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# Higher Education Innovation Fund impact survey (Study C)

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# Contents

<b>Executive Summary</b> .....	<b>1</b>
<b>Context</b> .....	<b>2</b>
<b>1. Introduction</b> .....	<b>3</b>
1.1. Higher Education Innovation Fund .....	3
1.2. Aims, Objectives and Scope of the Survey.....	3
<b>2. Methodology</b> .....	<b>4</b>
2.1. Survey and Sample .....	4
<b>3. Dataset</b> .....	<b>4</b>
3.1. Extent .....	4
3.2. Limitations .....	5
<b>4. Data Analysis</b> .....	<b>5</b>
4.1. Contribution of HEIF to Knowledge Transfer Activities .....	5
4.2. Role of HEIF in Third Stream Strategic Planning .....	7
4.3. Knowledge Transfer Staff Funded by HEIF .....	7
4.4. Direct and Indirect Contribution of HEIF to Knowledge Transfer Activities and Output Areas .....	8
4.5. Additional Activities and Outputs .....	10
<b>5. Conclusions</b> .....	<b>12</b>
<b>Annex A: Survey Questionnaire</b> .....	<b>13</b>
<b>Annex B: Survey Guidance Notes</b> .....	<b>16</b>
<b>Annex C: HEI Survey Respondents</b> .....	<b>19</b>
<b>Annex D: Question 6 Responses</b> .....	<b>21</b>

## Executive Summary

The Higher Education Funding Council for England (HEFCE) commissioned Quotec Ltd and SPRU at the University of Sussex to conduct a survey to provide an initial review of the scale and scope of the outputs and impacts of activities funded under the Higher Education Innovation Fund (HEIF). The survey outputs will help inform future third stream strategies and provide input to the forthcoming Comprehensive Spending Review.

Of 128 English higher education institutions that were approached to complete the on-line HEIF Impact Survey, 76 responded; a response rate of 59%.

The survey outputs indicated that HEIF funding has made a considerable contribution to higher education institutions' knowledge transfer activities and outputs. Specific examples include:

- **Supporting small and medium-sized enterprises (SMEs)**  
The survey showed that HEIF made a significant contribution to the provision of enquiry points for SMEs and the provision of SME-specific assistance.
- **Developing relationships with clients in the private sector**  
HEIF was significant in enabling HEIs to develop and maintain commercialisation processes and establish partnerships with private sector clients.
- **Strategic plans for third stream activities**  
80% of respondents reported that HEIF had a direct influence on the development of institutional strategic plans for third stream activities.
- **Supporting third stream staff**  
The survey indicates that HEIF supports around 30% of staff engaged in third stream activities.
- **Generating third stream outputs**  
The survey indicates that HEIF contributes to 40-50% of third stream outputs (as reported to the Higher Education-Business and Community Interaction survey) in terms of income generated and patenting and licensing activities.

## Context

Higher education (HE) plays a critical role in the Government's innovation agenda; research and learning are key enablers of the creation, application and implementation of new ideas. The UK has a world-class research base but has been less effective at translating research outputs into business innovation, competitive advantage and social benefits. The Government and the HE sector have been working together over a number of years to increase the impact of the UK's HE knowledge base on business and society. A range of policies support 'third stream' activities to enhance engagement between higher education institutions (HEIs) and business, the public sector and the wider community. To ensure continuous improvement and wider engagement, Quotec together with SPRU at the University of Sussex have undertaken three studies on behalf of HEFCE to provide information and insight to support the development of future third stream strategy:

- A. Global Innovation Environments** - a study of activities which support leading edge interactions between HE and business in the context of globalised markets, supply chains, companies, research and innovation.
- B. Experimental Third Stream Strategic Development Fund Projects** - a study of experimental projects focused on exploring shifts in the relative balance of third stream activities within HEIs and methods to identify and engage latent local user demand for the knowledge base.
- C. Higher Education Innovation Fund Impact Survey** - a study to provide an initial review of the scale and scope of the outputs and impacts of activities funded under the Higher Education Innovation Fund.

**This report provides the outputs of Study C: Higher Education Innovation Fund Impact Survey.**

## 1. Introduction

### 1.1. Higher Education Innovation Fund

HEFCE encourages the development of effective partnerships between HEIs and regional and national businesses and communities for productive exchange of knowledge and expertise. These partnerships deliver economic and social benefits, both short- and long-term, such as innovation, enhanced growth, efficiency and cohesion, and the development of employment skills.

Since 1999, HEFCE and the Office of Science and Innovation<sup>1</sup> have committed over £500 million in third stream funding - so called because it supports the third element of an HEI's mission alongside teaching and research. This funding is used for an HEI's business and community activities, which generate culture change, build capability and capacity, and deliver beneficial outcomes.

Third stream funding began in 1999 with the Higher Education Reach Out to Business and the Community (HEROBC) scheme and was followed by HEIF. HEIF committed £265 million in rounds 1 and 2 over the years 2002-03 to 2005-06 and a further £234 million is committed for HEIF 3 for 2006-07 to 2008-09.

HEFCE conducts an annual survey to gain an understanding of the volume, development and outputs of third stream activity. The Higher Education-Business and Community Interaction (HE-BCI) survey collects data ranging from commercial and strategic interaction with businesses and public sector organisations to working with the local community. It is used to inform policy, support continued public funding of third stream activities and stimulate HEI benchmarking. The reported third stream activities and outputs are funded from a variety of sources, including HEIF but also from internal HEI investments, Regional Development Agencies, the European Commission and other sources.

### 1.2. Aims, Objectives and Scope of the Survey

#### Aim

To provide an initial review and analysis of the scale and scope of the outputs and impact of HEIF funded activity, to inform policy inputs to the forthcoming Comprehensive Spending Review.

