

Cylchlythyr | Circular

Research Capital Funding 2018-19

Date: 22 June 2018
Reference: W18/11HE
To: Heads of higher education institutions in Wales
Responses by: 28 September 2018 and 31 January 2019
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This circular sets out details of research capital funding that will be provided in 2018-19 to qualifying institutions. There is a requirement upon all qualifying institutions to submit details of intended expenditure in 2018-19 in the required format by the 28 September 2018, **but only if proposals have changed from the previous report submitted at February 2018**. All qualifying institutions are also required to provide a report on the use of the current or previous funding by 31 January 2019 and their intended priorities for the following year.

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



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Introduction

1. This circular announces the allocations and distribution dates of research capital funding for 2018-19 and advises on how the expenditure of this capital will be monitored.

Background

2. The Department for Business, Energy and Industrial Strategy (BEIS) has confirmed that it will provide research capital funding to the four UK Higher Education (HE) funding bodies for 2018-19. The funding will be awarded pro-rata to the average research council income received by their respective institutions, and amounts to £3.48M for Wales. BEIS requires this funding to be matched by a similar contribution and the Welsh Government has agreed to provide this resulting in a total fund of £6.96M. This circular sets out the allocation of this funding and the associated monitoring arrangements.
3. The basis of allocation remains unchanged from that adopted in recent years and was reviewed by HEFCW in 2015. The Welsh Government element of the grant will be allocated pro rata to recurrent Quality Research (QR) and other research income. In calculating the allocations we have used the most recent data available with the WG element based on 2018/19 recurrent QR grant and 2016/17 other research income. Similarly the BIS allocation has been calculated by reference to an average of the 2014/15-2016/17 Research Councils' income received.

Allocations

4. Reflecting on the HEFCW Corporate Strategy vision for “Sustainable, accessible, internationally excellent higher education in Wales”, the Council has decided that allocations of research capital funding will again this year, as in previous years, only be made to those institutions who would be entitled to a pro-rata allocation of more than £250,000 per annum. Annex A Model 2 indicates the approved allocations. The allocations will be paid in two equal instalments in July 2018, and January 2019.

Monitoring arrangements

5. Under the provisions of circular W16/24HE, institutions receiving research capital funding were required to complete and return a pro-forma by February 2018, which included identifying priorities for 2018-19 research capital, assuming a comparable level of funding. **We will assume that the priorities identified at that time remain as stated unless we receive a further report using the pro-forma at Annex B by 28 September 2018.** We will expect the previous report or any subsequent report to be

consistent with details provided as part of the financial forecast circular which requires institutions to submit details of intended capital projects within their financial forecasts. This requirement will be more fully described in the relevant circular.

Use of funding

6. The funding provided can only be used as capital, and exclusively for purposes to support the development of the physical infrastructure associated with research. Research includes 'scientific research' (meaning research and development in any of the sciences including social sciences or technology (*section 6(1) of the Science and Technology Act 1965*)) and arts and humanities research. In determining the use of their allocations, institutions are encouraged to have particular regard to the research capital investment requirements of the three Grand Challenge areas identified in *Science for Wales* (life sciences and health; low carbon energy and environment, and advanced engineering and materials).

Case study report for research capital funding 2013-2019

7. To enable HEFCW to demonstrate the value of research capital funding and to support the presentation of an effective case for future funding, we need to be able to clearly demonstrate both current and future planned uses of this funding. The reporting requirement identified will provide this information and enable us to present a robust case to support future funding applications. Qualifying institutions who receive research capital allocations in 2018-19 are required to submit a brief report identifying the use and benefits arising, primarily from the expenditure of the 2018-19 research capital allocation but possibly in conjunction with earlier research capital allocations received in the period from 2013 onwards (see Annex C). The report should concentrate on large scale developments which have had a major impact, and if appropriate, indicate where future research capital allocations may be required to further sustain or build on the success of the project(s) described. Where this is not appropriate, we would expect to see proposals outlining where future research capital allocations are to be used assuming the current level of allocation is maintained in 2019-20. The report must be submitted to HEFCW by no later than 31 January 2019.

Payment arrangements and terms and conditions of funding

8. The allocated funding will be distributed via two payments in July 2018 and January 2019. The basis on which research capital funding is being provided to HE institutions is set out in the Annual Schedule to the Memorandum of Assurance and Accountability between us and individual institutions, and will reflect the latest Welsh Government conditions of funding as set out in our FY 2018-19 remit letter.

Further information / responses to

9. For further information, contact David Hunt (029 2085 9712); david.hunt@hefcw.ac.uk).

Assessing the impact of our policies

10. We have carried out an impact assessment which included an assessment of the impact of this proposal on equalities, the Welsh language, and the Well-being of Future Generations Act. Contact equality@hefcw.ac.uk for more information about IAs.