



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

**Y Pwyllgor Materion Ewropeaidd ac Allanol
The Committee on European and External Affairs**

**Dydd Mawrth, 9 Tachwedd 2010
Tuesday, 9 November 2010**

Cynnwys
Contents

- 4 Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions
- 4 Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi'r Undeb
Ewropeaidd: Casglu Tystiolaeth
Inquiry: Welsh Participation in EU Funding Programmes: Research and Innovation:
Gathering Evidence
- 14 Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi'r Undeb
Ewropeaidd: Casglu Tystiolaeth drwy Gyswllt Fideo
Inquiry: Welsh Participation in EU Funding Programmes: Research and Innovation:
Evidence Gathering by Video-conference
- 23 Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi'r Undeb
Ewropeaidd: Casglu Tystiolaeth
Inquiry: Welsh Participation in EU Funding Programmes: Lifelong Learning
Programmes: Evidence Gathering

Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal, cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg. Mae hon yn fersiwn ddrafft o'r cofnod. Cyhoeddir fersiwn derfynol ymhen pum diwrnod gwaith.

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. This is a draft version of the record. The final version will be published within five working days.

Aelodau'r pwyllgor yn bresennol
Committee members in attendance

Nick Bourne	Ceidwadwyr Cymreig Welsh Conservatives
Eleanor Burnham	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Jeff Cuthbert	Llafur Labour
Rhodri Morgan	Llafur (Cadeirydd y Pwyllgor) Labour (Committee Chair)
Rhodri Glyn Thomas	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

David Craddock	Cyfarwyddwr Menter a Phrosiectau Gweithio ar y Cyd, Prifysgol Aberystwyth Director of Enterprise and Collaborative Projects, Aberystwyth University
Amanda Crowfoot	Cyfarwyddwr, Swyddfa Ymchwil y DU Director, UK Research Office
Yr Athro/Professor Guillaume Thierry Dr David Joyner	Prifysgol Bangor Bangor University Cyfarwyddwr Partneriaethau Busnes a Chysylltu â Busnesau, Prifysgol Bangor Director of Business and Partnership Engagement, Bangor University
Andy Klom	Pennaeth Swyddfa'r Comisiwn Ewropeaidd yng Nghymru Head of European Commission Office in Wales
Yr Athro/Professor Noel Lloyd Sheila Mathison	Is-ganghellor, Prifysgol Aberystwyth Vice-chancellor, Aberystwyth University Swyddog Ewropeaidd, Prifysgol Bangor European Officer, Bangor University
Yr Athro/Professor Wayne Powell	Cyfarwyddwr Sefydliad y Gwyddorau Biolegol, Amgylcheddol a Gwledig, Prifysgol Aberystwyth Director of the Institute for Biological, Environmental and Rural Sciences, Aberystwyth University
Yr Athro/Professor David Shepherd	Dirprwy Is-ganghellor dros Ymchwil a Menter, Prifysgol Bangor Pro Vice-chancellor for Research and Enterprise, Bangor University

Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol
National Assembly for Wales officials in attendance

Lara Date	Clerc Clerk
Gregg Jones	Pennaeth Swyddfa UE Cymru, Gwasanaeth Ymchwil yr Aelodau Head of Wales EU Office, Members' Research Service
Sarita Marshall	Dirprwy Glerc Deputy Clerk

Rachel O'Toole

Gwasanaeth Ymchwil yr Aelodau
Members' Research Service*Dechreuodd y cyfarfod am 9.02 a.m.
The meeting began at 9.02 a.m.***Cyflwyniad, Ymddiheuriadau a Dirprwyon
Introduction, Apologies and Substitutions**

[1] **Rhodri Morgan:** Let us kick off today's meeting. Before I welcome our first witness for the inquiry, I have a general remark to make about an issue relating to the appointment of an expert adviser, which is the subject of this morning's inquiry, including the one on which we are about to hear evidence. We had a discussion with Members last week, and we had an informal meeting with a potential candidate—rather, she was more than that, actually; she was the preferred candidate, which is why we met her and unanimously agreed to appoint her. I am pleased today to confirm that she has accepted the contract to work with us on the inquiry. She will be meeting with the clerks and researchers tomorrow to discuss the work. So, if Members have any points to make—for example, what you feel is the priority, or where you feel we need a bit of an extra boost from an expert adviser—please make them via me to Lara so that they can be fed through to Liz.

[2] On the visit to Brussels, trying to tie people down has been driving Lara and Gregg up the wall somewhat. Visits to Brussels are always a bit of a mixture of the formal and the informal. We do not believe that it is possible now to have a formal session and therefore we want to make it an informal visit. That does not necessarily mean that it cannot be recorded, and doing it in this way saves a lot of money. We expect to be able to confirm that the EU budget commissioner, Mr Jan Lewandowski, is available for us. If he is not, we may have to re-think this altogether because we were building the visit around him, to a degree. So, we are hoping to hear about his definitive availability either today or first thing tomorrow morning. If he is available, we will go ahead, but it will still be an informal meeting; therefore, we will not be taking the full panoply of support and translation staff and so on.

[3] Finally, the cohesion policy report is being debated tomorrow. I will introduce that debate tomorrow. In addition, the fifth cohesion report of the European Union will be published the following day, on Thursday of this week. So, this week is a pretty important week. I will just take a quick sip of water and we will move on to the usual introductory bits and pieces.

[4] Croeso cynnes iawn i'r Aelodau, y swyddogion, y tystion ac i bawb yn oriel y cyhoedd. I wish a very warm welcome to Members, officials, witnesses and everyone in the public gallery.

[5] Headsets are available to hear the translation or for sound amplification. The translation is on channel 1 and for those of you who are *trwm eich clyw*—hard of hearing, including myself, the amplified audio is on channel 0. Please ensure that everyone switches off their electronic devices because they can interfere with the sound equipment, and in the event of an emergency, an alarm will sound and ushers will direct everyone to the nearest exit. I invite Members to make any relevant declarations of interest under Standing Order No. 31.6. I see that there are none, so we will move on to item 2.

9.06 a.m.

**Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi'r
Undeb Ewropeaidd: Casglu Tystiolaeth**

Inquiry: Welsh Participation in EU Funding Programmes: Research and Innovation: Gathering Evidence

[6] **Rhodri Morgan:** I welcome Amanda Crowfoot, the director of the UK Research Office in Brussels. Is that pronounced UK RO?

[7] **Ms Crowfoot:** It is UKRO.

[8] **Rhodri Morgan:** UKRO is the European Office of the seven United Kingdom research councils. There are seven, are there not? They have not been rationalised down to four or five, have they?

[9] **Ms Crowfoot:** No, there are still seven.

[10] **Rhodri Morgan:** Okay. This is to get Amanda's perspective on what could be done to raise the levels of Welsh participation in European funding programmes, given that she has an eagle's eye to bear on it as the promoter of UK participation in European programmes. She is the eyes and ears of the seven research councils in Brussels. You are very welcome to this committee, Amanda, and your observations will be relevant to our inquiry. Please feel free to make some introductory comment on your paper. It is a very good paper, but you may, nevertheless, want to supplement it with a few remarks this morning before we go into the questioning session.

[11] **Ms Crowfoot:** As you will have seen from the paper, and as you have just introduced, UKRO is the Brussels office of the UK research councils, so we exist there to be their policy eyes and ears in Brussels for research and innovation programmes. However, we also work with around 140 research organisations that subscribe to us on a membership basis. So, essentially, as well as having a policy function, we provide concrete advice, guidance and training for UK institutions on participating in the European programmes. That is predominantly the framework programme, although we also deal with lifelong learning and other programmes funded through the European Commission.

[12] It is an interesting time to be having this inquiry, because we are now three years into framework programme 7, and I know that you all have some figures and statistics of how the Welsh institutions are performing in framework 7. However, at the moment, framework 8 is also on the agenda, and we are already talking a lot in Brussels about what the next generation of framework programmes will be post 2013. From my point of view, while it is very useful to look at the participation so far, it is probably even more useful to think about how you want to be influencing and what you want to see in the next generation of programmes.

[13] **Rhodri Morgan:** We are trying to do both at the same time, in a way. I guess that there will be lessons to learn from any below-par performance in today's programmes. It is possible that we will want to see whether any problems can be rectified in the remaining three years, because we are at the halfway point now, but there may also be lessons learned that cannot be rectified during the remaining three years because there is too much momentum built into the system. However, they will certainly need to be rectified by the commencement of the new programme in 2014.

9.10 a.m.

[14] I have a couple of questions to start before I throw it open to Rhodri Glyn Thomas and Nick Bourne, who I can see have some questions ready. One is on the issue of pump-priming and how much you help and how much the structure of the programmes themselves help in getting organisations to be ready, or to be at the starting line, because we sometimes

hear criticism that Welsh higher education organisations—with the exception of Cardiff, perhaps—would find it difficult to reach the start line, because they would need some pump-priming funding to get them into a state where they can mount a bid and find the relevant partners in a minimum of one of two other EU countries. So, to what extent is it easy to get money for pump-priming, as distinct from money for direct funding—or is that down to the national authorities, or the institution itself?

[15] **Ms Crowfoot:** It is absolutely down to the institution and the national authorities. I would start by saying that UKRO does not provide any funding; it is simply an advice and guidance service. The European Commission does not really provide funding of this type because what it is really funding is the project itself; it is not funding the set-up costs or the partnering costs to get the projects going. Having said that, within the framework programme, there are a number of schemes that can help with that kind of partnership building. There are co-ordination activities and support activities, which are small projects that help people to get together to build up their partnerships for bigger projects and submissions. Really, it has to be done in the context of applying for funding and then using that funding wisely, rather than explicit pump-priming funding.

[16] Generally, pump-priming would be done either at a national level or a regional level, and of course, in Wales, you have the Welsh European—I forget the name.

[17] **Rhodri Morgan:** The Welsh European Funding Office, do you mean?

[18] **Ms Crowfoot:** No, there is a fund to help people with set-up costs. It is the Welsh European collaboration fund, I think.

[19] **Rhodri Morgan:** I see.

[20] **Ms Crowfoot:** You have that at a regional, Welsh level, and I know that some individual institutions will have their own pump-priming facilities, but that is very much regional or institutional.

[21] **Rhodri Morgan:** However, in the context of marriage brokering, if universities in Wales had little experience of, but quite a lot of potential for, participation, but the one thing that they were missing was good contacts in other member states, by way of other HE institutions or private businesses, can you act as a marriage-brokering service at all?

[22] **Ms Crowfoot:** We do not directly do marriage-brokering because we represent all academic disciplines, all sectors, and all institutions, and it is extremely difficult to do high-quality marriage-brokering with the capacity that we have. What we do have is an electronic information service, whereby we send out regular bulletins to all our clients, and we work in a network with the equivalent offices from other countries to circulate information where people are looking for partners. If my Israeli equivalent has people looking for partners for a particular project, we will disseminate that through our bulletins. So, we do help in that way rather than through direct brokerage. It is extraordinarily difficult to meet the partners and build up those networks, but we normally advise people to use a range of different resources including, for example, the European Commission's online partner-search service through its CORDIS network—community research and development information service.