#### Objectives

Information about HEI third stream activities and outputs is reported in the annual HE-BCI survey. These activities may receive funding from a range of sources, including HEIF. The objectives of the survey were to:

- understand the importance of HEIF funding in enabling HEIs to undertake a range of specific third stream activities
- estimate the proportion of third stream outputs which are directly and indirectly attributable to HEIF
- identify any outputs and impacts which are not captured by the HE-BCI survey.

#### Scope

For simplicity, the survey focused upon the importance of HEIF to a range of third stream activities reported to the HE-BCI surveys. In addition, it specifically examined the impact of HEIF funding on third stream activities and outputs in 2003-04, the most recently completed

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<sup>1</sup> Formerly the Office of Science and Technology (OST)

HE-BCI survey. During this period HEIs may have received funding from HEIF 1 and/or HEIF 2 as well as other sources.

## **2. Methodology**

### **2.1. Survey and Sample**

The survey was designed to be quick and easy to complete to encourage a high response rate in a reasonably short timescale. The questions were designed to closely align with questions in the 2003-04 HE-BCI survey. A small pilot survey was conducted in which five HEIs were invited to view the survey on-line and provide comments on the ease of use, clarity of the questions and time to respond. The pilot identified a number of minor improvements which were incorporated prior to the survey. The survey questions can be found in Annex A.

HEIs were provided with an introduction to the survey from HEFCE, guidance notes from Quotec (Annex B) and a summary of the relevant numerical data that they submitted in response to the (Part B) questions of the 2003-04 HE-BCI survey. This information was sent to an identified informed individual in each HEI with an invitation to visit a website and complete the survey on-line. Soft and hard copies of the questionnaire were also available on request.

The on-line survey was open to respondents from 25 August 2006 to 13 September 2006. Quotec staff were available throughout this period to provide help to HEIs completing the survey. Participants entered the survey website, selected their institutional affiliation and then entered their responses to the survey questions. In addition to capturing responses to the survey, the IP address of the respondent and the date of each submission were recorded.

Two of the six questions posed were compulsory for respondents. The survey produced a pop-up box when a compulsory question was not completed. This ensured a minimum response to questions deemed essential to the outcome of the survey.

The survey was sent to the complete set of 128 English HEIs.

## **3. Dataset**

### **3.1. Extent**

Seventy-six responses were received from HEIs, a response rate of 59%. Of these respondents, 66 provided responses to all questions and 75 provided responses to all but one question.<sup>2</sup> Incomplete survey responses were included in the dataset providing that over 90% of the requested information was provided; all the incomplete responses fell into this category. A list of respondents can be found in Annex C.

In a handful of cases, respondents submitted more than one survey response and in these cases the response that was received last was incorporated in the survey dataset.

A small number of responses were received after 13 September 2006. These are available but have not been included in the quantitative data analysis. Their responses to the open qualitative question (Question 6) are included.

The response rate is deemed sufficient to enable initial conclusions to be made about the impact of HEIF funding on HEI third stream activities.

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<sup>2</sup> The question most frequently left unanswered was Question 4 on the number of full-time equivalent staff employed and funded by HEIF.

### 3.2. Limitations

The survey outputs have some limitations:

- The majority of the survey questions are of a subjective nature requiring judgements to be made by the respondents.
- The 59% response rate is reasonable but HEIs differ in the extent and type of their third stream activities, and the level of HEIF (and other) funding received, as well as in many other aspects. The respondents may not fully represent the extent of HEI variability.

## 4. Data Analysis

The data from the survey responses to each question is reported in the following sections. (N.B. Question 1 asked the respondents to report the name of the HEI for whom they were responding.)

### 4.1. Contribution of HEIF to Knowledge Transfer Activities

Question 2 asked HEIs to consider the knowledge transfer activities, outputs and areas of economic impact in which they are engaged, and assess the contribution that HEIF funding made to these during the period 2001 to 2006. Responses were recorded as either 'critical', 'important' or 'neutral' based on the following definitions:

- **Critical** - would not have happened without HEIF funding
- **Important** - would have happened, but HEIF funding accelerated the timescale, widened the scope and/or increased the focus
- **Neutral** - HEIF funding played no part.

Table 4.1 provides the list of knowledge transfer activities, outputs and areas of economic impact ranked by their total score. The total score was based on a weighted score where critical = 2, important = 1 and neutral = 0. Also provided in the table are the rankings for the frequency of responses reported as 'critical' and 'important'. Differences between rankings across the columns are indicated by highlighting the top five categories in each column.

All items from ranks 1 to 10 in the table were scored as 'critical' by at least 40% (and no more than 55%) of respondents, and were scored as either 'critical' or 'important' by more than 80% of respondents. Only the last two items in the table were scored as 'neutral' by more than 50% of respondents.

The table indicates that HEIF funding has made a significant contribution to:

- supporting small and medium-sized enterprises (SMEs)
- enquiry points for SMEs
- strategic plan for business support
- developing partnerships and clients in commercial private business
- developing local partnerships.

The HEIF contribution to HEI support for SMEs is demonstrated by the top rankings of 'supporting small and medium-sized enterprises (SMEs)' and 'enquiry point for SMEs', and reinforced by the high ranking of a third SME related activity (i.e. specific assistance for SMEs' needs, ranked 7 by score in Table 4.1). The importance of HEIF to the development of a 'strategic plan for business support' (rank 3 by weighted score) is further supported by the responses to Question 3 reported in Section 4.2.

Further activities and outputs, outside the top five, to which HEIF makes an important contribution include: developing and maintaining commercialisation processes and intellectual

## Higher Education Innovation Fund impact survey

property protection capabilities; providing incentives for staff to engage with business and community; technology transfer; and developing partnerships outside of the business sector in social, community and cultural organisations and the public sector.

Activities and outputs more directly aligned with education, teaching and skills do not appear so highly ranked in the table, although it should be noted that there are fewer categories in this area than there are economic and business focused categories. The categories 'meeting national skills needs' and 'developing and marketing continuing professional development (CPD)' rank fifth and seventh respectively in terms of the frequency of 'important' scores.

