

Cylchlythyr | Circular

Capital Funding 2023-24

Date: 16 August 2023
Reference: W23/21HE
To: Heads of higher education institutions in Wales
Response by: 29 September 2023
Contact: Name: David Hunt
Email: assurance@hefcw.ac.uk

This circular provides details of the basis on which Capital will be allocated to Higher Education Institutions in Wales in 2023-24, the information required from institutions and our approach to monitoring.

This funding relates to the 2023/24 academic year and we do not expect it to be impacted by the transition to CTER, though responsibility for monitoring and any clawback of funds will pass to them.

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



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Background

1. Welsh Government have indicated in our [2023-24 remit letter](#) that £10m Capital funding will be available for allocation within the 2023-24 Financial Year. As for previous Capital, this funding will be allocated to support strategic priorities outlined in the remit letter (including Net Zero) and delivery of the [WG Programme for Government](#).

Basis of Capital funding allocations

2. The Capital funding will be allocated based on a formulaic approach. As the funding is to be used, at least in part, to support learning and teaching, the student experience and student facing infrastructure, the allocations have been determined based on student numbers. The number of students at an institution represents a reasonable proxy for the amount of estate and facilities required. This method is consistent with our previous allocations of capital.
3. The student numbers used for the initial allocation are the most recent HESA Student Record Full-Time Equivalent (FTEs) for all modes, levels and domiciles based on the 2021/22 academic year.

Application of a minimum funding allocation

4. In order to provide Capital funding that will allow all institutions to invest in projects that will make a sustainable impact, a minimum allocation value of £750,000 has been applied.
5. The funding for institutions where the original allocation based on their student FTEs fell below this value has been increased to this amount and the FTEs for those institutions then removed from the calculation. The remaining balance of available funding has been apportioned between the other institutions based upon the remaining FTEs in the calculation.
6. Due to their limited physical estate in Wales and their ability to access other UK Capital funding streams, the OU's minimum allocation will be half the value of this minimum threshold (£375,000).
7. The resulting allocations for each institution for the 2023-24 funding based on the above methodology are provided in **Annex A**.

Submission of plans

8. Institutions will be required to provide their Capital investment plans for this funding, along with their Estate strategies, with details of how the investment plans align with their Estates strategies. If Estates strategies are in the process of being updated, a written update including estates priorities must be provided.

9. The Capital investment plans should include details of the institution's planned expenditure and how it will support strategic priorities outlined in the remit letter and delivery of the [WG Programme for Government](#). A key feature of this year's remit letter is Net Zero and responding to the climate emergency, so institutions should prioritise projects that address this issue directly. It is likely that such projects would also have broader benefits on other priority issues such as biodiversity. Institutions should also highlight how plans will improve the learning and teaching space and benefit the student experience.
10. HEFCW Officers will look to confirm that the Capital investment plans are appropriate and meet the criteria and will seek further information if required.
11. In lieu of separately collecting estates data from you, we are instead requesting that you provide your most recent submission to Welsh Government regarding Carbon/Net Zero reporting. We hope that this will avoid unnecessary duplication of work.
12. We will continue to monitor HESA metrics via the published data releases and so institutions should continue to be mindful of the impact projects may have on them.
13. A pro forma for these plans is attached at **Annex B**.
14. Should we have any concerns on the appropriateness of any particular projects, we may require the funding to be redirected to more suitable ones. As such, we recommend that institutions provide plans in excess of their allocation to allow for flexibility.
15. Should an institution foresee being unable to spend their full allocation, they should notify us at the earliest opportunity and any residual funds will be reallocated to other institutions via the formulaic approach described previously.
16. The Welsh Government Energy Service (WGES) is available to support institutions to identify, develop and deliver carbon/net zero projects (e.g. energy efficiency, low carbon heat and renewable energy generation). Institutions are encouraged to utilise this Welsh Government funded service in the development of carbon/net zero aspects of their capital investment plans. The service can be accessed through enquiries@energyservice.wales.
17. For any queries you may also contact Rhys Horan (rhys.horan@energyservice.wales) who can share more detail on your institution's allocated strategic lead and development manager.

Annual Monitoring

18. A monitoring exercise will be undertaken in 2024 at a suitable date to ensure that the funding has been used as intended and to provide an update on the impact that the investment has had.

19. Institutions will be expected to provide a breakdown of the Capital spend in a way that allows comparison with the original plan with explanations to be provided for any differences.
20. Institutions will be requested to provide a qualitative summary of the positive impacts this funding has had/is having on WG priorities and the criteria noted above.

Timetable

21. Providers are requested to submit their strategies and plan proformas to HEFCW by 29 September 2023.
22. Officer analysis and any required follow up will be undertaken in October 2023.
23. HEFCW will begin to release the allocated funds to institutions upon receipt and agreement of plans from October 2023, with the precise timing to be determined.
24. The annual monitoring process will take place in 2024 at a suitable date.
25. This funding will be made available subject to the general conditions for payment of funds by HEFCW to the Governing Body of an institution. These are set out in the Memorandum of Assurance and Accountability ([W15/32HE](#)).

Further information

26. For further information, contact David Hunt (email assurance@hefcw.ac.uk).

Assessing the impact of our policies

27. We have carried out an impact assessment screening to help safeguard against discrimination and promote equality. We also considered 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. A responsibility also rests on higher education institution partners to assess the impact of their proposals to help safeguard against discrimination and promote equality. Contact equality@hefcw.ac.uk for more information about impact assessments.

Capital funding modelling 2023/24

£750k Min Threshold (£375k for OU)

All Students

Institution	2020/21 Student Numbers and FTE		Allocations pro rata to (£):	Percentage allocated to each institution
	Number	FTE	FTE	FTE
University of South Wales		17,960	1,427,450	14%
Aberystwyth University			750,000	8%
Bangor University			750,000	8%
Cardiff University		29,755	2,364,618	24%
University of Wales Trinity Saint David		11,980	951,951	10%
Swansea University		18,550	1,474,181	15%
Cardiff Metropolitan University		10,770	855,945	9%
Wrexham University			750,000	8%
Open University		8,505	675,855	7%
Total incl. OU		97,515	10,000,000	100%

Source: HESA student record 2021/22

Student Numbers not used in calculation: HESA standard registration population, all modes, levels and domiciles
 FTE's used in calculation: HESA Session Population, all modes, levels and domiciles.