[23] **Rhodri Morgan:** That would all be massive and web-based, and so on, and bulletin-based; it would not be, 'Hey, I think I know of exactly the kind of person you told me last week you were looking for'. So, there would not be a personal touch to it.

[24] **Ms Crowfoot:** No, we certainly do not have the capacity to do that, and the Commission does not provide that. We normally say to people, 'Use the passive methods, but

back them up with personal contacts, conferences, speaking to your colleagues, and so on'. Some of the regional offices based in Brussels—not just for the UK—do some personal brokerage. However, it is not something that we do.

[25] **Rhodri Morgan:** The last question from me is on cost recovery. Whether you get the full recovery of a university's overheads is a vexed issue for research funding. With research council funding within the UK, full overhead recovery is paid at 40 per cent of the direct cost, I think—or maybe more than 40 per cent. The quality-related research funding provided to all UK universities includes full cost recovery. Medical charities provide no cost recovery, and, in the EU, it seems to vary from programme to programme. Can you further unpack your eleventh paragraph, in which you refer to this question? I did not find it easy to follow, or at least I was not sure whether what I read was correct. It seems to imply that a university will receive 75 per cent of its direct costs, which is half of what it would get if it were receiving UK research council funding. Is that reading right?

[26] **Ms Crowfoot:** You are absolutely right that it is extremely complicated, because even within the framework programme, there are multiple sub-programmes and multiple reimbursement rates and ways in which you can calculate your overhead. If you are talking about a standard research project, most universities would get a 60 per cent overhead on that. The overall reimbursement rate for the research is 75 per cent, so you would get 75 per cent of your direct costs plus a 60 per cent overhead. It is extraordinarily difficult to speak generally because cost recovery is massively different according to the project or the activity. However, most people estimate that cost recovery in the framework programme is somewhere between 55 and 65 per cent on an average project.

[27] **Rhodri Morgan:** However, what does that mean? This is where I am lost. Does that mean that you get 100 per cent of your direct costs and then you get x per cent towards the overall overhead costs for the university?

[28] **Ms Crowfoot:** You do not get 100 per cent of your direct costs, you get 75 per cent, 50 per cent or whatever the reimbursement rate is for the activity. For example, you get 75 per cent of research costs, but you get 100 per cent of training costs and management costs, and you get 50 per cent of demonstration costs. Essentially, your budget is made up of a number of different activities, costed at different reimbursement rates.

[29] **Rhodri Morgan:** I think that we will have to ask for a paper on this.

[30] **Ms Crowfoot:** I am happy to provide further written background on this.

[31] **Rhodri Morgan:** As a non-accountant, I would find it useful to know if you were a university researcher, who wanted to be reasonably popular with the college's finance officer, and you had some money from a UK research council and you were going to put in a bid for an FP7 programme, would the college finance officer say, 'I don't know about that, because there won't be any contribution to college overheads on that. In fact, it's a minus quantity, because you're not even going to get full recovery of your direct costs, let alone a contribution to the costs of the university'?

[32] **Ms Crowfoot:** That is a decision that the institution has to make, but, yes, the cost recovery is lower than on UK research council funding, for example. However, I should point out that this is explicitly a shared-cost programme. It is set up as a programme that is co-funded between the institution and the European Commission, so you will never get 100 per cent or anywhere near it, but you will get better funding in some parts of the programme than others. For example, in the new European Research Council schemes, you get 100 per cent of your direct costs, but you get only a 20 per cent overhead. So, there are swings and roundabouts with the different schemes, which all operate in slightly different ways.

However, I am happy to provide some further information.

[33] **Rhodri Morgan:** I would be very grateful for that.

[34] **Ms Crowfoot:** We do a lot of training on this, because it is a very thorny issue.

[35] **Rhodri Glyn Thomas:** Nid yw'n ymddangos, o edrych ar y wybodaeth sydd wedi ei darparu ar ein cyfer, bod Cymru wedi gwneud yn arbennig o dda yn y chweched na'r seithfed raglen. Yr ydych wedi ein hannog i edrych ymlaen at yr wythfed raglen. A oes lle i ni fod yn fwy hyderus am y ganran y bydd Cymru yn ei chyrraedd yn yr wythfed raglen? Hoffwn gysylltu hynny gyda rhai sylwadau eraill. A ydych yn cytuno bod Cymru wedi canolbwyntio ar y cronfeydd strwythurol ac felly heb ymgeisio am arian o fewn y rhaglenni fframwaith? I ba raddau yr ydych yn ymwybodol o waith lobiö prifysgolion Cymru a Llywodraeth Cymru? A ydynt yn perfformio'n dda, neu a oes angen iddynt finio eu hymdrechion er mwyn sicrhau canran well i Gymru yn yr wythfed raglen?

Rhodri Glyn Thomas: It does not appear, looking at the information that has been provided to us, that Wales has done particularly well in either the sixth or the seventh programme. You have encouraged us to look forward to the eighth programme. Is there room for us to be more confident regarding the percentage that Wales will achieve in the eighth programme? I want to link that to a few further comments. Do you agree that Wales has concentrated on the structural funds and therefore has not applied for funding within the framework programmes? To what extent are you aware of the lobbying work done by Welsh universities and the Welsh Government? Are they performing well, or do they need to step up their efforts to ensure a better percentage for Wales in the eighth programme?

9.20 a.m.

[36] **Ms Crowfoot:** First, it is true to say that many Welsh institutions have concentrated on structural funds. Those of my staff who work with universities on a day-to-day basis say that, when they are talking about the framework programme, they often encounter misunderstanding because people are so used to structural funds—bidding for them and the rules and regulations for them—that it is sometimes a matter of learning a whole new system in relation to the framework programme. So, I think that you are right. Obviously, this is not a situation that we have had in most of the other regions of the UK, which have not been eligible for the majority of structural funds. However, this concentration on structural funds might, somehow, have detracted concentration from the framework programme, to some extent.

[37] With regard to your hope for the future in terms of FP8, one of the big things that determines participation is the extent to which the thematic priorities of the framework programme match the priorities of the institutions in the region. Obviously, this is an area in which people still have a lot of influence because none of FP8 has been decided yet. So, if effective lobbying both at UK level and at a European level means a better fit between the priorities that are on offer and what institutions in Wales are good at, then things could be better. The other issue here is that of simplification. One of the things that puts people off the framework programme is the heavy bureaucracy. If you have other options for funding, that bureaucracy might be the thing that makes you turn to the alternatives. However, huge efforts are being made by the European Commission and by member states to try to rationalise and simplify the programmes. I hope that we will see a slightly more user-friendly programme in FP8, which will hopefully be to the advantage of anyone who might previously have been put off by it.

[38] Your third question was about lobbying and influence. I know that some of the Welsh institutions that are very successful at obtaining European funding have a good Brussels

presence; they will be over in Brussels regularly, they meet Commission staff, and have some visibility there. However, there is certainly room to build on that.

[39] **Rhodri Glyn Thomas:** With regard to where we are, I have seen the percentage of UK participation, but where are we in terms of the other devolved nations within the UK? Are we performing well in comparison with Scotland and Northern Ireland or are we still lagging behind them?

[40] **Ms Crowfoot:** You are performing better than Northern Ireland, but not as well as Scotland, if I remember correctly, but I do not have the figures in front of me.

[41] **Rhodri Morgan:** Is that relative to population size?

[42] **Ms Crowfoot:** I think so, but I could not tell you without having those figures in front of me.

[43] **Rhodri Morgan:** We have not seen those figures.

[44] **Ms Crowfoot:** All of the figures relating to participation in the framework programme go to the Department for Business, Innovation and Skills, so it would be best placed to provide you with a detailed breakdown of what is going to each region.

[45] **Nick Bourne:** I have a few questions. The first is on the nature of UKRO. I read the paper and I understand that you represent the sector and are open to HE institutions and companies with research inputs. You then go on to talk about the stakeholders. If I were representing Lampeter university, although I would not be a stakeholder, would I receive any services? That is my first question, because I am not sure what people get from being subscribers—that is, I am not sure whether they get something extra. Should we be encouraging institutions such as Lampeter and Swansea Metropolitan University and companies in Wales with significant research interests to become stakeholders?

[46] Secondly, picking up on Rhodri Glyn's point, we are used to Wales punching above its weight, but it seems that, here, we are punching below it. I am sure that many of the points that you have made on the administrative burden and so on are relevant, but they would seem to apply equally to England, so that does not quite answer the question as to why we are not doing as well. I understand the point on structural funds, but I would have thought that that would give us additional buy-in rather than the reverse being the case. I do not understand why that would be a disincentive. So, my second question is: what could we be doing to improve Wales's performance, either directly or by encouraging others?

[47] My third point, which is particularly relevant to some of the papers that we are looking at later, is on Erasmus. There is an issue there, in that it is attractive to get incoming students because you get the fees, but it is not attractive to have outgoing students because you lose the fees. That may be an over-simplification, but is that one reason why we have a lot of incoming students and not so many outgoing students? Does the same rule apply to other member states, or is that a peculiarly British position?

[48] **Ms Crowfoot:** I will take your questions in reverse order. It is a peculiarly British position, but it is not peculiar to the Erasmus programme. We have a collection of schemes in the framework programme called the Marie Curie schemes, which are for research training and mobility, and we see exactly the same pattern there. The UK generally does phenomenally well at getting fellows into the UK, but it is extremely poor at sending them out. There are fee waiver issues with Erasmus, but at the same time a lot of it is to do with the fact that UK students do not necessarily have the culture of going overseas or the language skills to do so.

[49] **Rhodri Morgan:** I think that we know what you mean; everyone wants to learn English.

[50] **Ms Crowfoot:** Exactly. When you look at the research side of it, it is also to do with the strength of the UK research base. UK universities and the UK in general do phenomenally well in research programmes, and it has a very good HE base that is attractive to people to come into.

[51] **Nick Bourne:** I do not want to deter you, but my question was more about how we encourage people to go out so that they can see the benefit.

[52] **Ms Crowfoot:** We very much try to push the benefits of the outgoing schemes, but ultimately if the individuals do not want to go and the universities do not want to lose their best people, it is an uphill struggle.

[53] Many of the things that I am saying apply to the whole of the UK, and I totally agree with you in that regard. UKRO operates with a UK focus, so we tend to see things from a UK perspective. However, to be perfectly honest, I do not really know why the Welsh institutions are punching below their weight. You have some very good research institutions that do not match that badly with the framework programme when you look at their priorities. You are right to say that structural funds could be used in a positive way for partner-building, and some people do that, although I do not think that it has been used as smartly as it could have been in the past, because people have seen it as an either/or option rather than a package of things that go together, but that is just my personal opinion. Ultimately, I cannot give you a good reason about where the Welsh under-performance—if you want to call it that—stems from.

