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Higher Education Funding
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Cylchlythyr | Circular

Higher Education Research Capital (HERC) Funding 2021-22

Date: 07 July 2021
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To: Heads of higher education institutions in Wales
Response by: 01 February 2022 and 29 April 2022
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This circular provides details of 2021-22 allocations for institutions qualifying to receive Higher Education Research Capital funding.

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



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Introduction

1. Since 2011 Higher Education Research Capital (HERC) has been provided to qualifying institutions in Wales. This circular advises institutions of allocations for 2021-22 and provides guidance on the associated reporting and monitoring requirements.

Background

2. The Department for Business, Energy, and Industrial Strategy (BEIS) has confirmed that it will provide HERC funding to the four UK HE funding bodies¹ in 2021-22. BEIS will provide support of £3.48m in Wales which will be matched by a contribution from the Welsh Government (WG) resulting in a total fund of £6.96m. HEFCW will administer HERC funding and ensure that reporting and monitoring arrangements meet the requirements of all funding partners.

Use of funding

3. The funding provided can only be used as capital and is exclusively 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.
4. In determining the use of their allocations institutions should consider the requirements of the Welsh Government's [Prosperity for All: economic action plan](#), and the challenges identified in the [UK's Industrial Strategy](#). Thought should also be given to how funding is used to support the ambitions and goals of the [Well-being of Future Generations \(Wales\) Act 2015](#).

Allocations

5. Funding has historically been allocated via two separate methods for BEIS and WG:
 - i) The BEIS element of funding is allocated pro-rata to Research Council income. As per BEIS' Memorandum of Understanding with HEFCW and WG, funding should focus on maintaining excellent departments with critical mass to compete globally and the expertise to work closely with business, charities and public services.

¹ HEFCW; Scottish Funding Council; Department for the Economy (Northern Ireland); Research England.

Allocations are calculated using the latest three years of Research Council income data.

- ii) The Welsh Government element of the grant is allocated pro-rata to a combination of recurrent Quality Research (QR) plus other research income reported by the provider to the HESA finance record. To calculate this allocation the latest 2021/22 QR, and 2019/20 research income data, has been used.

Funding Threshold

6. In order to meet the BEIS requirement that the fund supports excellence and builds critical mass the formula places a minimum threshold of £100k. Only institutions who are above this threshold will receive allocations in 2021-22.
7. Funding allocations for qualifying institutions in 2021-22 can be found at **Annex A**.

Monitoring arrangements

8. Institutions submitted details of future HERC funding priorities for 2021-2022 in February 2021. Confirmation of these investments, and potential future plans in 2022-23 should be provided by completing and submitting the pro-forma at **Annex B**:
 - Part 1 of the pro-forma should report on the confirmed use of funding in 2021-22, including total costs of large scale investments where HERC funding has been a contribution.
 - Part 2 of the pro-forma should be used to report on spending priorities for 2022-23 based on the assumption further HERC funding is made available.
 - **Annex B** must be returned to HEFCW by no later than **1 February 2022**.
9. In order to confirm HERC has been spent in full qualifying institutions are asked to submit the Confirmation of Expenditure pro-forma at **Annex C** by **29 April 2022**. Institutions should ensure it is clear whether any unspent funding is committed and if so, the date by which it will be spent in full. Unspent funding which is uncommitted can be reclaimed by HEFCW.
10. The information submitted by institutions in these reports will form the basis of HEFCW reporting requirements for Welsh Government in February 2022, and BEIS in May 2022. Failure to provide adequate project and expenditure detail could delay future confirmation of funding allocations from partners, or indicate a potential lack of impact for HERC investment in Wales which could diminish the argument for continued funding

Payment arrangements

11. As noted in **Annex A** funding will be distributed via two equal payments in July 2021 and January 2022.

Further information / responses to

12. For further information, contact Emma Morris (029 2085 9664; emma.morris@hefcw.ac.uk).

Assessing the impact of our policies

13. We will carry out an impact assessment screening to help safeguard against discrimination and promote equality. 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 impact assessments.

Higher Education Research Capital – Funding Allocations 2021-22

Institution	BEIS funding	WG funding	Total
University of South Wales	£29,652	£133,687	£163,339
Aberystwyth University	£420,455	£269,783	£690,238
Bangor University	£198,918	£397,759	£596,677
Cardiff University	£1,961,162	£1,845,851	£3,807,013
Swansea University	£869,813	£832,920	£1,702,732
Total	£3,480,000	£3,480,000	£6,960,000

Payment Profile 2021-22

Institution	Jul-21	Jan-22
University of South Wales	£81,670	£81,670
Aberystwyth University	£345,119	£345,119
Bangor University	£298,339	£298,338
Cardiff University	£1,903,506	£1,903,507
Swansea University	£851,366	£851,366
Total	£3,480,000	£3,480,000

Notes:

1. In 2021-22 institutions must meet a minimum £100k threshold when the formula is applied to qualify for standard HERC funds.
2. BEIS funding is allocated pro-rata using the latest three years of Research Council Income (2017/18 – 2019/20).
3. WG funding is allocated pro-rata to QR allocations for 2021/22, plus other research income reported by the provider to the HESA finance record in 2019/20.