**Table 4.1: Ranked responses to Question 2**

Knowledge transfer activity, output or impact area	Weighted score ranking	Frequency 'critical' ranking	Frequency 'important' ranking
Supporting small- to medium-sized enterprises (SMEs)	1	3	12
Enquiry point for SMEs	1	1	21
Strategic plan for business support	3	2	23
Developing partnerships and clients in commercial private business	3	6	8
Developing local partnerships	5	6	10
Developing and maintaining a commercialisation process	6	4	16
Specific assistance for SMEs' needs	7	8	12
Providing incentives for staff to engage with business and community	8	4	24
Technology transfer	9	9	14
Developing and maintaining an intellectual property protection capability	10	9	21
Spin-off activity	11	11	19
Developing partnerships and clients in non-commercial, community and cultural organisations	12	13	3
Developing partnerships and clients in the public sector	13	14	1
A required contracting system for all staff business and community interaction	14	12	26
Social, community and cultural engagement	15	18	4
Meeting regional skills needs	16	15	8
Research collaboration with industry	17	20	2
Support for community development	17	15	10
Management development	19	19	6
Regeneration programmes	20	17	15
Developing and marketing continuing professional development (CPD)	21	20	7
Meeting national skills needs	22	24	5
Strategic analysis of the regional economy	23	20	19
Graduate retention in the local region	24	24	18
Attracting inward investment to the region	25	26	16
Engaging with Sector Skills Councils	26	23	25
Access to education	27	27	27
Attracting non-local students to the region	28	28	28

## 4.2. Role of HEIF in Third Stream Strategic Planning

Question 3 asked HEIs about the role HEIF has played in the development of strategic plans for knowledge exchange activities. Responses are shown in Table 4.2.

**Table 4.2: Responses to Question 3**

Response (n=73)	Response Frequency	Response (%)
We have no strategic plan in place	0	0%
HEIF has directly influenced the development of a strategic plan	58	79.5%
HEIF has indirectly influenced the development of a strategic plan	12	16.5%
HEIF provided an incentive to develop a strategic plan but did not directly contribute to its development	3	4.1%
Other (please specify)	0	0%

HEIF funding has clearly played an important and direct role in the development of strategic plans for third stream activity. Arguably, the development of a strategic plan is a critical first step towards undertaking the third stream activities covered by the survey in a coherent and organised manner. It should also be noted that the metrics system employed to allocate 75% of current HEIF 3 funding required HEIs to submit an institutional third stream plan to HEFCE; this may have had an influence on the responses to this question.

## 4.3. Knowledge Transfer Staff Funded by HEIF

Question 4 asked HEIs to estimate the current number of full-time HEI staff employed in dedicated third stream activities who are directly funded by HEIF. Part-time staff or staff partially funded by HEIF were to be reported as full-time equivalents (FTE).

The total, mean, minimum and maximum values are given in Table 4.2 and a histogram of FTE staff funded by HEIF is shown in Figure 4.1.

**Table 4.2: Responses to Question 4**

Response (n=66)	FTE staff currently funded by HEIF
Total FTE staff funded by HEIF	726.45
Mean	11
Minimum	1.2
Maximum	35

N.B. The median and the mode values of FTE staff funded by HEIF are 10 and 8 respectively.

No respondents to this question reported zero FTE staff funded by HEIF.

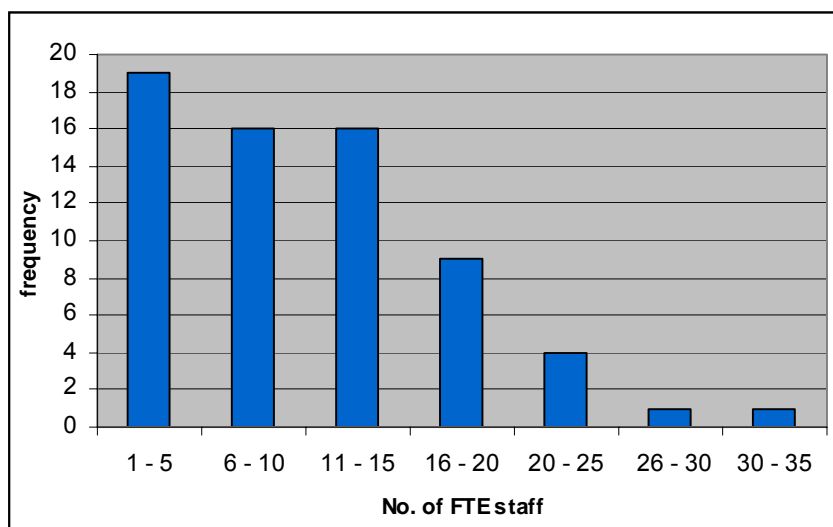
The total number of FTE staff reported as funded by HEIF is 726.45. For comparison: the English HEIs who responded to the HE-BCI 2003-04 survey, reported 4,241 FTE staff

engaged in working with business and community partners.<sup>3</sup> Allocating this figure proportionately (i.e. 59%) to the 76 respondents to the HEIF Impact Survey would suggest that the 76 HEIs employ of the order of 2,500 FTE staff to work with business and community partners. The figure of 748.25 funded by HEIF then represents approximately 30% of these staff.

The number of FTE staff per HEI currently funded by HEIF is most frequently in the 1-15 range.

This question received the lowest response rate, 66 responses, which suggests that it was not simple for HEIs to provide an answer.

**Figure 4.1: Numbers FTE staff currently funded by HEIF**



#### **4.4. Direct and Indirect Contribution of HEIF to Knowledge Transfer Activities and Output Areas**

Question 5 asked HEIs to estimate, for a range of knowledge transfer activity and output areas, the proportion of each area that in 2003-04 was directly and/or indirectly attributable to HEIF funding.