[54] **Rhodri Morgan:** Our difficulty is trying to work out whether Welsh institutions could massively increase their percentage of funding from FP7 if they tried a lot harder. They would of course be very unpopular with the finance officers running those institutions unless they had other sources of funding, such as research council funding and quality-related research funding, where you get full overhead recovery, which counterbalances the relatively below-par overhead recovery level of FP7. Another university that is getting a big wodge of research council funding can manage to speculate on the FP7 programme without having to worry too much about the overhead recovery being below what the finance officer would like to see.

[55] **Ms Crowfoot:** Absolutely. It also takes a lot of effort to submit a proposal to the framework programme and to manage it, and you must have the institutional capacity to do that—you must have the support services in place.

[56] Your third question was about UKRO. Basically, we have a package of services for our subscribers and stakeholders, and we also provide other things nationally. For example, the university of Lampeter would not be able to access our query service, which is provided by a named European adviser who can answer all your questions, and it would not have individual institutional briefing visits, but it would still be able to attend some of our training sessions and conferences and so on.

[57] **Eleanor Burnham:** Forgive me—I am still learning on this committee—but why is that so? Have I missed something somewhere?

[58] **Rhodri Morgan:** It is because the university of Lampeter chose not to subscribe.

[59] **Ms Crowfoot:** Yes, because we are ultimately a membership organisation.

[60] **Rhodri Morgan:** I understand that Glyndŵr University is the same.

[61] **Rhodri Glyn Thomas:** The university of Lampeter does not exist; it is the University of Wales, Trinity Saint David.

[62] **Rhodri Morgan:** You are right that it does not exist now. I will take Jeff's question first and then come to you, Eleanor.

9.30 a.m.

[63] **Jeff Cuthbert:** My question builds on Rhodri Glyn's question. It has been said a number of times that Wales's higher education institutions and other organisations have tended to focus on structural funds—convergence and competitiveness funding—for reasons that you have alluded to. I can understand that. I am not excusing it, because I would have thought that, certainly within higher education, the relevant officials within the institutions ought to be aware of all streams of funding and seeking to tap into it as far as they can. Certainly, for FP8, we do not know whether Wales will have any form of structural funds at that point. So, alarm bells should be ringing and preparations should be being made to try to tap into whatever is available through that route. I would be grateful to know whether you have any feel for the future.

[64] You mentioned the issue of the application process. Although it is not a matter for WEFO, with regard to the structural funds, WEFO has done a great deal of work to improve the application process so, thinking about shared best practice, has there been any contact between those who are engaged, or who ought to be engaged, in FP7 and WEFO with regard to the application process to see what can be learned to improve matters?

[65] In paragraph 11, you clearly make the point that this is not only about higher education institutions; companies large and small with research facilities ought to be tapping into this, certainly for the future. Do you have any more comments to make about those organisations outside the pure HE sector with regard to engagement?

[66] **Ms Crowfoot:** On the last point, it is quite interesting that, when you look at participation with regard to framework 7, Welsh participation is about 71 or 72 per cent universities, with the remainder being made up by industry and other organisations. This is roughly in line with how things are across the UK. Traditionally, UK industry does not perform as well as UK academia in the framework programme. It is arguable whether industry is performing badly or academia is performing particularly well, but there is certainly a great deal of scope for inclusion of more industrial and non-academic companies in the framework programme. As it develops into framework 8—and possibly for the remainder of framework 7—the framework programme is likely to become a bit more industry-friendly. There is the new innovation union, which is the new policy initiative to increase innovation and bring together research and innovation. It is looking a lot at how it can make things more innovative and more industrially focused. So, it is hoped that it will make for a slightly more attractive programme for those organisations that are currently slightly outside of it.

[67] To go back to the issue of brokerage, which we talked about at the beginning, industry-academia brokerage is absolutely essential. In a framework project, there is no reason why you should only have a Welsh university. There is no reason why the Welsh university cannot bring with it into the project an SME that it is working with or a relevant industrial organisation. So, that sort of sectoral brokerage at a regional or local level is really helpful and can help with performance.

[68] **Eleanor Burnham:** I find this fascinating: you have been established since 1984, so

surely by now you should have researched why more of these people are not coming to you and how you can help them to overcome these barriers. I know that you yourself have probably not been working there since 1984. *[Laughter.]* You just mentioned that you need more Welsh companies. Surely, there are lots of SMEs out there that would, with a helping hand, be able to take advantage of this. That is, hopefully, what this very worthy bit of research is going to shed light on, because it is like the chicken-and-egg situation or, if we are being less charitable, it is a vicious circle that many of these people find themselves in. Thinking about the level of global competitiveness that we need to achieve, we need to up our game, do we not? So, what is your role in the policy discussion of the future of FP8 and the EU research policy? Do you actively lobby on behalf of your founders and subscribers? Is your role limited to raising awareness and intelligence provision, or will you proactively be going around Wales, knocking on doors?

[69] The North Wales Economic Forum is a fascinating body. I attend when I can, although it is not always held somewhere I can go—

[70] **Rhodri Morgan:** Give her a chance to answer the question. *[Laughter.]*

[71] **Eleanor Burnham:** Okay. I thought that I might as well get it in now, or I might forget. I was at one of its meetings one day when a very worthy lady from WEFO attended. I could not understand half of it, because they seem to speak in mystical terms. Is that not your role? Should you not be going out and engaging more proactively with all of these people who would like your help?

[72] **Ms Crowfoot:** The first thing is that I should stress that we are core funded by the research councils to provide these services. However, we are a subscription service, so, first and foremost, we are providing services to our subscribers. We promote our services, and we are happy to have new subscribers, but it is not actually the role of our office to provide hands-on support for the university of X that does not subscribe to us, because we are a membership organisation, so our services are there for our subscribers, with the exception of those services that we provide more broadly. For example, we are funded by the Department for Business, Innovation and Skills to be a UK national contact point for two parts of the framework programme—the Marie Curie programme and the European Research Council—so, in those areas, yes, we have a remit to go out to promote and push that to the whole of the UK, which we do. However, in other areas, such as health or transport, other organisations act as the national contact point.

[73] **Rhodri Morgan:** So, on those areas that are the exceptions—the Marie Curie programme and the European Research Council—where you have a promotional remit as well, does your role include what Eleanor was talking about, namely an element of geographical targeting of underperforming areas? If you think that there is not enough Welsh participation in the Marie Curie programme, are you supposed to take note of that and ask what you can do as a bit of gee-whizz promotion in underperforming geographical areas?

[74] **Ms Crowfoot:** That is not our explicit remit, but we ensure when we do our promotional events, for example, that we spread them around the UK, and we ensure that we go to regions where we think that there is a need.

[75] **Rhodri Morgan:** How does Wales do on the Marie Curie programme?

[76] **Ms Crowfoot:** It is below the average. I think that 1.9 per cent of the UK funding for the Marie Curie programme goes to Wales.

[77] **Rhodri Morgan:** That is well below the average.

[78] **Eleanor Burnham:** May I ask a supplementary question please, Chair?

[79] **Rhodri Morgan:** You may ask one.

[80] **Eleanor Burnham:** It is quite worrying, really. As I say, I am talking for my region, and the North Wales Economic Forum has been in existence ever since the Assembly has, and it discusses all of these sorts of issues with universities. Around the table, it has all the chief executives and all the people who are the economic drivers in the region, and I would imagine that, if I were in your shoes, I would be pushing hard, going to Glyndŵr University and University of Wales Trinity Saint David, and saying, 'Look guys, this is what we've got to offer you. Why don't you come and join us?' Then, at least you would have covered the whole of Wales and they, in turn, could be proactive in looking for partners in small and medium-sized companies.

[81] **Ms Crowfoot:** If my funding was increased massively and my staffing was increased, I would absolutely agree with you, but the reality is that the office works with the resources that it has, and we are not resourced to provide that function of going out to every single institution to give them that help in the way that you are talking about. We do this for our subscribing organisations, but we do not have the capacity or the remit to do this for everybody.

[82] **Rhodri Morgan:** Fine. I have one last question before we take a break. When you look at the Marie Curie programme and the European Research Council and you try to encourage industrial participation, is there a particular brief to encourage SMEs as distinct from large companies? Are you supposed to push this particularly to SMEs?

[83] **Ms Crowfoot:** In terms of the whole framework programme, there is a move to push it to SMEs—

[84] **Rhodri Morgan:** However, SMEs are less likely to have research functions than a large company, unless they are in the seed capital and venture capital phase—small companies that have just been started up that may not have much revenue but that are trying to invent a new drug or microchip or something of that sort. Is that the sort of SME that you would be looking at?

[85] **Ms Crowfoot:** Absolutely.

[86] **Rhodri Morgan:** Are they very worried about intellectual property protection and being taken to the cleaners if they share information with other European partners, whether those are firms or universities?

[87] **Ms Crowfoot:** They should not worry about that, because there are very good intellectual property rules in the framework programme. The intellectual property rights are kept by those that generate the product. With regard to the European Research Council, this is frontier research, which is predominantly blue skies and has minimal industry participation. With the Marie Curie programme, much as the Commission would love more SMEs and industry in it, as we would, this is not a specific UK problem. It is a European problem in that the schemes are not massively attractive to industry because they are on a small scale, there is great deal of bureaucracy, and there is a huge time to contract. Generally, there is an endemic problem with the nature of the schemes, which puts people off participating.

[88] **Eleanor Burnham:** May I ask another supplementary question?

[89] **Rhodri Morgan:** As long as it is a quick one.

[90] **Eleanor Burnham:** Who should be driving to ‘keep it simple, silly’ and streamline all of these things so that we could productively use these wonderful funds that are there somewhere, but which we do not get?

[91] **Ms Crowfoot:** Do you mean that you want to know who should be lobbying for this?

[92] **Eleanor Burnham:** Yes.

[93] **Ms Crowfoot:** Everybody, I would say.

[94] **Rhodri Morgan:** There we are.

[95] **Ms Crowfoot:** It needs to be embedded in the UK response on the future of the framework programmes, regional responses, institutional responses—we should all be giving the same messages.

[96] **Rhodri Morgan:** Okay. In five minutes’ time we will be hearing evidence from Bangor University, followed by Aberystwyth University. We are very grateful to you, Amanda, for giving us your perspective for UKRO.

[97] **Ms Crowfoot:** You are very welcome.

[98] **Rhodri Morgan:** We can now put it to the test with some witnesses from Welsh universities. Thank you for your attendance. As usual, we will send you the copy of the transcript for you to check for accuracy. We will now take a break while the video link is set up.

