

HEFCE 01/34

Respond by 20 July 2001

May

Invitation

Higher Education Innovation Fund

Invitation to apply for special funding

Higher Education Innovation Fund: invitation to apply for special funding

To	Heads of HEFCE-funded higher education institutions
Of interest to those responsible for	Relations between HE and business and the wider community; Contract and collaborative research; Continuing vocational education; Strategic planning
Reference	01/34
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Enquiries to	Adrian Hill, tel 0117 931 7351, e-mail a.hill@hefce.ac.uk Or HEFCE regional consultants

Executive summary

Purpose

1. This document invites applications for higher education institutions in England to apply for special funding to support activities that will increase their capability to respond to the needs of business (including companies of all sizes and sectors and a range of bodies within the wider community), where this will lead to identifiable economic benefits.

Key points

2. The new Higher Education Innovation Fund (HEIF) builds on the third stream of funding initiated by the Higher Education Reach-out to Business and the Community (HEROBC) Fund. It is designed to sit alongside institutions' teaching and research activities, enabling them to secure the maximum economic benefit from those activities.

3. The fund will continue to provide a platform of core funding to help HEIs enhance organisational and structural arrangements for implementing their strategic aims in this area, so that they can contribute to economic growth and competitiveness.

4. Applications for funding should be based on the criteria for allocations and distribution arrangements. These are set out in the guidance notes on Knowledge Exploitation Funding (Annex A) and the application guidelines for HEIF (Annex B). A list of acronyms is given in Annex C. All English HEIs were consulted on the fund in HEFCE 01/22; a summary of responses received is in Annex D.

Action required

5. Applications for funding should be sent to Adrian Hill at the HEFCE, to arrive **by 20 July 2001**.

Background

6. Funding for the Higher Education Innovation Fund (HEIF) was announced following the Government's 2000 Spending Review, in order to continue and develop the work of the Higher Education Reach-out to Business and the Community (HEROBC) initiative. This established a third stream of funding, to sit alongside the core funding to institutions for research, and for learning and teaching. HEIF has been established as a partnership between the Department of Trade and Industry/Office of Science and Technology (DTI/OST), the HEFCE, and the Department for Education and Employment (DfEE).

7. As announced in the Science and Innovation White Paper published in July 2000, HEIF is worth £140 million over three years and will help build on institutions' potential as drivers of growth in the knowledge economy. The fund incorporates the existing HEROBC fund, for which the HEFCE is currently providing around £20 million a year. It is expected that the HEFCE will continue to provide third stream funding at that rate or greater.

8. New resources have been made available by OST of £20 million a year in each of 2001-02 and 2002-03, rising to £40 million in 2003-04.

Proposals

9. We invite higher education institutions (HEIs) to apply for funding under HEIF in July 2001, in accordance with the arrangements set out in this document. Applications from consortia of HEIs which show added value over what could be achieved individually will be welcome. Applications are also invited for large scale pilots or exemplar projects, which might be along the lines of the University Innovation Centres described in the White Paper on enterprise, skills and innovation.

10. £80 million will be allocated under HEIF. Funds will be awarded to individual HEIs, or to consortia of HEIs through a nominated co-ordinating institution.

11. It is intended that permanent third stream funding will be available in future to support seed funding and entrepreneurial activities which have previously been funded under the separate University Challenge and Science Enterprise Challenge schemes. In order to progress the move towards a co-ordinated single funding stream, HEIs are invited to submit bids for HEIF, Science Enterprise Challenge and University Challenge within a co-ordinated framework, as set out in the guidance notes on Knowledge Exploitation Funding (see Annex A). Applications for funding will be reviewed collectively, and one advisory group will assess proposals for all three competitions.

12. HEIs that apply for funding are expected to show how their proposals fit with their strategy for managing and improving third stream activities, reflecting their mission and established record in this field, and recognising the specific needs of business.

13. Full guidelines for preparing and submitting applications, and the arrangements for assessing these, are set out at Annex B.

Timetable

14. HEIF will be run to the following timetable:

- call for applications – May 2001
- close of competition – 20 July 2001
- awards announced – end September/early October 2001.

Responses

15. Applications for funding should be sent to arrive **by 20 July 2001**. Please send one electronic and two hard copies (one of which should be single sided and unbound) of the application (**maximum of eight A4 sides**) to:

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