The activity and output categories in this question aligned with categories in the 2003-04 HE-BCI survey. To assist respondents the individual relevant HE-BCI data was supplied to each HEI. For each category of knowledge transfer activity and output, respondents were asked to provide an estimate of the percentage of their reported 2003-04 HE-BCI data that was *directly* attributable to HEIF funding and the percentage that was *indirectly* attributable to HEIF funding. The sum of the direct and indirect responses could not exceed 100% per category. The HE-BCI categories are either measured as financial income figures (e.g. contract research and intellectual property income) or as a count of activity (such as numbers of patents filed and spin-outs created).

The respondents' percentage figures for direct and indirect attributions were aligned to their relevant HE-BCI responses and the contribution of HEIF to the HE-BCI outputs calculated. The output is shown in Tables 4.3 and 4.4. It should be noted that for both the direct and indirect columns the calculations are unweighted i.e. the estimated percentages (from this

<sup>3</sup> Figures provided by HEFCE. N.B. All English HEIs responded to HE-BCI 2003-04 survey.

survey) have been multiplied by the HE-BCI data and no weighting factor added to reduce the value of the indirect contribution. Weighting factors can be added on request.

**Table 4.3: Responses to Question 5: third stream income attributable to HEIF**

HEI income source	Direct (£ '000)	Indirect (£ '000)	Total Direct & Indirect (£ '000)
Collaborative research involving public and business funding	52,281	95,420	147,701
Contract research	54,478	78,773	133,251
Consultancy	14,908	30,645	45,553
Facilities and equipment based services	4,097	12,300	16,397
Continuing professional development & continuing education	19,293	41,984	61,276
Regeneration programmes	32,103	26,151	58,254
IP income	6,856	4,244	11,100
<b>Total financial value:</b>	<b>184,016</b>	<b>289,516</b>	<b>473,532</b>

**Table 4.4: Responses to Question 5: third stream outputs attributable to HEIF**

HEI output item	Direct (count)	Indirect (count)	Total (count)
Disclosures	717	257	974
Patents filed	260	133	393
Number of licence agreements	336	146	482
Spin-outs	28	4	32
<b>Total output count</b>	<b>1,341</b>	<b>540</b>	<b>1,881</b>

The data above need to be viewed in the light of the full HE-BCI data set for 2003-04. The total value reported to the HE-BCI 2003-04 survey for the seven categories in Table 4.3, by the 76 respondents to the HEIF Impact Survey was £1,151 million. This represents 73% of the total value reported for the seven categories by all English HEIs (£1,574 million). This is higher than the proportion of HEIF Impact Survey respondents by number (59%).

For the seven categories in Table 4.3, the total direct and indirect HEIF contribution to HEI income of £473.5 million represents:

- 41% of the total HE-BCI reported income for the 76 HEIs that responded to the survey
- 30% of the total HE-BCI income for all English HEIs<sup>4</sup>
- 24% of the total HE-BCI income for all UK HEIs.<sup>5</sup>

<sup>4</sup> For all English HEIs that responded to the HE-BCI survey.

<sup>5</sup> For all HEIs that responded to the HE-BCI survey.

For the patent category in Table 4.4, the total direct and indirect HEIF contribution to 393 patents represents:

- 55% of the total HE-BCI reported activities for the 76 HEIs that responded to this survey
- 38% of the total HE-BCI income for all English HEIs
- 30% of the total HE-BCI income for all UK HEIs.

For the spin-out category in Table 4.4, the total direct and indirect HEIF contribution to 32 spin-outs represents:

- 35% of the total HE-BCI reported activities for the 76 HEIs that responded to this survey
- 26% of the total HE-BCI income for all English HEIs
- 19% of the total HE-BCI income for all UK HEIs.

The data suggest that HEIF makes a contribution of the order of 35-55% to HEI activities and outputs in knowledge transfer - for the categories reported to the HE-BCI survey. If the creation of spin-outs is excluded the contribution of HEIF is of the order of 40-55%.

#### **4.5. Additional Activities and Outputs**

Question 6 provided HEIs with the opportunity to add information on activities and outputs not recorded in the HE-BCI surveys.

The responses are tabulated in Annex D. A summary and grouping of issues that were reported more than once, or for which quantitative data were supplied, is provided below. (The comments beneath each heading are quoted verbatim.)

The responses were wide ranging, however, two recurrent themes emerge:

- enterprise training for staff and students
- economic development and regeneration activities - in partnership with (and usually part-funded by) Regional Development Agencies and the European Union (European Regional Development Fund, ERDF, European Social Fund, ESF etc).

**Table 4.5: Summary of responses to Question 6**

<b>Enterprise training for staff and students</b>
Enterprise activity for staff and students
Development of enterprise activities in the curriculum to support third strand activities. Joint working and shared business development activities with NHS partner
Enterprise training for staff and students
Research and analysis work linked to creative industries and urban education and community regeneration; input into national and regional policy making.
Raising awareness of third stream amongst staff and providing management training; producing strategy and policy documents for third stream related activity.
12 enterprise modules developed and 86 graduates trained in entrepreneurship
Undergraduate/postgraduate enterprise modules, staff enterprise training/staff development programmes, careers office - employability skills development programme, student entrepreneurship