*Gohiriwyd y cyfarfod rhwng 9.41a.m. a 9.47 a.m.
The meeting adjourned between 9.41a.m. and 9.47 a.m.*

**Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi’r
Undeb Ewropeaidd: Casglu Tystiolaeth drwy Gyswllt Fideo
Inquiry: Welsh Participation in EU Funding Programmes: Research and
Innovation: Evidence Gathering by Video-conference**

[99] **Rhodri Morgan:** We are back in session, and it is a great pleasure to have a witness session with Bangor University. I will ask David Shepherd, the pro-vice chancellor for research and development, to introduce his team, and speak briefly to his paper and then we will start with questions. David, over to you.

[100] **Professor Shepherd:** My name is David Shepherd, and I am the pro-vice chancellor for research and enterprise.

[101] **Ms Mathison:** I am Sheila Mathison, the European officer.

[102] **Dr Joyner:** I am David Joyner, director of business and partnership engagement.

[103] **Professor Thierry:** I am Guillaume Thierry, professor in cognitive neuroscience and director of innovation at Pontio.

[104] **Rhodri Morgan:** I am glad you pointed that out; we have you down as Thierry Guillaume, but you are Guillaume Thierry.

[105] **Professor Thierry:** That is correct.

[106] **Rhodri Morgan:** Very good; we have cleared that up. David, do you want to introduce or supplement your written evidence with any introductory remarks before we go in for some questioning?

[107] **Professor Shepherd:** I will give you a brief introduction, if that is okay?

[108] **Rhodri Morgan:** Yes, please do.

[109] **Professor Shepherd:** Okay. Thank you for this opportunity. Bangor University is an ambitious university that aims to be world-class and research-led. It provides high quality education and learning, and an important part of our future strategy is that it contributes to the development of the economy, health and culture of a sustainable Wales and a sustainable world. In our most recent research strategy, entitled, 'Sustainability through Excellence', the aim of our strategy was to increase our research intensity, volume and quality, particularly with the upcoming research excellence framework and past research assessment exercises in mind. To do this, we selectively support projects that we believe play to our strengths, and projects that map onto national priorities. Since that strategy was implemented, we have had a major change of leadership at the university, which you may be aware of, and that has resulted in a new vice-chancellor being appointed, myself being appointed as PVC, and a director of research being appointed, all of whom are in their first six weeks of appointment. I tell you this because, almost certainly, these changes will result in the further development of our strategy, and it is likely that you will see us further invest in our areas of strength to increase our capacity, building on core strengths and national priorities.

9.50 a.m.

[110] Bangor has a strong research base that covers the spectrum of its academic activities, from the arts through to the sciences, and we have what I believe is a solid record of success with EU funding. However, this funding is most obviously realised in the STEM areas of science, technology, engineering and maths and in the health disciplines. Most of our framework programme 7 awards fall within the colleges of the natural sciences, health and behavioural sciences and the physical and applied sciences. That shows where our real strengths reside in EU terms.

[111] Interestingly, if you look at the research that we do, you will see that we actually map very well onto Welsh Assembly Government priority areas, as published in its strategy document 'Economic Renewal: a new direction'. I think we map very comfortably onto aspects of the digital economy, the low-carbon economy, health and biosciences and advanced engineering and manufacturing. It is almost certain that these themes will be at the heart of future developments of our plans.

[112] Currently, Bangor has 25 framework 7 projects active, six of which are co-ordinated through Bangor. We also have funding from a variety of other programmes, resulting in a total current FP7 grant award of about £6.6 million. These projects are done through collaboration that is genuinely international, with higher education institutions and partners around the world. The list includes most European countries, most of eastern Europe, all of Scandinavia, Russia, Ukraine, Latvia, China, Taiwan, India, Brazil, Argentina, Colombia, Mexico, Kenya, Israel and Canada. So, as you can see, we have a very wide global spread of collaborations.

[113] We believe that this is a solid performance that shows great success. If you look at it in a national context, in terms of EU Government sector spending, in 2006-07, you will see that Bangor ranked twenty-seventh out of 170 higher education institutions in the UK; we were ranked thirtieth in 2007-08, and fifty-fifth in 2008-09. In those periods, the EU research

expenditure at Bangor was £6.8 million, which, interestingly, equates to about £10,000 for every academic full-time equivalent at Bangor, which is well above the UK average, which is only £5,600. So, in effect, we are earning twice the average per person from the EU in the UK.

[114] This success is supported directly within the university—we provide direct support for bids. In 2010, we created an academic development research fund, designed to support the development of large international bids from the university. These were funded directly to buy out staff time or provide support for applications. For example, in 2010, we made an award of £50,000 to support FP7 bids. We also received funds from the Wales European collaboration fund, managed by Enterprise Europe Network Wales to support framework 7 bids. We also work very hard to build capacity in Bangor, with projects supported by structural funds. These funds are used to build new partnerships, which we hope will lead to future participation in framework 7 and other future projects. We also received funding to other schemes, such as Erasmus, Leonardo, Grundtvig and the Erasmus Mundus and Tempus schemes, all of which promote the mobility of staff and students throughout Europe, coming into Bangor and leaving Bangor.

[115] In closing, what we find is that funding from EU sources is an important part of Bangor's research funding portfolio. It is essential to our activities. Along with income from research councils, the charities and industry, it forms an essential part of Bangor's research profile and success. They are all part of our international profile, and it is clear that it is highly likely that we will seek to pursue more EU funding over the years to maintain and grow our activities.

[116] **Rhodri Morgan:** Thank you very much, David. There will be a couple of questions from me and then I will throw it open to Members, starting with Nick Bourne, then Rhodri Glyn and Jeff Cuthbert. We heard evidence earlier from the UK Research Office in Brussels that Wales's overall share of FP7 funding was well below its population share or its university population share—about half that level in fact. Although the UK is thought of as doing well, relative to other European countries, Wales is not participating fully in that healthy UK overall picture. We speculated on many reasons for that. It might be to do with the bureaucracy involved. The forms are complicated and, if you have not done one before, it is a bit like climbing Mount Everest. Any comments on that would be gratefully received.

[117] The second point was that the overhead recovery pattern is difficult to predict, and even a successful application—let alone an unsuccessful one that has wasted a lot of time and money—might not be that popular with the finance officer of the university, because it is not like getting a research council award or quality-related research funding with full overhead recovery.

[118] Finally, because Bangor is among the half of Welsh universities that are within the structural funds zone for convergence—you, Swansea and Aberystwyth are within that west Wales and the Valleys zone—do people tend to look for the bigger hits that you can get from structural funds as distinct from framework funds? Do you have any thoughts on those three possible obstacles to Wales having not performed as well as the rest of the UK in FP6 and FP7?

[119] **Ms Mathison:** I will take those questions, as I am the European Officer. I do not think that we can comment on the success of Wales within the framework programme, only our success as a university. I am also fairly new to the university, and I was surprised when I got here at how well Bangor seemed to be performing in relation to other universities of a similar size in the UK and the willingness of academics here to lead new proposals and to engage with Europe. I was heartened by that. Can you remind me what the next question was?

[120] **Rhodri Morgan:** Is the bureaucracy overwhelming? Is overhead recovery an issue, in that the researcher might be keen, but the college bursar—or whatever you call the university finance officer—will say, ‘Whoa there; we do not necessarily want to get too much of this money if there is not enough generous overhead recovery provision within it’?

[121] **Ms Mathison:** It has always been an ongoing problem that accessing money from Europe is very bureaucratic. In every framework programme—[*Inaudible.*]—of the procedures. Some academics that I have spoken to have said that the perceived level of bureaucracy was a barrier to their participation. However, in the main, it has not been one of the most common things that people have mentioned. Although the recovery rate is quite low for some of the schemes, there has never been an occasion so far when this university has turned down a proposal on the basis of its low recovery. It may happen, at a level that I do not know about, that a decision is made quite early on within academic schools that they do not wish to proceed with something because of its potentially low recovery rate, but that does not seem to be a barrier at this university.

[122] **Rhodri Morgan:** Okay. The last question was on whether funding is easier to get, especially if you are one of the Welsh universities that is within the convergence area, as you are.

[123] **Ms Mathison:** In relation to framework funding, I do not think that it makes a great deal of difference.

[124] **Professor Thierry:** In relation to your third question, the structural fund issue is critical. Would you like me to comment on this? I think that it is appropriate at this point.

[125] **Rhodri Morgan:** Please.

[126] **Professor Thierry:** I definitely agree. I think that the university has a very good track record for grabbing some structural funds in relation to building up capacity. The reason why structural funds are being captured is essentially to build a platform on which we can start new collaborations. You have to build networks on something, and I think that the university has had particular success on that front, with two projects, namely the sustainable expansion of the applied coastal and marine sectors partnership—known as SEACAMS—and Pontio. These projects enable us to build networks on a very wide scale, engage with local businesses and find partners at a European level, because they serve as a sort of landmark project. This is the platform on which we will build major FP7 ventures, but this is only possible if structural funds have established a platform. This is the strategic way in which we build up access to these bigger FP7 schemes. It has been led by individual academics, but these new ventures are extremely powerful strategically.

10.00 a.m.

[127] **Nick Bourne:** Thank you for the presentation. I have a couple of questions; first, how is the nature of European policy at Bangor University determined in the different departments? Is it left to the different departments to get on with it, buying in to what Sheila does, or does Sheila set the agenda and the departments then buy into that? My second question picks up on what Rhodri said about upping the ante for Wales; why is Wales punching below its weight? I take your point that you can only really speak for Bangor University. Looking at the figures that you have presented, although I do not want to make too much of a meal of them, of those universities that you mention—unless I am reading the figures wrongly—the largest decline between 2006-07 and 2008-09, from twenty-seventh to fifty-fifth, is for Bangor University. Is there a particular reason for that? Are we looking at years in isolation? It seems to me that that is quite a drop; why is that?

[128] **Ms Mathison:** It is not something that I have investigated yet as I have not had the time to do so, but I recognise that there has been a drop. We think that it is the effect of the research assessment exercise: that the university paid more attention to doing well in the RAE than to bidding for new projects. I have been in this job for two months, so it is too early for me to be able to give an answer on that; I hope, and think, that it is a blip.

[129] **Nick Bourne:** I wonder whether the others might give an explanation, because it seems to be quite a drop.

[130] **Dr Joyner:** The convergence programme started in 2007, and we put a lot of effort into building collaborations through that programme. Since we were able to support the building of capacity and links with business, and our experimental research—albeit quite a way from the framework collaborations—through the convergence programme, we found it to be an excellent way to engage with many areas of expertise. As Guillaume mentioned, we have been working for about two to three years on the SEACAMS project; we have also been working on the Welsh Institute for Sustainable Environments network project and a range of other projects. We found the convergence programme to be a very good forum to build our expertise and collaborate with our partners. We hope that we can go on from here to do more framework collaboration, but the convergence programme was much nearer to where we could be successful than the framework programme; that is probably why we have invested in convergence projects.

