

Cylchlythyr | Circular

Consultation on distribution of additional funding for academic year 2019/20

Date: 17 December 2019
Reference: W19/45HE
To: Heads of higher education institutions in Wales
Principals of directly-funded further education colleges in Wales
Response by: 17 January 2020
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This consultation seeks comments on HEFCW's proposals for an additional funding allocation in academic year (AY) 2019/20, as set out in the revised remit letter issued December 2019 for financial year (FY) 2019-20. It outlines the background to our proposed spending of these funds and poses a number of questions, the responses to which we will use to inform, develop and refine the final arrangements.

If you require this document in an alternative accessible format, please email info@hefcw.ac.uk.



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Introduction

1. This consultation seeks comments on HEFCW's proposals for an additional funding allocation in academic year (AY) 2019/20, as set out in the revised [remit letter](#) issued December 2019 for financial year (FY) 2019-20. It outlines the background to our proposed spending of these funds and poses a number of questions, the responses to which we will use to inform, develop and refine the final arrangements.

Background

2. The Welsh Government has provided HEFCW with an update to our FY 2019-20 remit letter that states that additional revenue funding of £15m has been allocated to HEFCW's Revenue Expenditure Line, to further support reforms arising from the Welsh Government response to Diamond and recommendations contained in the Reid report as outlined below:
 - £7.5m for Research Wales Innovation Funding, including civic mission activity, to enable HEFCW to bring forward its plans to reintroduce funding for innovation and knowledge transfer.
 - £1.5m for well-being and health, including mental health, to enable institutions to improve and share effective practice in safeguarding policies and to support further initiatives to address period dignity.
 - £6m to support research development, by increasing and sustaining levels of QR and PGR funding.

Innovation Capacity Development Fund 2019/20

3. Due to budget constraints, in AY 2013/14 we took the decision to withdraw Innovation and Engagement (I&E) Funding. Since that time institutions in Wales have seen a decline in performance in this area particularly in relation to income capture. This performance is not replicated across the UK, and funding such as the Higher Education Innovation Fund (HEIF) in England has provided continuous investment in the innovation base and has supported capacity growth.
4. The announcement in May 2019 [W19/13HE](#) that we intend to reinstate support for I&E activity via the *Research Wales Innovation Fund (RWIF)* at a level of £15m pa from AY 2020/21 was well received. Given falling performance in Wales the recent RWIF consultation [W19/37HE](#) concluded that institutions required immediate investment funding to increase capacity and to support the ideals of *Reid Review of Government Funded Research and Innovation in Wales (2018)*. Reid noted that future I&E funding should incentivise and reward performance, particularly in relation to income capture. This has been the basis for the development of the RWIF funding model.
5. Whilst RWIF funding will commence in AY 2020/21 we are now in a position to propose allocating £7.5m in AY 2019/20 to provide urgent pump-prime funding to support the innovation and engagement base across Wales. This will include

activity related to civic mission. Given HEFCW's focus on meeting the recommendations of the Reid Review, the *Innovation Capacity Development Fund 2019/20* would be allocated in line with the funding model agreed through the RWIF consultation. Payment of allocations would be subject to the submission of acceptable plans. To ensure strategic fit the call for plans would be announced concurrently within the circular requesting the submission of three- year RWIF strategies. This circular is due to be published in March 2020. If approved, institutions may wish to begin giving consideration to their priorities for I&E investment which will increase their capacity, support the Reid recommendations, and align to HEFCW's *Research and Innovation: The Vision for Wales*.

Well-being and Health, including Mental Health, Equality and Diversity Improvements

6. We propose to provide funding of £1.5m to support well-being and health, including mental health and equality and diversity improvements. We will allocate funding to enable HEIs to improve and share effective practice in safeguarding policies. Safeguarding underpins all equality and diversity priorities and addresses areas of priority to us and Welsh Government including:
 - violence against women, domestic abuse and sexual violence;
 - mental health and suicide-safer approaches;
 - refugees and asylum seekers;
 - care experienced; and
 - racial and identity based harassment.
7. We will also support institutions to extend further their commitments to period dignity proposal (previously 'period poverty'). We recognise the importance of period dignity in relation to well-being and health agendas and we understand how this support can improve the student experience.
8. We propose to allocate this funding based on the headcount number of students for all modes and levels of study at the provider.

Postgraduate Research / Quality-related Research

9. We propose to allocate £6m to support research development, by increasing QR and PGR funding in 2019/20.
10. We propose to allocate £1.3m to Postgraduate Research (PGR), as a supplement to the AY 2019/20 PGR training funding allocation by funding all provision currently included in the model. This would reflect our intention to boost PGR recurrent funding from AY 2020/21 in the context of the need to underpin the Welsh Government's ambition to establish a PhD scholarship scheme in Wales. We propose to allocate the remaining £4.7m to Quality-related Research (QR), as a supplement to the AY 2019/20 QR allocation and in line with the current QR formula.
11. We propose to request the submission of case studies. These would need to give examples of the usage of QR/PGR funding, with a clear focus on illustrating increasing external grant capture and alignment with the activity supported via HEFCW's £6.6m [Research Wales funding: Strengthening the research base](#) provided in 2018-19.

12. £6m represents an increase of around 8% to QR plus PGR funding which would be in the region of the increase that has been provided in England since 2015/16. This is also approximately in line with inflation over the four years since 2015/16, and would support the Diamond and Reid Review recommendation to maintain QR funding in real terms. This increase will be for 2019/20 only. We are not yet in a position to build all of this increase into the baseline for 2020/21. HEFCW Council will give further consideration to increasing recurrent funding for research from 2021/22 onwards.

General consultation questions

13. In responding to any of the questions below, please provide a reason for your answer.

Question 1: Are you content with the proposed distribution of funding?

Question 2: Are there any unintended consequences arising from these proposed methods of distributing the funding?

Question 3: Do these proposals have any positive or negative impacts or unintended consequences in terms of equality and diversity and the Well-being of Future Generation (Wales) Act's seven wellbeing goals, Sustainable Development Principle and five ways of working?

Question 4: What positive or adverse effects will these proposals have on:

- opportunities for persons to use the Welsh language and
- treating the Welsh language no less favourably than the English language?

Question 4: Could these proposals be changed to increase positive effects, or decrease adverse effects on:

- opportunities for persons to use the Welsh language and
- treating the Welsh language no less favourably than the English language?

Question 5: Do you have any additional comments that you would like to make in response to this consultation?

Timetable

14. We will consider the responses to this consultation and take account of any issues raised, with a view to presenting final proposals for distributing the additional funding for AY 2019/20 to HEFCW Council at its meeting in March 2020.

Further information / responses to

15. For further information, contact Gemma Stephens (029 2085 9642; funding@hefcw.ac.uk). Responses to this consultation should be submitted to

funding@hefcw.ac.uk and copied to hestats@hefcw.ac.uk, by Friday 17 January 2020.

Assessing the impact of our policies

16. Informed by responses to this consultation, we will be carrying out an impact assessment, to help safeguard against discrimination and promote equality, taking account of our duties under the Equality Act (2010) and the Public Sector Equality Duty (Wales) (2011). We will also consider the impact of policies on the Welsh language, and Welsh language provision within the HE sector in Wales and potential impacts towards the goals set out in the Well-Being of Future Generations (Wales) Act 2015 including our Well-Being Objectives. Contact equality@hefcw.ac.uk for more information about our impact assessments.