## Higher Education Innovation Fund impact survey

club activities, networks/clusters
Enterprise training - 50 students participated in Year 1 (2004-05) and 100 in Year 2
<b>Economic development and regeneration activities</b>
Improved interaction with economic development players
Please note for Q.5 that during 2003-04 we did not receive HEIF funding. As a direct result of our HEIF2 award we were directly able to leverage an additional £2.04million from the North West Development Agency in support of our knowledge transfer activities.
HEIF has been the main funding supporting the introduction of the third strand agenda and has been critical in leveraging European regeneration funding.
HEIF 1 funds were used to support the existing 6 Centres of Expertise and set up a further 5 centres by leveraging ERDF Objective 2 funding.
Subsequent round of HEIF funding (HEIF 2) has been used to establish a sector based approach to Knowledge Transfer (KT) in line with South East England Development Agency (SEEDA) priorities... as has the university's leadership role in regeneration, the university has won significant resources from SEEDA to support its regeneration and enterprise work.
<b>Culture change</b>
Raising awareness of third stream amongst staff and providing management training; producing strategy and policy documents for third stream related activity.
It has supported a significant shift in culture and helped increase the volume and visibility of both employer engagement and graduate start-ups. Evidence of our HEIF-funded activities is now prevalent in our prospectus, supporting our employability message which is so important to students and parents.
The answers to Question 5 show that HEIF funding was used to facilitate a cultural change within the university with regards third stream activity and support academic staff's engagement.
<b>Working with social enterprises</b>
Work with social enterprises
Major interactions with the voluntary sector which are not easy to quantify and which do not fit naturally into the current HE-BCI survey
Additional engagement with the community and voluntary sectors
<b>Marketing activities</b>
35 exhibitions in 30 venues over 1 month
B2B events that include both university hosted events and partner hosted events where the university had a presence. Continued advertising and marketing activity to raise the university's profile among the local business community
<b>Additional placements</b>
HEIF supported over 50 academic industry placements with SMEs and large companies, primarily in the region.
Work placements for students OTHER than sandwich year placements
<b>Other quantitative data provided by HEIs</b>
HE-BCI does not include numbers of businesses joining business clubs ('special interest groups'). Our HEIF-funded clubs in the 2003-2004 period had around 2,300 business members, attending seminars, networking meetings and training events.

Spin-ins. The university has undertaken due diligence on over 400 inventions and signed up 21 for support in the form of project drivers and mentors. This is as, if not more, important, than spin-outs.
HEIF 1: 2003-04 126 businesses provided with technical briefings, £94,000 of value added to businesses, 50 businesses given advice on other HEIs' services, 436 businesses made aware of other agency services
Business Ideas competition - 43 entrants in Year 1 (2005-06) resulting in two businesses being started with others in development
The university is moving towards the measurement of the gross value added (GVA) impact of its KT related interactions as well as smart targets such as jobs created (over 150 in the life of HEIF 2 funding). Knowledge Transfer Partnership (KTP) activity has also considerably increased over the period.

## 5. Conclusions

The HEIF Impact Survey indicates that HEIF funding has had a considerable impact on HEI knowledge transfer activities and impacts. The survey outputs indicated that HEIF funding has made a significant contribution to:

- **Supporting SMEs**  
The survey showed that HEIF has made a significant contribution to the provision of enquiry points for SMEs and the provision of SME-specific assistance.
- **Developing relationships with clients in the private sector**  
HEIF was significant in enabling HEIs to develop and maintain commercialisation processes and establish partnerships with private sector clients.
- **Strategic plans for third stream activities**  
80% of respondents reported that HEIF had a direct influence on the development of HEI strategic plans for third stream activities.
- **Support of third stream staff**  
The survey indicates that HEIF supports around 30% of staff engaged in third stream activities.
- **Generating third stream outputs**  
The survey indicates that HEIF contributes to 40-50% of third stream outputs (as reported to the HE-BCI survey) in terms of income generated and patenting and licensing activities.

HEIF funding is specifically directed at supporting third stream HEI activities and building HEI capabilities and capacities in this area, and it could be argued that the results are therefore unsurprising. However third stream activities are funded from a range of sources and funding bodies are interested to better understand the contribution HEIF makes and may continue to make in the future.

## Annex A: Survey Questionnaire

### HEIF Impact Survey

Welcome to the HEFCE/OSI survey - Impact of HEIF on HE-BCI Activities.

Thank you for choosing to fill out the following questionnaire. It is designed in two short sections to cover qualitative and quantitative information. It should take no more than 15-20 minutes to complete.

Some of the questions ask you to refer to the data returned by your HEI as part of the 03-04 HE-BCI survey. We have sent you a crib sheet of your data, which you may wish to refer to whilst completing this survey. Please ensure we can validate your inputs to the relevant sections by selecting your institution name below:

#### 1. What is the name of your institution?

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*We would like to assess the impact of HEIF funding on the knowledge transfer activities of your HEI through looking at some of the activities returned under the HE-BCI survey. Please provide estimates for the questions below.*

#### 2. Below is a list of knowledge transfer activities, outputs and areas of economic impact in which your HEI may be engaged.

**Please assess the contribution that HEIF funding has made during 2001-06:**

- Critical - would not have happened without HEIF funding
- Important - would have happened but HEIF funding accelerated the timescale, widened the scope and/or increased the focus
- Neutral - HEIF funding played no part

	Critical	Important	Neutral	Don't Know
Access to education				
Graduate retention in local region				
Technology transfer				
Supporting small and medium enterprises (SMEs)				
Strategic plan for business support.				
Attracting inward investment to the region				
Research Collaboration with industry				
Strategic analysis of regional economy				
Attracting non-local students to the region				
Support for community development				
Developing local partnerships				
Management development				

## Higher Education Innovation Fund impact survey

	Critical	Important	Neutral	Don't Know
Meeting regional skills needs				
Meeting national skills needs				
Spin-off activity				
Developing partnerships and clients in commercial private business				
Developing partnerships and clients in non-commercial, community and cultural organisations				
Developing partnerships and clients in the public sector				
Engaging with Sector Skills Councils				
Providing incentives for staff to engage with business and community				
Developing and maintaining an intellectual property protection capability				
Enquiry point for SMEs				
Specific assistance for SMEs' needs				
A required contracting system for all staff business and community interaction				
Developing and maintaining a commercialisation process				
Social, community and cultural engagement				
Regeneration programmes				
Developing and marketing continuing professional development (CPD)				

### 3. What role has HEIF played in the development of a strategic plan for knowledge exchange activity?

*(please select the one statement that best describes your response)*

- We have no strategic plan in place
- HEIF has directly influenced the development of a strategic plan
- HEIF has indirectly influenced the development of a strategic plan
- HEIF provided an incentive to develop a strategic plan but did not directly contribute to its development
- Other (please specify)

