

**Senedd Cymru**  
**Pwyllgor yr Economi, Masnach a Materion Gwledig**  
**Ymchwil a Datblygu**  
**RD12**  
**Ymateb gan: Prifysgol Abertawe**

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**Welsh Parliament**  
**Economy, Trade, and Rural Affairs Committee**  
**Research and Development**  
**RD12**  
**Evidence from: Swansea University**



**Economy, Trade and Rural Affairs Senedd Committee**  
**Swansea University response**

- **What challenges are Welsh businesses facing in terms of awareness of, and access to, public research and development funding?**

SMEs may not have the time to search for potential funding available to them and they may not have the necessary skills sets in-house to write the funding proposals. Moreover, the funding landscape can be over-complicated at times.

The financial landscape is challenging, and many SMEs do not have access to R&D budgets that may be required for match funding against public research and development funding opportunities. Even larger companies can be reluctant to engage if their risk profile has changed.

It is not always clear to universities how new schemes are communicated to the business communities. Universities sometimes act as a 'hub' to disseminate information to known industry partners. While this is important, universities will not always have contact details of all the possible beneficiaries. A better and more targeted communication will certainly help.

Previous programmes of infrastructure support worked well (e.g., ASTUTE and SPECIFIC) to enable the University to be always ready and enabled for RD&I with industry partners/SMEs for whom the barrier to invest in technology and expertise was prohibitive. Longer-term funding instruments are needed to retain the talent to deliver the expertise into RD&I for industry.

Previous WEFO funding supported SME involvement in research (such as KESS, ERDF, large projects like Calin, Accelerate etc). There is currently no replacement for WEFO (the Shared Prosperity Fund, while welcome, is a smaller and short term and is managed by individual local authorities hence benefits are (appropriately) limited to the locality). WEFO also funded business leadership training schemes run by universities – these are now in short supply, as is support for IP protection.

Prior to the loss of European funding as a result of Brexit, Swansea and Bangor University had led an EU-funded initiative to support SMEs in accessing European R&D funding. The return of Horizon Europe funding, which provides many opportunities for business engagement in R&D funding, is welcomed, but it is not clear if SMEs are getting the right support to access these opportunities; universities could help support this with funding.

- **What differences are there between funding for universities and funding for industry innovation? Are there regional disparities in the allocation of funding?**

There are differences in institutional and industry KPIs, as well as intervention rates and levels of in-kind contributions and separating support for the two can be financially challenging. Universities and business innovation can be at different stages in terms of technology readiness levels.

The types of funding needed to support SMEs in particular is often different (i.e., more seed-funding).

Industrial PhD schemes are very cost-effective ways to integrate R&I between universities and businesses such as ICASE awards. These opportunities are few and far between. The WEFO -funded KESS programme was a great scheme in promoting industry innovation; a replacement for KESS would be welcome in this space.

There are also regional disparities e.g., on average the HEIF scheme in England is better funded than the equivalent (RWIF) in Wales. Other initiatives exist in the UK which fund innovation in England e.g. Connecting Capability Fund RED fund

<https://www.ukri.org/blog/new-funding-will-prepare-the-runway-for-commercialisation-success/> and the University Enterprise Zones <https://www.ukri.org/what-we-do/our-main->

- **Do the research interests of universities and industry differ and, if so, what actions can be taken and by who to ensure the interests of both sectors are catered for?**

In the launch of the report prepared by the Learned Society of Wales, Rick Delbridge captured the spirit of the term innovation being about creating value (cultural or social) as well as having an economic benefit. Universities and industry are united in their ambition to create value.

While there are many overlaps, there will always be instances where the research interests of universities and industry differ (research conducted within universities does not always neatly align to industry needs, nor should it). There are presently a number of ministerial portfolios through which innovation support might be anticipated, e.g. economies, education, health, climate change. The support of Welsh Government for supporting points of difference and also at the intersection between university and industry research is always welcome, perhaps through a new department for innovation.