[131] **Nick Bourne:** Could you also respond to my point about how European policy is driven at Bangor University?

[132] **Professor Shepherd:** The answer is mixed; like many things, most of the research proposals that come out are led by individual academics. They come from the floor, so to speak, and many of our people who go for EU funding are very aware of science policy in Europe and work very hard to do it. There is very much an element of a bottom-up approach, but it is also fair to say that there is a top-down element too. Staff within the research and innovation office—many of whom are with me now—are looking at EU policy and at where the funding opportunities are. They will work with schools and colleges to ensure that those schemes are made known to potential applicants at that level. It is fair to say that we do not have any element of compulsion; we do not say, ‘You must write a bid for this particular scheme’, because that is not how we feel that academia works: it is about making people aware of the opportunities. However, if the expertise or the knowledge is not available within the college or university to go after a particular programme, there is no way that we can do it; it is very much about informing people.

[133] Turning to an earlier question on the administrative side of things, it is clear that the research office here does a great deal of work with applicants to ensure that the bureaucracy is not overbearing, that the forms are interpreted and that the requirements of submissions are fulfilled well so that any funding bid that goes in has a realistic chance of success. That is something that we have done well in Bangor, but it is something that we are going to have to work harder at in future to ensure that we hone all of our bids correctly so that they meet the requirements of the schemes.

[134] **Dr Joyner:** Over the last few years, we have tended to start our collaborations with partners based in Wales; we see the Wales-Ireland programme as the next stage. The information was not presented in our document, but we had a strong engagement with the last Wales-Ireland programme. We have an extremely strong engagement with the present programme across a range of areas. We tend to see the Wales-Ireland programme as being the next collaboration, and the framework programmes as being the next stage beyond that. We tend to find that the structural funds programmes are a very good medium and forum to develop our collaborations and to build capacity, particularly since they enable us to look to

bring different disciplines together, which I think is where Bangor is particularly strong, involving the sciences, the human sciences, the arts and humanities and so on. In the current round of INTERREG, for example, which will be assessed on 6 December, we have around €6 million-worth of projects, with everything from the arts to marine sciences. I think that we see it as a sort of gradation of Wales, Wales-Ireland, and then the wider European area. Sometimes, framework programme 7 is the most obvious forum, but it often is not.

[135] **Rhodri Glyn Thomas:** Yn eich papur, mae gennych dabl sydd yn eich gosod wrth ochr y 10 prifysgol sydd agosaf atoch o ran eich ymwneud ag Ewrop. Yr oeddwn yn ceisio gwranddo ar yr hyn a ddywedasoeh ynglŷn â pherfformiad Prifysgol Bangor, ond mae'n rhaid i mi ddweud fy mod yn cael ychydig drafferth gyda'r sain ac nid oeddwn yn gallu clywed popeth yn glir. Fodd bynnag, yr wyf yn tybio, o'ch sylwadau, eich bod yn dweud bod Bangor, ar y cyfan, wedi tanberfformio o ran rhaglen fframwaith 7.

Rhodri Glyn Thomas: In your paper, you have a table that places you alongside the 10 closest universities to you in terms of your involvement with Europe. I was trying to listen to what you said about the performance of Bangor University, but I must say that I am having some difficulties with the sound and I was not able to hear everything clearly. However, I presume, from your comments, that you say that Bangor, on the whole, has underperformed in terms of framework programme 7.

[136] **Dr Joyner:** No.

[137] **Rhodri Glyn Thomas:** Credaf mai'r hyn a ddywedasoeh oedd eich bod wedi bod yn canolbwyntio ar y cronfeydd strwythurol, bod y rheiny wedi bod yn agosach at eich nod fel prifysgol, a'ch bod hefyd yn sôn am y cronfeydd o ran Cymru-Iwerddon. Casglais, o'r hyn a ddywedasoeh, eich bod yn teimlo nad oedd Prifysgol Bangor, o ran y rhaglen fframwaith 7, wedi perfformio gystal ag y gallai fel prifysgol. Felly, yr oeddwn am ofyn sut yr ydych yn bwriadu sicrhau bod eich perfformiad yn rhaglen fframwaith 8 yn well a beth ydych yn ei wneud ar hyn o bryd o ran sicrhau hynny. A ydyw'r rhwystrau a nodir gennych yn eich papur o ran cyfranogiad Prifysgol Bangor yn golygu y bydd yn anodd i chi gyfranogi'n llawn, neu a ydych yn hyderus bod modd i chi oresgyn y rhwystrau hynny a pherfformio'n well yn rhaglen fframwaith 8?

Rhodri Glyn Thomas: I think that what you said was that you have been concentrating on the structural funds, that they had been closest to your aims as a university, and you also referred to the Wales-Ireland funds. I gathered, from what you said, that you feel that Bangor University has not performed as well as it could have as a university, in terms of framework programme 7. Therefore, the question that I wanted to ask you was about how you intend to ensure that your performance in framework programme 8 is better and what you are currently doing to ensure that. Do the barriers that you note in your paper in terms of Bangor University's involvement mean that it will be difficult for you to participate fully, or are you confident that you will be able to overcome those barriers and perform better in framework programme 8?

[138] **Professor Shepherd:** I think that there is a misunderstanding here. The table to which you refer does not include structural funds. That is our performance in framework programme 7. I would say that we do particularly well in that we get £10,300 per full-time equivalent academic, which is double the UK average. We certainly did not say that we underperformed in framework programme 7. I think that we have performed well. I think that what David also said was that we also make great use of structural funds. It is not a case that we feel that we underperform in that area. I think that there seems to be a misunderstanding. Those figures are purely FP7 and do not include structural funds. So, we do not think that we underperform in FP7. However, that said, we can always improve. We will certainly be looking, as we develop our strategy over the coming years, at ways of making sure that participation levels can be maintained and improved. I do not think that there is any sense from us that we feel that we underperform. However, we can always perform better.

[139] **Rhodri Glyn Thomas:** I was not trying to provoke your sensitivity on framework programme 7. The question that I asked—and I think that you have said that in your answer now—was whether, in terms of framework programme 7, you could have done better. Therefore, the question is, how will you ensure, in framework programme 8, that you will do better?

[140] **Professor Shepherd:** We must make sure again that we have the staff who can respond to it, that the staff are aware of what is there, that they are given the support to put in these bids, and that they are given the encouragement. Often, one of the obstacles for people putting framework bids in is the time involved. Again, one of the schemes that we have introduced in the last year is that academics can now buy out their time so that, rather than being distracted by their duties, they are given the opportunity to take themselves out of their normal day-to-day activities to develop bids. This is an important part of it because, in the end, successful bids have to be generated from the bottom up. The academic has to have the time and space to do it. We have to make sure that we give our academics the time and opportunity to present the bids and that, when they get that, they are then supported through the research office to make sure that they are producing the best possible bids and that they are able to put bids in that are competitive. We also have to give our academics time to build partnerships. Often, participation in schemes is actually by invitation. If they are recognised around Europe for their expertise, a consortium that is putting a bid together will contact them and invite them to join the bid. Therefore, we must make sure that our academics are able to get out and present themselves to Europe. So, it is about creating the opportunity for staff to do that. Our European office also needs to ensure that staff are aware of the scheme and the support that is available, so that they are not discouraged by any misapprehension or misunderstanding of what may be involved in bids.

10.10 a.m.

[141] **Jeff Cuthbert:** I will stay for a little while on structural funds. I am grateful for your written paper, and I acknowledge that Sheila Mathison has made it clear that she has only been in post as European officer for around two months. I appreciate that with regard to first-hand experience, you can only talk about Bangor University; you cannot talk about the HE sector more generally, although I am sure that you have links and a feel for the sector.

[142] Unless it is an issue of capacity, I still do not understand why most of the effort appears to have been made in relation to structural funds, when people, such as European officers and your predecessors, knew that other sources of funding were available. I am not picking on Bangor; it seems to be coming across generally in our evidence sessions that there appears to be a focus on structural funds, rather than on FP7. When we come to FP8 from 2014 onwards, we do not know at this point whether Wales will qualify for any form of structural funds. We need to assume that it perhaps will not, and therefore sources of funding, such as FP8, will become even more important. What sort of plans are you making now with regard to taking advantage of FP8?

[143] Finally, with regard to the partnership developments, you mention in the final paragraph of your paper that interaction with companies through an enhanced network of potential company partners from within Wales will facilitate involvement in FP7. How is that developing? Are you talking about small and medium-sized enterprises, larger companies, or both? How do you see the future in that regard?

[144] **Professor Shepherd:** With the new regime coming in, we are in the process of rebuilding a research strategy. One thing that we are looking at is a comprehensive review of all of our processes for funding and also all our avenues for funding. It is very early at this stage to say what our concrete plans are, given that, collectively, we have only been in charge

for a few weeks. While not being apologetic, it is clear that within this university we must increase our research income across the board, be that from research councils, UK charities or Europe. We must develop a strategy over the coming years to ensure that we maximise all the opportunities for funding across the piece. That may involve strategic investment in new staff in key areas where we wish to have expertise, so we are hoping to bring in new talent from outside.

[145] We would also, as always, bring in the element of performance management. There is a need to ensure that our academics are aware of the importance of seeking funding from whatever the source, be it the UK's research councils or the EU frameworks. So, we have to look at how the university works and seek to ensure that we make the best use of our academic talent. We must look at where the issues are in relation to funding, so that we can ensure that we have the staff with the right skills to be able to respond to such calls, because we may not be able to bid for some funding because we do not necessarily have the talent. So, we need to bring the talent in and ensure that we get the best out of the talent that we have.

[146] **Dr Joyner:** May I make a comment on framework programme 7? We find that there are pockets of very strong engagement with framework programme 7, such as in social and environmental sciences, which are very successful. However, there are other areas that have not done so much with the framework, because it is a difficult area to break into, and that is where convergence funding is so valuable in helping to build links and capacity. I know that we are not talking about the UK Government, but it is pretty much the same story with the technology strategy board. For example, our biocomposites centre has strong engagement with the technology strategy board, but other areas find it quite difficult to break in. So, the message is that those who are already strongly engaged with the framework programme are very strongly engaged, but new areas find it quite difficult to break in. That is where I would see the difference. It is therefore a matter of trying to put your effort into where you could be most successful. There is no sense of us not wanting to fully engage with framework programme 7, but we have to balance where we could be successful. That gives a different perspective. We are strongly engaged with both areas, but perhaps in different parts of the sector.