### 4. Please estimate the number of full-time HEI staff currently employed in a dedicated third stream activity who are directly funded by HEIF *(please provide part-time staff or staff partially funded by HEIF as full time equivalents e.g. submit 1.5 if you have one full-time person funded 100% by HEIF and one full-time individual half funded by HEIF).*

**5. For each knowledge transfer activity and output area below, please estimate the proportion of each area that in 2003-04 was directly and/or indirectly attributable to HEIF funding (please do not exceed a combined value of 100% per row).**

*It may be useful to consult your crib sheet containing your HEI's HE-BCI data which was emailed to you.*

Please fill in all boxes:

	Direct	Indirect
Collaborative research involving public and business funding		
Contract research		
Consultancy		
Facilities and equipment based services		
Continuing professional development & continuing education		
Regeneration programmes		
IP Income		
Disclosures		
Patents filed		
Number of licence agreements		
Spin-outs		

**6. Please provide any additional activities or outputs funded by HEIF that have not previously been reported in HE-BCI surveys. Please include quantitative data where appropriate:**

## **Annex B: Survey Guidance Notes**

### **HEIF Impact Survey**

#### **Scope of the Survey**

1. ***This survey relates specifically to third stream activities reported in the HEBCI survey in the academic year 2003-04.*** These activities may have received funding from HEIF1 and/or HEIF2.
2. This survey seeks to gather both qualitative and quantitative data concerning third stream activities which were directly and indirectly supported by HEIF.
3. This survey also seeks to identify third stream activities which are funded by HEIF but are not currently captured by the HEBCI survey.

#### **Guidance**

4. The term HEIF is used as shorthand to collectively describe any funding that the HEI has received from HEIF1 and HEIF2.
5. This survey uses a similar structure and terminology to that used in the HEBCI survey.
6. HEFCE recognises the difficulties inherent in attributing certain activities and outputs to HEIF when HEIs may receive funding from a number of sources to undertake third stream activities.
7. This survey asks each HEI to provide its best estimate of various outputs which can be attributed to HEIF. We recognise that the figures provided will represent the informed opinions of those completing the survey.
8. Data returned by HEIs for the year 2003-04 are available online at [http://www.hefce.ac.uk/pubs/hefce/2006/06\\_25/](http://www.hefce.ac.uk/pubs/hefce/2006/06_25/). You should also have received a summary of your relevant HEBCI data for 2003-04. If you have problems accessing this data please contact Quotec who can provide you with a copy of your HEI's data.
9. In certain questions this survey distinguishes between direct outputs and indirect outputs. This is intended to enable respondents to distinguish between direct outputs, which were wholly or partially funded by HEIF, and indirect outputs which were not funded by HEIF but were wholly or partially achieved because the HEI could draw upon capabilities which were funded by HEIF.

**Direct and Indirect outputs:**

**Example 1**

A HEI Technology Transfer Office received HEIF 1 funds to establish a system for managing the HEI's IP portfolio. Staff are employed in the HEI Technology Transfer Office using Regional Development Agency funding. These staff used the IP management system to make 10 disclosures and patents filed in 2002-03 and 2003-04. The direct output from HEIF 1 is the IP management system, the 10 disclosures and patents filed are an indirect output from HEIF1.

**Example 2**

A HEI received HEIF 2 funds to establish a client relationship management system including a database containing details of local companies and their requirements for R&D and CPD. This system and database have used extensively in a £350,000, RDA-funded, regeneration programme. The direct output from HEIF 2 is the client relationship management system and the database. The indirect output from HEIF 2 is the £350,000 regeneration programme which the HEI is delivering on behalf of the RDA.

10. ***The survey should take no more than 20 minutes to complete.*** It is completed online using the weblink that you have been sent.
11. We would be grateful if you could complete the survey at your earliest convenience, and responses before 07 September will be most helpful to feed into Government funding decisions in autumn 2006.
12. If you require further guidance on completing the survey please contact Scott Forster, Jane Galsworthy or Paula Knee of Quotec on 01494 432277

**Annex: Introduction (also sent as an email from HEFCE)**

I am writing to invite you to take part in a HEIF Impact Survey that HEFCE/OSI is undertaking to inform our discussions with other Government partners about the future of third stream funding. We are sending the survey details to the HEBCI contact person in each HEI and inviting them to respond about their institution.

**About the HEIF Impact Survey**

The HEIF Impact Survey is intended to give us an initial understanding of the role that HEIF has played in the development of the sector's third stream activities. The responses will predominantly be used to prepare a report on the impact of HEIF across the HE sector to feed into HEFCE/OSI's dialogue with other Government partners about future third stream funding in autumn 2006. This survey will **not** be used in any way to assess an individual HEI's performance in delivering HEIF-funded projects or to inform funding from HEFCE/OSI to individual HEIs.

The survey is short, and should take only 20 minutes to complete. **Responses are voluntary** so you and your HEI are not required to take part. However, we are keen to receive responses from as many HEIs as possible, to help us understand the impact of HEIF across the whole sector.

## Higher Education Innovation Fund impact survey

The survey asks you to comment on the impact of HEIF funding on the activities and outputs returned in the HEBCI survey 2003-04. We understand that many HEBCI outputs are related to HEIF (directly or indirectly) so we wish to focus on understanding the impact of HEIF on the data already collected. We are not seeking to gather new HEBCI data.

We do recognise that such a survey will not be able to give us a complete picture of the impact of one funding stream on the complex range of knowledge exchange activities and outputs often funded from many different sources, but we hope it will give us an initial understanding of the role HEIF has played. We also accept that outputs from some HEIF-funded activities fall outside the HEBCI survey. The survey will also give you an opportunity to tell us about any further evaluation you may have of your HEI's HEIF-funded activity.

### **How to take part in the survey**

HEFCE has contracted independent consultants Quotec Ltd to carry out the HEIF Impact Survey on our behalf. Quotec will be in touch with you very soon and will give you all the information you need in order to take part in the survey.