The representatives of these government departments could act as anchors for UKRI funding and act in an advisory capacity with respect to devolved funding for both businesses and universities.

Some other actions to consider could be: better alignment to government/industry strategies (govt/industry); more co-creation; less bureaucracy; removing competition in sector (taking a collaborative approach, following the Wales Innovation Network example). There are certain skill sets where universities can work together to support the delivery of technology and skills e.g. safe and sensible AI building on the concept of the Welsh Data Nation Accelerator.

The majority of the funding schemes are aimed at safe areas with clear pathways to impact. Both Government and industry should be willing to take risks as was evidenced during the COVID pandemic. This will be gratefully received.

- **How can universities and businesses better interact and collaborate with each other?**

From within the university research environment, there needs to be more nuanced understanding of the challenges that businesses across the UK are facing everyday, particularly in the current climate. Universities are facing financial challenges, but there is a separation from most researchers and those in industry research innovation roles, from issues for example around the daily running of their institutions and the real everyday challenges of keeping the doors of a business open.

Academic institutions should reduce the appearance of being hierarchical in its approach to working externally; this will improve the chance for an external partner to engage with an equivalent academic colleague and make collaborative R&D (and the funding to support it) easier to attain.

Joint funding (such as from Innovate UK, KTPs and SMART programmes from Welsh Government) calls help to support research and development in industry and universities. The KESS scheme for PhDs also worked well. Secondments from industry into University and vice versa help build bridges and networks to foster joint bids going forward.

‘Short-termism’ is a problem; short term funding provides immediate engagement, but interest wanes when funding ends – there is a need to consider longer term options which by their nature are more risk taking and ambitious, with a much greater return on investment.

Other examples to improve collaboration between universities and businesses:

- Introduction & awareness raising – such as through initiatives such as the Swansea LINC network
  - Matching service,
  - investment in experienced business development staff within universities
  - NBCU Staff mobility
  - Capitalising on the UKRI INUK & WG MOU
  - KTPs and other programmes for Wales (ie. KESS, PHDs, CDTs, ICure)
  - Better directory of companies would be helpful along with clear USPs of the academic institutions to improve matching of university and industry
- **How effective is Welsh Government's [Innovation Strategy](#) likely to be in supporting research, development and innovation in Wales?**

The Innovation Strategy is likely to play an important role in supporting RD&I in Wales. It was developed following extensive consultation and engagement with key stakeholders to identify a mission-based approach and as such, it articulates priorities to be shared and to be delivered through effective collaboration. The delivery vehicles, funding mechanisms and KPI alignment will be key to its success.

The focus on a greener Wales is welcomed, as the integration between research, development, innovation and the talent recruitment, development and retention, that is essential to success. Universities working at the forefront of research in net zero are key to delivering CPD to address the fact that the green transitional tech is moving fast.

The focus on health and wellbeing and life science innovation, independent to HCRW strategy, is less clear. We would welcome clarity on common approaches of the various ministries that touch on health. Similarly, there also appears to be a disconnect between the resources for supporting entrepreneurship across education and business. Wales's entrepreneurial reputation is strong and by sharing the commitment to developing entrepreneurs through education and enabling entrepreneurial businesses to establish themselves in Wales in zones/clusters/close proximity to Universities offers significant potential.

- **Progress made in respect of the [Welsh Government response](#) to the Fifth Senedd report on 'Research and Innovation in Wales'.**

Recommendations 6 (*To increase its influence over investment decisions made in London*) and Recommendation 11 (*If the Future of Wales Fund is intended to incentivise the winning of external funding, particularly from UKRI, it would be consistent for this fund to be available to all bodies eligible to bid for UKRI funding, including National Museum Wales*) are particularly pertinent and welcome.

Reinstatement of I&E funding in the form of RWIF was welcome. However, the landscape continues to shift and it will be important to keep abreast with developments in funding within England, to ensure Wales can remain a financially feasible place to innovate.