[147] **Eleanor Burnham:** Aberystwyth and Cardiff universities have called for greater synergies between FP7 and structural funds. Should this impetus lie with the individual universities or should the Welsh Government provide a co-ordinating role in such an approach? You talked about how structural funds have helped you in terms of leading to the transfer of knowledge and technology. Can you give us some specific examples of this in your interaction with various companies? I presume that you may even have examples from north Wales.

[148] **Professor Thierry:** I can take the lead in answering the second part of your question. I apologise, but I am not sure that I am the best qualified person to answer on the first part. On the second part, in relation to strategic projects, one of them being SEACAMS—sustainable expansion of the applied coastal and marine sectors—and another being Pontio, we are creating a platform that enables us to engage fully with local businesses and larger corporate partners, bringing them around the same table to discuss with academics, and to create network opportunities with European partners. Importantly, Pontio is considered an innovation platform and, to my knowledge, it is one of the only ones in the UK that works in this way. The problem is that it is being built as we speak. We are constructing the whole project right now. So, there are no returns as yet. However, the idea is that it is a proper interdisciplinary platform whereby we bring together users, academics, engineers and business people to build collaborative projects. They include research-led research and development projects, so we engage with academics and businesses in the search for European funding, FP7 being one of the main targets. We also want to engage in wider projects that are commercially oriented. So, in the Pontio project we want to establish a bridge

between the business world and the research world.

[149] That is just one example of a project that will lead to much larger networks. That shows you how structural funds can play a role in co-ordination with FP7 goals. We now have a fairly large team of 12 people who regularly look at opportunities in FP7 and seek to connect academics with businesses going for these kinds of funds. It is an important strategic move, because it is more of a top-down approach. As universities, we are more likely to look at bottom-up processes. Generally, academics will lead a project into the higher stages of development. Here, we have a strategic move in which a team can go and seek strategically some FP7 money. Does that answer your question?

[150] **Eleanor Burnham:** Yes, but you have not given specific examples. You talked about the Pontio project in Bangor. How far advanced is that and when will it be complete?

[151] **Professor Thierry:** We are currently about a third of the way in. The money is virtually secured for the entire structural aspect of the project and the building will be built in two years' time. In the meantime, we are not waiting for the building to be in place in order to start the activities, so the strategic platform to connect with FP7 partners is already rolling. I do not want to take away from what the research and innovation office is doing in the university. There are two streams at the university. We are building the top-down one, but the bottom-up one has been working successfully and is still ongoing to full power. That gives you a feel for what we are doing.

[152] **Dr Joyner:** I will comment on the first part of the question, if I may. We would very much appreciate the support of the Welsh Assembly Government in helping to develop the synergy between convergence and framework 7, because although there is a strong commitment by the Commission to link these two instruments, it is quite difficult. For example, there is an area in framework 7, the capacities, in which there is a programme that we are very interested in called REGPOT—regional potential. There is the potential for bids of up to €3 million to build capacity in convergence areas by linking them with more advanced areas. For example, we could develop one of our key themes—energy, say—in Bangor by linking with some larger players across Europe. The problem with that is that you are not able to fund the engagement of those larger players. So, although they might be friendly to us, why would they be able to help us? We think that there is tremendous potential to take advantage of such programmes if we could have support through some sort of co-funding or if there were to be a change in the rules. It is difficult for us to link with those larger players if we have no instruments for funding.

10.20 a.m.

[153] There are various instruments in framework 7, but they are not particularly well geared to enable us to take advantage of them. So, we would very much appreciate support for both some co-financing of some of those instruments and to encourage policy development. Another example is that, under framework 7, demonstration facilities are funded at only 50 per cent. We think that we have strong potential, perhaps, with the further education colleges and through the Pontio project and so on, to develop more demonstrators, but 50 per cent is a little low and might not allow us to get equipment. So, co-financing support to encourage development in these areas would be greatly appreciated.

[154] Wales has a very high profile in the sense that we have been very successful in working with small and medium-sized enterprises and microbusinesses right up to collaborative PhDs. We are quite well known for being exceptional in Wales with regard to such collaborations. That could be a strong basis for Europe to listen to how we could develop these instruments.

[155] **Rhodri Morgan:** I have one final question. Imagine that you are the vice-chancellor or finance officer of the university and you are looking ahead to the next four or five years, which will be tight on the public finance front. You are looking at a multiplicity of external income sources, one of which is Europe, split into the two wings of FP7 and, in the future, FP8, and of structural funds, which may or may not come to an end, and then there is private sector collaboration, and research council funding. I would guess that Bangor has an external income of around £20 million to £30 million in a typical year. As long as you can expand your external income—whether it is from private collaboration, UK research councils, medical charities, European structural funds, European framework funds, and so on—from £25 million to £35 million, let us say, over the next three or four years, does it matter to the university which source you get it from?

[156] **Ms Mathison:** I would think that it would matter quite considerably to the university. Different sources of funding provide funding for different purposes. FP7 and FP8 are largely about international and European engagement. To be a strong outward-facing university, we need to conduct research of global significance. It is through FP7 and FP8 that we will engage with our partners around Europe and be able to participate in research that has international significance. So, it is an important part of the overall portfolio—it is not the only part of it, but, without that international work, working through European funding with partners around Europe and in the rest of the world, Bangor will lose out considerably.

[157] **Rhodri Morgan:** That is a good very point. However, let me put the question in another way to finish this session. Does the university have a target to move from whatever your external income was in the last academic year—let us say that it was £25 million—to £30 million, £35 million, £40 million, or whatever, over five years? Would it then say, for example, that it was necessary to improve the take from private sector collaboration, what it gets from UK research councils, medical charities, European structural funds and then subdivide the target? Do you have a target for expanding your external income from whatever it is now by, say, 20 per cent over the next five years?

[158] **Professor Shepherd:** The answer to that is clearly ‘yes’. We do not put a numerical value on it at this stage, but my priority will be Research Councils UK income with full economic cost, without any doubt. It would then be commercial income, because we do not recover all of our costs through the frameworks. It will be important that, at this university, we take a much larger share from fully economically costed research through RCUK and through our commercial exploitation. There is no doubt about that.

[159] **Rhodri Morgan:** Diolch yn fawr iawn am eich cyfraniad y bore yma.

[160] **Rhodri Morgan:** Thank you very much for your participation this morning.

[161] We will take a short break.

*Gohiriwyd y cyfarfod rhwng 10.25 a.m. a 10.26 a.m.
The meeting adjourned between 10.25 a.m. and 10.26 a.m.*

**Ymchwiliad: Cyfranogiad Cymru mewn Rhaglenni Ymchwil ac Arloesi'r Undeb
Ewropeaidd: Casglu Tystiolaeth
Inquiry: Welsh Participation in EU Funding Programmes: Lifelong Learning
Programmes: Evidence Gathering**

[162] **Rhodri Morgan:** Welcome to the three of you from Aberystwyth University. We ask you, Noel, as vice-chancellor, to make a few supplementary remarks to take us through your paper, or you may wish to keep your remarks very brief and then we can move straight into questions. It is up to you.

[163] **Professor Lloyd:** I will keep my remarks very brief, Chair.

[164] **Rhodri Morgan:** Introduce your colleagues anyway, as a minimum. [*Laughter.*]

[165] **Professor Lloyd:** I will. I have with me Wayne Powell, director of the Institute for Biological, Environmental and Rural Sciences and David Craddock, director of commercialisation and consultancy services and of collaborative projects.

[166] Diolch yn fawr am y cyfle i gyflwyno syniadau ar y mater hwn. Mae'r achlysur yn un amserol. Mae dipyn o gyfle gennym yng Nghymru i elwa o'r cyfleoedd sydd ar gael. Thank you for the opportunity to give our ideas on this issue. It is a timely opportunity. We have a considerable opportunity in Wales to take advantage of the available opportunities.

[167] This is a timely opportunity, and I am pleased to have the opportunity to input into the discussion and come up with some ideas about the way forward and ways in which Wales can benefit and also contribute, of course. We feel that the European dimension of our work is very much at the heart of what we are doing, and we are very pleased in Aberystwyth to have a considerable amount of activity in this area. We hope that we can build on that in the future.

[168] **Rhodri Morgan:** Dechreuaf gyda chwestiwn a ofynnais i'r ddirprwyiaeth o Brifysgol Bangor dros y cyswllt fideo. Y cwestiwn a ofynnais iddynt ar ddiwedd y sesiwn dystiolaeth oedd: pe baent yn is-ganghellor fel chi, Noel, a fyddai'n gwneud llawer o wahaniaeth o lle daw'r incwm allanol, cyhyd ag y bod yr incwm allanol yn codi? Byddwn yn tybio fod Aberystwyth a Bangor mewn sefyllfa weddol debyg i'w gilydd o ran incwm allanol, sef rhyw £20 miliwn i £30 miliwn bob blwyddyn. Wrth edrych ymaen bum mlynedd, a oes ots os yw'r incwm hwn yn dod o'r cynghorau ymchwil o fewn y Deyrnas Unedig neu o Ewrop? Os yw'n dod o Ewrop, a oes ots ei fod yn dod o'r cronfeydd strwythurol, y rhaglenni fframwaith neu rywle arall, cyhyd ag eich bod yr incwm allanol yn codi?

Rhodri Morgan: I will start with a question that I asked to the representatives of Bangor University through video link. The question that I asked them at the end of the evidence session was: if they were vice-chancellors like you, Noel, would it make much of a difference from where the external income came, as long as the external income increased? I would presume that Aberystwyth and Bangor are in a fairly similar situation with regard to their external income, that is, about £20 million to £30 million a year. Looking forward five years, does it matter whether this income comes from research councils within the UK or from Europe? If it comes from Europe, does it matter if it comes from the structural funds, the framework programmes or from somewhere else, as long as the external income increases?

[169] **Yr Athro Lloyd:** Mae pwrpas i bob incwm, wrth gwrs. Mewn ffordd, allech ddweud bod y peth pwysig yw fod y gwaith a'r cyfraniad yr ydym am ei wneud yn gallu cael ei ariannu. Fodd bynnag, o ran sut yr ydym yn cael ein gweld yn y byd a'r cysylltiadau sydd gennym, nid mater o ddewis un neu'r llall ydyw. Gofynnodd rhywun unwaith beth yw'r prawf o feddu ar safon ryngwladol. Y prawf yw eich bod yn gweithio gyda phobl sydd ar y blaen yn y meysydd hynny mewn gwledydd eraill.

Professor Lloyd: There is a purpose to every income. In a way, you could say that the important thing is that the work and contribution that we want to make can be funded. However, with regard to how we are perceived in the world and the links that we have, it is not a question of choosing one or the other. Someone once asked what the test of being of an international standard is. The test is that you are working with people who are in the vanguard in those fields in other nations.

10.30 a.m.