Ideally the HEIF Impact Survey would be completed by someone who has an overview of the institution's range of third stream activities, an understanding of the HE-BCI survey and a knowledge of the HEI's HEIF funding (solo and collaborative) since 2002. This person might be the HEBCI contact person, or another suitable member of HEI staff. We recognise that in many cases it is difficult to pinpoint the impact of HEIF funding specifically, so the survey requires you to make a judgement about how important HEIF funding has been to each activity or output. We will treat responses as the informed opinion of one qualified individual in each HEI.

### **Further information**

If you have any further queries about the purpose of the survey you can contact the following officers in the Business and Community Team at HEFCE:

Adrian Day, Email: [a.day@hefce.ac.uk](mailto:a.day@hefce.ac.uk) Tel: 0117 931 7428

Alex Thompson, Email: [a.thompson@hefce.ac.uk](mailto:a.thompson@hefce.ac.uk) Tel: 0117 931 7041

If you require further guidance on completing the survey please contact:  
Scott Forster, Jane Galsworthy or Paula Knee of Quotec on 01494 432277

## Annex C: HEI Survey Respondents

<b>Aston University</b>
<b>Bath Spa University</b>
<b>Birkbeck College</b>
<b>University of Bedfordshire</b>
<b>University of Birmingham</b>
<b>University of Brighton</b>
<b>University of Cambridge</b>
<b>Institute of Cancer Research</b>
<b>Canterbury Christ Church University</b>
<b>University of Central England</b>
<b>University of Chichester</b>
<b>City University, London</b>
<b>Coventry University</b>
<b>Cranfield University</b>
<b>Cumbria Institute of the Arts</b>
<b>Dartington College of Arts</b>
<b>University of Derby</b>
<b>University of Durham</b>
<b>University of East Anglia</b>
<b>University of East London</b>
<b>University of Essex</b>
<b>University of Exeter</b>
<b>University College Falmouth</b>
<b>University of Gloucestershire</b>
<b>University of Greenwich</b>
<b>Harper Adams University College</b>
<b>University of Hertfordshire</b>
<b>University of Huddersfield</b>
<b>University of Hull</b>
<b>Keele University</b>
<b>King's College London</b>
<b>Kingston University</b>
<b>Lancaster University</b>
<b>University of Leeds</b>
<b>Leeds Metropolitan University</b>
<b>University of Lincoln</b>
<b>Liverpool John Moores University</b>
<b>University of the Arts London</b>
<b>London Business School</b>
<b>London Sch of Economics &amp; Political Science</b>
<b>London Sch. of Hygiene &amp; Tropical Medicine</b>
<b>London South Bank University</b>
<b>Loughborough University</b>
<b>University of Manchester</b>

Higher Education Innovation Fund impact survey

<b>Manchester Metropolitan University</b>
<b>Middlesex University</b>
<b>Newman College of Higher Education</b>
<b>University of Northampton</b>
<b>Norwich School of Art &amp; Design</b>
<b>University of Nottingham</b>
<b>Nottingham Trent University</b>
<b>School of Oriental and African Studies</b>
<b>University of Oxford</b>
<b>Oxford Brookes University</b>
<b>School of Pharmacy</b>
<b>University of Plymouth</b>
<b>University of Portsmouth</b>
<b>Queen Mary, University of London</b>
<b>Ravensbourne College of Design and Communication</b>
<b>College of St Mark &amp; St John</b>
<b>University of Salford</b>
<b>Sheffield Hallam University</b>
<b>University of Southampton</b>
<b>Staffordshire University</b>
<b>University of Sunderland</b>
<b>University of Surrey</b>
<b>University of Sussex</b>
<b>Trinity &amp; All Saints</b>
<b>Trinity Laban</b>
<b>University College London</b>
<b>University of Warwick</b>
<b>University of West of England, Bristol</b>
<b>University of Winchester</b>
<b>University of Wolverhampton</b>
<b>Writtle College</b>
<b>University of York</b>

## Annex D: Question 6 Responses

### Question 6:

Please provide any additional activities or outputs funded by HEIF that have not previously been reported in HE-BCI surveys. Please include quantitative data where appropriate.

Twenty-six HEIs responded to Question 6 during the survey period. A further 3 provided responses after the survey was closed. These are included in the table below as the last three entries.

Question 6 responses
The surveys allowed us to report number of attendees at public events and academics' hours, but did not distinguish vocational from private interest. CPD income has always been reported in the HE-BCI surveys as income from employer-sponsored students (largely on accredited programmes) but this is not picked up by the new metrics.
Enterprise activity for staff and students, work with social enterprises.
Development of Enterprise Activities in the curriculum to support third strand activities. Joint working and shared business development activities with NHS partner. Internationalisation of the organisation. Improved interaction with Economic development players.
None in 2003-2004 Multiple in 2004-2005 and 2005-2006 but these are yet to report under HE-BCI and in any event we are still compiling outputs. We are over target on all HEIF 2 outputs.
HE-BCI does not include numbers of businesses joining Business Clubs ('Special Interest Groups'). Our HEIF-funded Clubs in the 2003-2004 period had around 2300 business members, attending seminars, networking meetings and training events.
The Institute uses HEIF funding to provide training courses for scientists in business and intellectual property management skills.
1) Enterprise training for staff and students 2) Work placements for students OTHER than sandwich year placements Both of these areas have been core functions under the King's HEIF funding.
Spin-ins. KU has undertaken due diligence on over 400 inventions and signed up 21 for support in the form of project drivers and mentors. This is as, if not more important, than spin-outs.
Please note for Q.5 that during 2003-04 we did not receive HEIF funding. As a direct result of our HEIF2 award we were directly able to leverage an additional £2.04M from the North West Development Agency in support of our knowledge transfer activities.
LJMU has a Centre for Knowledge Exchange which is not reported via HE-BCI. Data is available on request.
All activities previously reported.
NB We did not receive any HEIF1 funding and HEIF2 (for which we got funding) only commenced in August 2004. Therefore HEIF had no impact on our 2003-04 HE-BCI activity/outputs.
Research and analysis work linked to Creative Industries and Urban Education and Community regeneration; input into national and regional policy making.

