resource base in terms of research productivity and impact, and commits to prioritising research and innovation through the creation of a dedicated committee within TERCW called Research and Innovation Wales (RIW).

The advent of a dedicated high-level, arm's-length body for research and innovation is to be welcomed. The real challenge, however, will be to secure a significant uplift in overall funding for Welsh research. Without this, it is hard to see how a new body, however well conceived, can deliver a more prosperous Wales in the challenging and competitive post-Brexit environment.

The white paper supports the recommendations of a review announced in July 2015 and carried out by Ellen Hazelkorn. She was asked to devise a more integrated regulatory framework covering all strands of the Welsh system.

The review was timely. The last review of the Higher Education Funding Council for Wales was in 2009, and UK regulation has changed significantly. In Wales, this included the passing of the Higher Education (Wales) Act 2015, which gave HEFCW new regulatory functions from 2017.

Even though HEFCW had responsibility for higher education funding, some sources, such as European structural funds and the Academia for Business programme, lay outside its remit. Additionally, different oversight regimes for further education and higher education understandably created tension between the two.

Hazelkorn's report in March 2016 highlighted the absence of an overall vision, poor connectivity across the system, insufficient attention to learner outcomes and pathways, and inadequate accountability. She made six recommendations designed to build the foundations of "a world-class post-secondary education system for Wales".

One of these was to establish a Tertiary Education Authority with oversight for all post-compulsory education. The white paper morphs this authority into TERCW.

Hazelkorn did not cover research, despite it being one of HEFCW's main responsibilities. But the white paper

did—and in some detail, given that a review of research and innovation in Wales by Graeme Reid is not due to be published until the end of this year.

Unlike in England, where the Office for Students is set to oversee university education and UK Research and Innovation will handle research, RIW will coordinate funds for both research and postgraduate training in a strategic and responsive way, in line with a national strategy with yearly targets.

An important objective for RIW is to help align research and innovation in Wales with UK national strategies. This will be critical, as the significant funding that Wales receives from Europe looks set to cease by 2020.

As well as articulating national strategic objectives, setting targets and awarding funds, the white paper proposes RIW as the voice and leader of research and innovation funding in Wales, capable of protecting the identity, integrity and interests of research and innovation.

Investment will be required if it is to fulfil this role. Welsh R&D spending lags behind the UK and EU averages, and has for some time. Between 2000 and 2008, such spending averaged 1.1 per cent of GDP; it now stands at 1.2 per cent. This is less than Scotland (1.7 per cent), England (2 per cent) and Northern Ireland (1.9 per cent).

Unlike England and larger EU countries, where much of the R&D spending is done by businesses, Wales relies on its universities to bring in nearly half the country's R&D investment from core higher education funding. The annual block grant administered by HEFCW remains the single largest regular source of university research income.

Wales's share of quality-related funding has however declined from 4.3 per cent in 2007-08 to 3.9 per cent in 2014-15; significantly below the 4.8 per cent share expected from its share of the UK population. Over the same period, Scotland's share of quality-related funding has risen from 12.4 per cent to 14.2 per cent, nearly double its share of the population.

Ensuring that Wales has the research capacity to win enough UK competitive funding to build a strong and sustainable science base will require ongoing investment and a long-term strategy. Universities, as Wales's main research base, need policies that will finance both their education and research missions in an internationally competitive higher education environment.

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