[170] **Rhodri Morgan:** Dywedodd y ddirprwyaeth o Fangor yn union yr un peth, ac mae'n bwynt y byddwn yn ei nodi. Os ydych eisiau ystyried eich prifysgol fel un sy'n gweithio ar raddfa ryngwladol ac sydd â rhagoriaeth sy'n cael ei mesur yn rhyngwladol, mae'n bwysig ichi gymryd rhan ac ennill eich siâr o arian o dan y rhaglenni fframwaith. Yr oedd y broblem arall y soniodd y tystion o Fangor amdani yn ymwneud â'r gyfran yr ydych yn ei chael o'r ffynonellau gwahanol, sef cynghorau ymchwil y Deyrnas Unedig ac yn y blaen, lle mae'r gallu i hawlio costau yn ôl lawer yn uwch. Dywedasant ei bod yn bwysig ichi gadw'r cydbwysedd rhwng y ffynonellau hynny sy'n eich galluogi i hawlio'r holl gostau yn ôl a'r lleill, megis rhaglenni Ewrop, lle mae'r gallu i hawlio costau yn ôl yn wan, yn wallus neu heb fod cystal.

Rhodri Morgan: The delegation from Bangor said exactly the same thing, and we will note that point. If you want to consider your university as one that is working on an international stage and whose excellence is measured internationally, it is important to take part and to secure your share of the funding under the framework programmes. The other problem that the witnesses from Bangor mentioned related to the proportion that you receive from different sources, namely the research councils within the United Kingdom and so on, which offer a higher rate of overhead recovery. They said that it is important for you to maintain a balance between those sources that offer full overhead recovery and other sources, such as European programmes, where the ability to recover overheads is poor, deficient or just not as good.

[171] **Yr Athro Lloyd:** Mae hynny'n iawn, a dyna pam mae angen cymysgedd. Mae'n rhaid ichi ddefnyddio'r ddwy ffordd.

Professor Lloyd: That is correct, and that is why there has to be a mixture. You have to use both sources.

[172] The overhead recovery is an issue with European funding, and we are all concerned about that. Being able to work with leading institutions and leading people in Europe outweighs that issue, provided that it is a mixed portfolio.

[173] **Rhodri Morgan:** Do any of the other witnesses want to come in on either of these two points? Do you want to contradict your vice-chancellor totally?

[174] **Mr Craddock:** I support the vice-chancellor of Aberystwyth University, and I would like to provide additional information to back him up. [*Laughter.*] There is also a commercial point, which is important, namely that the size of European funding is considerable, and it is only right that we look at getting our fair share—after all, it is taxpayers' money. It is important that we try to get a good share of the fund that is available.

[175] **Jeff Cuthbert:** I want to put the points to you that have been put to all witnesses on this matter. The impression that is being given is that, because all of Wales is covered by structural funds—whether convergence or competitiveness funding—that is where the focus has been, rather than on FP7 and the run-up to FP8. I can understand that to a degree, and I take your point about not getting the full economic costs and some of the practical problems associated with the other funding. To what degree has your university sought to mix and match by looking at good collaboration between structural funds projects and projects that could be funded from the other sources? Do you have advice on that? To what degree are you working with private companies, whether they are smaller or larger companies, to maximise the benefit of those research opportunities?

[176] **Professor Lloyd:** There has been considerable effort to attract structural funds, but it is important to link not just those two funds but other areas as well, so to create linkages between FP7 programmes and structural funds and other programmes that are funded through collaborative ventures in Wales. It is always a danger that one can approach them in isolation,

but the synergies between the different programmes need to be emphasised, and some thought needs to be given to that. Perhaps we need to do that more effectively.

[177] **Jeff Cuthbert:** To your knowledge, has there been discussion with WEFO, for example, on possible collaborative work?

[178] **Mr Craddock:** Not specifically, but I support the vice-chancellor in stressing the importance of leveraging the collaborative research that is currently ongoing in Wales, whether it is funded by the structural fund programme, the framework 7 programme or even the HEFCW reconfiguration and collaboration programme. In Wales, we have a lot of large, collaborative, research innovation exercises. I am thinking of the Low Carbon Research Institute, High Performance Computing Wales, and the ASTUTE programme. What is important is that we leverage the size and the impact of those research programmes, and see how we can use that to attain more success with the framework 7 and framework 8 programmes.

[179] **Professor Powell:** The first thing is that we cannot look at EU funding in isolation. The opportunity for strategic leverage is critical, including with research councils and certainly within the Institute of Biological, Environmental and Rural Sciences, with the investment that the Assembly Government has made in some of our facilities and infrastructure. We want to use that to leverage in new opportunities from framework 7, while leveraging and influencing framework 8.

[180] **Rhodri Morgan:** We now have your ex-Aberystwyth students to come in: Nick Bourne first and then Rhodri Glyn.

[181] **Nick Bourne:** Thank you for that build-up, Rhodri. Thanks Noel, Wayne and David for the presentation. The question that we have been trying to probe, I think, is why the UK has seemingly been punching above its weight in relation to FP7, but Wales, uncharacteristically, has been punching below its weight. A lot of the disadvantages that we hear about apply equally to England and Scotland, and, from what we can gather from UKRO, we are not doing as well as Scotland, although better than Northern Ireland, it seems. That is the first question, but if I may, I will continue with two others.

[182] Speaking of UKRO, do you make use of it? Do you find that UKRO is useful? Could it be doing anything better in promoting access to funds for Welsh HE?

[183] My final point is in relation to the Aberystwyth Erasmus figures. I fully understand the points that you were making there, but I just wonder what the incoming Erasmus position is, because it is presumably attractive to Aberystwyth to get Erasmus students in. Is that on an upward curve? What are the numbers? I do not think that they are in the paper, but I would personally be interested to hear them.

[184] **Professor Lloyd:** If I take your first question, perhaps David will answer the second and then I can come back on the third. The question that you pose is at the heart of the investigation and the issues that we are talking about. Certainly, scale is an issue. One of the differences in England is the impact of research laboratories, which are active in this area, and large companies. So, the general make-up of the body science, if you like, is one issue. We have also been thinking quite hard about ways in which to address this. You are absolutely right about the percentages. Whether there are reasons for it or not, it would be good to push that 2 per cent up. There are things that we could be doing together. There is also a bigger issue: the complications of putting programmes together and then running them lead to a big overhead cost. So, I think that it would be an idea—speaking for myself, rather than in any representative capacity—if, collectively with the Assembly Government, we explored the possibility of the institutions in Wales coming together to influence and be a mechanism for

linkages with possible partners. In that way, we would be helping to put some of these large programmes together. We find—and perhaps Wayne will come in on this—that there is a big demand on scientists, first to put the programmes together, and then to manage them, especially if you are leading on them. It is advantageous if you are leaders on the programmes. So, there are issues of working together that could help in that regard, and I would be happy to look at possible models for doing that. Wayne is familiar, I think, with a model in France. Perhaps you could address that, Wayne, if that is all right with the Chair.

10.40 a.m.

[185] **Professor Powell:** Yes, there are examples within the French public agricultural research service, which has a subsidiary with two or three roles, but one of the major roles is to identify partners, negotiate and manage European Union projects from start to finish. As the vice-chancellor has indicated, there may be opportunities for us to model something of that nature here in Wales. However, if I may say so, there is another factor at play in winning funding from the European Union, particularly with respect to the collaborative projects that represent 60 per cent of the funding. If you examine those projects across the piece, you will find one salient feature, which is that they are mission orientated. So, the research is mission orientated, and therefore having the long-term capability and capacity to win that funding is absolutely critical. Mission-orientated research is important, and, within Aberystwyth University, and IBERS, we have some of that capability.

[186] The second part is that we have to be able to retain and build corporate knowledge, because these grants and this funding are competitive and demanding in administration terms. Therefore, building the corporate knowledge, expertise and experience is really important, and that is what the vice-chancellor is referring to in the context of these models.

[187] The third point—and I will not be verbose; I will stop now—is that it is critical that we be outward facing and that we have individual relationships and strategic relationships with key organisations in mainland Europe. Those are the key factors and lessons to be learned for raising our game in Europe.

[188] **Nick Bourne:** There were two other points to answer. I think that David was going to pick up on the UKRO experience and the Erasmus figures.

[189] **Mr Craddock:** I can talk a bit about UKRO. There are actually two organisations that provide support for us. One is UKRO and the other is Welsh Higher Education Brussels. They are useful organisations, in the sense that they provide meeting points, they open doors, they highlight opportunities, and they can organise events. They provide limited resource for bid writing, too. So, I certainly support Noel and Wayne in their call for a more focused effort to raise the game for Wales, to benefit from the collaborative ventures that we have. I am keen to build on our collaborative successes. In addition, we need to influence future calls and research programmes in Europe, and a more focused organisation might help us to do that. A third important point is that we involve Welsh businesses, especially SMEs. European funding is your worst nightmare if you are a small business in Wales, and having an organisation that helps to bring together higher education, the Welsh Assembly Government and small businesses would be of major benefit, in my view.

[190] **Professor Lloyd:** Finally, on the Erasmus question, I think that the numbers are increasing. There is an issue of course with the fee waiver and the cap, and that is proving to be a bit of an issue at the moment. Perhaps that will be clarified over the next few months, as we go forward.

[191] **Nick Bourne:** You get the fees from them coming in though, Noel, presumably—or not?

[192] **Professor Lloyd:** There is an upper boundary from the funding council this year. Until now, it has not been cash limited in that sense. I am very supportive, and I welcome the exchange even if it can be a bit of a strain, financially. It adds a valuable richness to the student body.

[193] **Rhodri Glyn Thomas:** Yr ydych yn sôn yn eich papur am lwyddiant Prifysgol Aberystwyth o ran rhaglen fframwaith 7. Ni wn a yw hynny'n golygu eich bod wedi gwneud yn gymharol wael yn y rhaglenni blaenorol neu'n arbennig o dda gyda hon. Fodd bynnag, soniwyd am ffactorau allanol ac am ddewisiadau strategol mewnol. A allwch egluro beth sydd wedi bod yn wahanol o ran eich ymwneud â rhaglen 7 i sicrhau'r llwyddiant hwnnw? Wrth i chi edrych ymlaen at raglen 8, yr ydych yn sôn am fwy o gydweithredu ar lefel Brydeinig ac Ewropeaidd. A ydych hefyd yn edrych ar gydweithio â phrifysgolion eraill er mwyn adeiladu ar lwyddiant rhaglen 7?

Rhodri Glyn Thomas: You mention in your paper Aberystwyth University's success with the framework programme 7. I do not know whether that means that you have done relatively poorly in the previous programmes, or particularly well in this one. However, you mention external factors and internal strategic options. Can you explain what has been different about your involvement in programme 7 to achieve that success? As you look forward to programme 8, you mention greater collaboration on a British and European level. Are you also looking at collaboration with other universities to build on the success of programme 7?