## Higher Education Innovation Fund impact survey

<p>Additional outputs over and above purely income generating activity include: * the setting up and staffing of a dedicated Centre to deal with Third Stream activity; * additional engagement with the community and voluntary sectors; * additional collaboration with businesses and other HEI's both locally and regionally; * auditing of institutional expertise, IP and physical facilities available for commercial exploitation; * raising awareness of Third Stream amongst staff and providing management training; * producing strategy and policy documents for Third Stream related activity.</p>
<p>HEIF supported over 50 academic industry placements with SMEs and large Companies, primarily in the region.</p>
<p>HEIF 1: 03-04 126 businesses provided with technical briefings £94K of value added to businesses 50 businesses given advice on other HEI's services 436 businesses made aware of other agency services. HEIF has been the main funding supporting the introduction of the 3rd strand agenda and has been critical in leveraging European regeneration funding. It has supported a significant shift in culture and helped increase the volume and visibility of both employer engagement and graduate start-ups. Evidence of our HEIF-funded activities is now prevalent in our prospectus, supporting our employability message which is so important to students and parents.</p>
<p>b2b events that include both university hosted events and partner hosted events where the university had a presence.</p> <p>Continued advertising and marketing activity to raise the university's profile among the local business community.</p>
<p>- Placed someone in West Midlands in Europe Office (fulltime last year, part-time this year; - New Generation Arts Festival for this year's and recent Birmingham arts graduates - 35 exhibitions in 30 venues over 1 month; 80 alumni + other 600 other new...</p>
<p>enterprise modules developed =12 and graduates trained in entrepreneurship=86</p>
<p>Enterprise training - 50 students participated in Yr 1 (2004-05) and 100 in Year 2. The programme has spawned a Student Entrepreneurship Society and at least 3 student start-up businesses.</p> <p>Engagement with NCGE/CMI Enterprisers.</p> <p>Business Ideas competition - 43 entrants in Year 1 (2005-06) resulting in two businesses being started with others in development.</p>
<p>As explained in an accompanying email question 5 has not been answered and should not be included in any summation of the impact of HEIF.</p>
<p>HEIF 1 funds were used to support the existing 6 Centres of Expertise and set up a further 5 Centres by levering ERDF Objective 2 funding. The HEIF funds enabled the establishment of the Enterprise Fellowship Awards which encouraged individual staff to become involved in reach-out activities. In addition the funding also enabled the creation of a Business Innovation Network which has encouraged higher levels of business innovation, and increased business involvement in the design and delivery of the University's undergraduate and postgraduate programmes.</p>
<p>Subsequent rounds of HEIF funding (HEIF 2) has been used to establish a sector based approach to Knowledge Transfer (KT) in line with SEEDA priorities. This has had significant impact on business and community interactions with the University and has resulted in a marked increase in the qualitative and quantitative of these relationships - which has not yet been reported to HEFCE. The University is moving towards the measurement of the GVA impact of its KT related interactions as well as smart targets such as jobs created (over 150 in the life of HEIF 2 funding). KTP activity has also considerably increased over the period. As has the University's leadership role in regeneration, the University has won significant resources from SEEDA to support its regeneration and enterprise work. The University has also been active internationally promoting its assets to inward investors in Korea, China and other parts of South East Asia - creating 'Soft Landing Zones' for investors in partnership with UKTI and SEEDA. Proof of concept funding through SEPOC and PoCKeT has accelerated the University's ability to commercialise its own knowledge assets as well as those of high grow SMEs again adding to wealth creations within the region and building long term relationships with business and the VC community.</p>

## Higher Education Innovation Fund impact survey

UG/PG Enterprise Modules Staff Enterprise Training / Staff Development Programmes Careers Office - Employability skills development programme Student Entrepreneurship Club activities Network / Clusters.

The answers to question five show that HEIF funding was used to facilitate a cultural change within the University with regards Third Stream activity and support academic staff's engagement. HEIF funding was approximately matched by University funds derived from our Third Stream activities hence the 50% direct and indirect for activities where we returned a positive outcome. However, without the match funding of HEIF it is unlikely that the University could have made it's investment in Third Stream activity - therefore effectively HEIF funding has facilitated a 100% of the outputs. Also please note that in the areas of IP, licence agreements and spin outs while the direct and indirect contribution has been shown to the zero reflecting the outputs, HEIF investment has effectively been made in these areas as a developmental activity, the first results of which are reflected in the disclosures and patents.

Without HEIF 2 institutional funding, very much of our activity was limited to the indirect benefits accrued through two CKEs (NRKE & i10) and via KEEP. Under the latter, new opportunities have flowed in the form of one KTP, two spin-out companies and permanent employment for 5 new staff. Also, benefits from i10's brokerage service have resulted in new KT contracts

This part of the questionnaire seems problematic. The reporting period relates to HEIF1 where a DMU-led collaborative award was dedicated to creating the East Midlands Incubation Network (EMIN), which increases the number and survival rates of new businesses in the region, primarily through campus-based incubation facilities and a network that provides services and best practice. EMIN has supported over 400 start-ups and developed an 'incubation economy' of 1,300 members. A full report is available. During HEIF2, DMU has achieved a step-change in business engagement. A strategic decision was taken to focus activity on the East Midlands region, mainly in developing demand with SMEs in specific areas that match DMU's strengths. The funding enabled many areas to move from business-to-business relationships to fulfil a more strategic role in the economy, co-funded by the RDA. A full report is available that captures the impact on the economy and University.

This institution received no funding from HEIF so the outputs requested in this survey specifically against this funding stream have been reported as nil. However current HEIF 3 funding has been received and will provide new opportunities, which will result in outputs to be reported in future.

Major interactions with the voluntary sector which are not easy to quantify and which do not fit naturally into the current HE-BCI survey.