

# Consultation on post-EU funding arrangements

## About Universities Wales

Universities Wales represents the interests of universities in Wales and is a National Council of Universities UK. Universities Wales' membership encompasses the Vice Chancellors of all the universities in Wales, and the Director of the Open University in Wales.

Our mission is to support a university education system which transforms lives through the work Welsh universities do with the people and places of Wales and the wider world.

Universities Wales welcomes the opportunity to respond to the Finance Committee's consultation on post-EU funding arrangements.

## 1. Progress in establishing and delivering replacement funds for EU structural funds, including:

- 1.1. Universities have delivered significant benefit to the people and places of Wales via European structural funds. There are over 50 projects funded via European Structural Funds currently operating across Wales, led by Welsh universities, developing sustainable energy solutions, collaborating with industry and providing employment and skills for the future. In the final round of ESIF funding, 2014-2020, universities-led projects were awarded over £300m.
- 1.2. Regional funding has played a pivotal role in research and innovation in Wales. When Structural Funds Programmes were developed, they encompassed priority objectives relating to research and innovation, recognising the important, valuable role that research and innovation has on our regional economies. For the replacement of Structural Funds to be successful and impactful, there must be adequate recognition of the importance of R&I.
- 1.3. Universities have played a critical role in regional development in Wales as key organisations in the development of projects; the delivery and management of projects; in the evaluation of projects; and in the application of outcomes in terms of research, knowledge transfer, industrial collaboration, commercialisation, innovation and education more widely. Regional funding for R&I has been used as a part of a wider network of funding from a range of bodies to support strategic aims.
- 1.4. the UK Shared Prosperity Fund:

- 1.4.1. There have been positive recent developments on the UKSPF with the prospectus including a greater emphasis on research, innovation and development than was included in the pre-launch guidance.
  - 1.4.2. It was encouraging to see a greater emphasis on a regional approach, particularly in how it could align with existing regional arrangements, and work undertaken by Welsh Government and stakeholders on the Regional Investment Framework.
  - 1.4.3. However, the prospectus does not include a significant focus on higher level skills. A number of ESIF funded projects in Wales focused on higher level skills and the interface with innovation.
  - 1.4.4. There continues to be concern over ESIF-funded projects at Welsh universities, with funding due to come to an end over the next year, but UKSPF funds due to be released in October at the earliest. With this level of uncertainty, universities will imminently need to make difficult decisions around ESIF-funded projects.
  - 1.4.5. EU Structural Funds supported territorial co-operation activities such as the Ireland Wales programme, Atlantic Area, North West Europe and Europe Interreg programmes. The UKSPF does not provide any support for working collaboratively with partners elsewhere in Europe. The Ireland Wales programme supported a significant number of collaborations between Welsh universities and Irish universities and research institutions as well as involving local authorities and businesses. There is currently no funding that will support these collaborations on vital areas such as climate change and marine life sciences once the programme funding concludes.
- 1.5. the Community Renewal Fund; and the Levelling Up Fund.
- 1.5.1. From the perspective of universities these funds are of limited relevance given the nature of what they are intended to fund. The Community Renewal Fund was seen as a precursor to the UKSPF, and allocated funding to local authorities for a variety of community-based projects.
  - 1.5.2. The Levelling-up fund is focused on transport investments, regeneration and town centre investment, and cultural investments.
  - 1.5.3. However, the UK Government's commitment in the Levelling-up White Paper to invest at least 55% of their domestic R&D funding outside the Greater South East by 2024/5 should provide opportunities for Welsh institutions.
  - 1.5.4. Research and innovation were prominent throughout the Levelling Up White Paper and are considered to be a key tool with which to address regional inequality and low productivity areas.
- 2. How the funding proposed for Wales and funding received via continued UK participation in EU programmes, compares to the funding received while the UK was a member of the EU.**
- 2.1. Universities Wales welcomes the UK Government's commitment to funding for Horizon Europe association, and also the commitment that this funding would be used for alternative arrangements ('plan B') if the UK does not associate to Horizon Europe. Full association with Horizon Europe remains our desired outcome.

- 2.2. In terms of anticipated income from Horizon Europe or an alternative scheme, as this is a competitive pot it is not possible to identify a comparison between the funding we will receive and would otherwise have received. The key aspect in relation to this programme is that we associate and that there are minimal barriers to Welsh universities' participation in Horizon Europe projects.
  - 2.3. Welsh universities will also be unable to access funds from the EU Covid-19 recovery programme, funding which Member States (such as France and Spain) have used to boost their research and expansion of HE.
  - 2.4. It is not possible to quantify how much new funding may have come to Wales via Erasmus+ compared to that which will be brought into Wales via Taith and the Turing scheme. However, we understand that the Taith funding is broadly comparable to the projected income that Wales would have received from the new Erasmus+ programme.
  - 2.5. It is also worth noting that the reciprocal nature of the Taith scheme will provide for learners, educators and researchers to come to Wales, and includes funding for capacity building and collaboration which will deliver wider benefits to Wales.
- 3. The mechanisms and structures being established to administer those funds in Wales, the roles of those involved, in particular the Welsh and UK Governments, and the consequent impact on accountability arrangements.**
  - 3.1. In relation to the UKSPF, it is important that any structures understand the role of universities in local areas and regions in Wales, and the role they can play in delivering benefit through these funds.
  - 3.2. Universities Wales welcomes the links with Welsh Government's Regional Investment Framework cited in the UKSPF prospectus, and the inclusion of universities on the list of stakeholders to be involved in local partnership groups.
  - 3.3. Effective regional and national collaboration essential in delivering the maximum benefit to be derived from the UKSPF. Universities Wales welcomes the recommended inclusion of universities in local partnership groups. It is essential that UK and Welsh Government can collaborate effectively to deliver maximum benefit to Wales via the UKSPF.
- 4. The amount of legacy funding that Wales is due to receive following the UK's exit from the EU and associated with EU structural fund programmes.**
  - 4.1. This will be a matter best addressed by other stakeholders including the Welsh European Funding Office (WEFO)