[194] **Yr Athro Lloyd:** Yr ydym eisoes wedi sôn am dargedu meysydd arbennig, sef y peth pwysig. Os ydych am lwyddo—mae hyn hefyd yn wir am y cynghorau ymchwil—mae'n rhaid eich bod yn gweithio yn y meysydd lle mae'r gwir broblemau yn codi, fel eich bod yn sicrhau bod eich arbenigedd yn cyd-fynd ag anghenion y rhaglenni hyn. Rhaid gwneud dewisiadau strategol yn y meysydd yr ydych yn sôn amdanynt a rhaid targedu eich ymdrech mewn meysydd priodol.

Professor Lloyd: We have already talked about targeting particular areas, which is the important point. If you want to succeed—this is also true of the research councils—you must work in the areas where the real problems arise, so that your expertise matches the requirements of these programmes. Strategic choices must be made in the areas that you mention, and you must target your efforts in appropriate areas.

[195] The strategic decisions in the subject areas that you are targeting are important. That is something that we have learnt. The collaborative aspects of this are essential; I have said on many occasions that, in order to develop the range of expertise—I will use the phrase 'effective mass'—that you need to address these situations, you have to work with other institutions. That was the genesis of the Aberystwyth/Bangor partnership, for example, but it also has to be wider than that. In addressing the issues, you need to ensure that it is problem-driven and issue-based, and that you have the range of expertise—either within your institution or, more probably, working with other institutions—to enable you to address those issues. I think that Wayne has specific experience of this.

[196] **Professor Powell:** There are a couple of points to make. First, it is about hiring and retaining good people and ensuring that those people are entrepreneurial. The second point is that you need to be aware of the strategic drivers in Wales and Europe. If you look at Europe 2020, you will see that there is considerable overlap. For example, themes within Europe 2020—such as a resource-efficient Europe, and decoupling economic growth from depletion of resources—resonate with our activities in Wales. For the future, it is important, as Noel has indicated, that we position ourselves to capture those opportunities. In terms of what we are doing differently, going forward, one has to give the European Union a higher priority and focus. We must ensure that we have people who are tuned in with collaborators in the

European Union. The other important part is that one also has to understand the policy dimension.

[197] **Eleanor Burnham:** Mae eich papur yn nodi'r diffyg cefnogaeth i gael mynediad at raglen FP7. A ydych yn gofyn am greu corff tebyg i Swyddfa Cyllid Ewropeaidd Cymru, i roi mwy o gefnogaeth, grym ac arian, yn debyg i Rwydwaith Menter Ewropeaidd Cymru?

Eleanor Burnham: Your paper notes the lack of support available in accessing the FP7 programme. Are you looking to create a body similar to the Welsh European Funding Office, to give more support, power and funding, similar to the Wales European Enterprise Network?

[198] **Yr Athro Lloyd:** Mae swyddogaeth WEFO yn dra gwahanol, oherwydd bod ganddi swyddogaeth adolygu gwariant, ac yn y blaen. Fel y dywedais yn gynharach, yr ydym yn dweud ei bod yn werth edrych i mewn i'r syniad o greu rhywbeth cyffelyb i'r corff a gyfeiriodd Wayne ato yn Ffrainc, sef partneriaeth rhyngom ni fel sefydliadau a'r Cynulliad, fel y gallwn helpu'n gilydd i wneud cysylltiadau i ddod â'r rhaglenni at ei gilydd ac i'w rheoli ar ôl iddynt fod yn llwyddiannus. Felly, ni fyddwn eisiau rhywbeth sy'n llethol mewn ffordd reoleiddiol, ond credaf fod elfen o ddod at ein gilydd i geisio creu'r cyfleodd. Yr wyf yn hoffi'r syniad o gael corff a fyddai'n gallu gweithio fel cwmni ar ran sefydliadau a chwmnïau yng Nghymru.

Professor Lloyd: The role of WEFO is quite different, as it has a function in reviewing expenditure, and so on. As I mentioned earlier, we are saying that it is worth looking into the concept of creating a similar body to the one that Wayne referred to in France, namely a partnership between us as institutions and the Assembly, so that we can assist each other to make connections to bring the programmes together and to manage them once they have been successful. So, I would not want something that is onerous in a regulatory way, but I think that an element of coming together to try to create those opportunities. I like the idea of having a body that could work as a company on behalf of institutions and companies in Wales.

10.50 a.m.

[199] I fynd yn ôl at un o'r cwestiynau blaenorol, argymhellwn ein bod yn edrych ar y syniad hwn gyda'n gilydd, ac efallai yn edrych ar wahanol fodelau. Gallwn ddod at ein gilydd i helpu'n gilydd. Yr wyf yn pwysleisio nad rhywbeth o'r brig i lawr ddylai hwn fod, ond rhywbeth sy'n codi o'r awydd i gydweithio.

To return to a previous question, we recommend that we should look at this idea together, and perhaps look at different models. We could come together to help each other. I emphasise that this should not be something from the top down, but something that arises from a desire to collaborate.

[200] **Eleanor Burnham:** Mae'r adolygiad hwn yn amserol. Yr wyf yn eithaf newydd i'r pwyllgor hwn, a'r peth sydd wedi fy nharo'n syth yw faint o gyrff sydd o gwmpas. Hanner yr amser, nid yw person fel fi yn deall sut mae'r cyrff hyn yn gweithio na beth y maent yn ei wneud. Mae gennym WEFO, UKRO a chyrrff eraill fan hyn a fan draw. A ydych yn meddwl y dylem llobio i symleiddio'r strwythurau hyn, i ganiatáu mwy o gefnogaeth, yn enwedig i gwmnïau bach? Yr wyf yn pryderu am fy rhanbarth i yn y gogledd. Mae'r fforwm economaidd sy'n cyfarfod yn y gogledd wastad yn trafod y

Eleanor Burnham: This review is timely. I am a relatively new member of this committee, and I was immediately struck by the number of bodies out there. Half of the time, someone like me cannot understand how these bodies operate or what they do. We have WEFO, UKRO and other bodies here, there and everywhere. Do you think that we should lobby to rationalise these structures, to allow for more support to be given, especially for smaller companies? I am concerned about my region of north Wales. The economic forum that meets in north Wales always discusses these important

materion dwys hyn, a chredaf y dylem oll lobio i symleiddio materion. Mae llawer o bobl dda yn gwneud yr hyn a'r llall, ac mae llawer o arian ar gael, ond hanner yr amser yr ydych yn poeni ble mae'r arian hwnnw a sut mae cael gafael arno. A ddylem ni wneud rhywbeth i symleiddio'r sefyllfa?

matters, and I believe that we should all lobby to simplify matters. Many good people are working on this and that, and there is a lot of money available, but half of the time one worries about where that money is and how it can be accessed. Should we do something to simplify the situation?

[201] **Mr Craddock:** I do not think that we need a body like WEFO, which manages funds and is focused on regulatory issues. We are talking about trying to establish a more dynamic organisation, which might be a collaborative venture between the Assembly and universities, with input from business. I am currently working on the High Performance Computing Wales project with a large team, and I am struck by the success that we are enjoying having established a special-purpose vehicle, which is quite a creative way—[*Interruption.*]

[202] **Rhodri Morgan:** It is a quango that is not a quango—a quasi-quango—is it not?

[203] **Mr Craddock:** It is a charitable research company set up by the universities, which reports to Companies House. It is quite an interesting model, which might be worth looking at in this context.

[204] **Eleanor Burnham:** We need to step up a gear, do we not? We are looking at an international approach; earlier, we spoke to people from Bangor University who said that they are active in China and so on.

[205] **Rhodri Morgan:** To be clear, what would be the special-purpose vehicle's special purpose, in this context? Would it be to hand-hold academics and businesspeople who wanted to overcome form-filling problems but were not sure how to do it, or would it be about helping them to find partners? Marriage brokering, hand holding and the bid-writing workshops that you mentioned earlier are all excellent suggestions, but are they the vehicle's purpose? Wayne keeps mentioning that we have to understand the mission; is it about that, too, or is it about matchmaking and overcoming problems with form filling?

[206] **Mr Craddock:** It is about all of those things. I come from a commercial background, and I think that a good focus would be to aim to double the amount of funding that Wales gets from European funds from 2 per cent—as I believe it is at present—to 4 per cent. I would look to set up an organisation that is focused on that and does all of the things that you mention. If we are successful in generating more income for Wales through our collaborative research efforts, there will be a snowball effect in generating more research and benefits for businesses.

[207] **Professor Lloyd:** All of the things that you mentioned work together; they are not in conflict in any sense. Establishing the mission or purpose is the sine qua non of success.

[208] **Professor Powell:** What I meant by 'mission' was that problem-driven research is mission driven in the sense that there is a problem that we want to resolve. Sixty per cent of funding that comes from framework programme 7 goes into that collaborative pot; therefore, if we want to raise our game, we must have a focus on that. Forgive me for that interruption, but that is what I meant.

[209] **Rhodri Morgan:** That is fine. We now come to my last question. Is trying to double over five years—or whatever—the Welsh take from FP7 a job to be done centrally by a special-purpose vehicle, which would then have stakeholders in the universities, the business community and the Assembly Government? If not, is it for each university in Wales to have a target for increasing its external income, from the average of Aberystwyth, for example,

which would be around £20 million or £30 million—I do not know what the figure is, but let us say that it is £30 million—up to say £50 million over a five-year period? Is the European figure, from either convergence or framework funding, a part of the five-year plan that you must have as universities? I am trying to think of the best way to target this—is it via the university’s five-year plan or via a special-purpose vehicle having a five-year plan to double the Welsh take?

[210] **Professor Lloyd:** I think that the most natural procedure would be for universities to have their own plans, but, in order to have a focus on European and framework programmes, they would share expertise—that would come through some kind of special-purpose vehicle or some kind of joint activity. Then, the overall target in terms of FP7—David’s doubling—would be something that the institutions would buy into. As I said earlier, we were looking at something that should be from the bottom up, rather than from the top down. Any collective effort that might be appropriate would be a means to an end. It is a matter of the institutions coming together and working through that as a mechanism, if you like, for a specific purpose. That is the special purpose.

[211] **Rhodri Morgan:** I draw this morning’s session to a close. Thank you, Noel, Wayne and David, for your contributions. We will send you a transcript for you to check for accuracy.

[212] I invite Members to note the minutes of the last meeting and to make any points that they have as to their accuracy. The next meeting, which will be very relevant to today’s discussion, will be on 23 November—a fortnight hence—when the committee will be taking evidence from the First Minister and the Deputy Minister for Science, Innovation and Skills. You have given us some wonderful questions to put to them. Thank you.

[213] Diolch yn fawr am eich cyfraniad y bore yma. Thank you for your contribution this morning.

*Daeth y cyfarfod i ben am 10.58 a.m.
The meeting ended at 10.58 a.m.*