

# Cylchlythyr | Circular

## Higher Education Research Capital (HERC) Funding 2023-24

**Date:** 18 August 2023  
**Reference:** W23/22HE  
**To:** Heads of higher education institutions in Wales  
**Response by:** 16 February 2024 and 26 April 2024  
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This circular provides details of 2023-24 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](mailto: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 2023-24 and provides guidance on the associated reporting and monitoring requirements.

## Background

2. The Department for Science, Innovation and Technology (DSIT) (formerly BEIS) has confirmed that it will provide HERC funding to the four UK HE funding bodies<sup>1</sup> in 2023-24. DSIT will provide support of £4,231,936 in Wales which will be matched by a contribution from the Welsh Government (WG) resulting in a total fund of £8,463,872. 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 [Programme for Government](#), and the ambitions identified in the [UK Innovation Strategy](#), [UKRI's strategy](#), and the [Welsh Government's Innovation 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 is allocated via two separate methods for DSIT and WG elements:
  - i) The DSIT element of funding is allocated pro-rata to Research Council income. As per DSIT's 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. 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 latest recurrent Quality Research (QR) allocation plus other

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

research income reported by the provider to the HESA finance record. The QR allocation for 2022/23 has been used within the funding formula for HERC for 2023-24.

### **Funding Threshold**

6. In order to meet the DSIT requirement that the fund supports excellence and builds critical mass the formula includes a minimum threshold of £100k. Only institutions who are above this threshold will receive allocations in 2023-24.
7. Funding allocations for qualifying institutions in 2023-24 can be found at **Annex A**.

### **Monitoring arrangements**

8. Institutions submitted details of future HERC funding priorities for 2023-24 in February 2023. Confirmation of these investments, and potential future plans in 2024-25 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 2023-24, 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 2024-25 based on the assumption further HERC funding is made available.
  - **Annex B** must be returned to HEFCW by no later than **16 February 2024**.
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 **26 April 2024**. 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 2024 and DSIT in May 2024. 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 August 2023 and January 2024.

## **Further information / responses to**

12. For further information, contact Meg Hughes (029 2085 9716; [meg.hughes@hefcw.ac.uk](mailto:meg.hughes@hefcw.ac.uk)).

## **Assessing the impact of our policies**

13. We carry out an impact assessment screening to help safeguard against discrimination and promote equality. We 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](mailto:equality@hefcw.ac.uk) for more information about impact assessments.

## Higher Education Research Capital – Funding Allocations 2023-24

	<b>DSIT Allocation</b>	<b>WG Allocation</b>	<b>Total</b>
University of South Wales	£53,333	£164,795	£218,129
Aberystwyth University	£345,169	£303,982	£649,151
Bangor University	£264,148	£530,809	£794,957
Cardiff University	£2,301,980	£2,182,358	£4,484,338
Swansea University	£1,250,249	£957,608	£2,207,856
Cardiff Metropolitan University	£17,057	£92,385	£109,442
<b>Total</b>	<b>£4,231,936</b>	<b>£4,231,936</b>	<b>£8,463,872</b>

## Payment Profile 2023-24

<b>Institution</b>	<b>Aug-23</b>	<b>Jan-24</b>
University of South Wales	£109,065	£109,064
Aberystwyth University	£324,576	£324,575
Bangor University	£397,478	£397,479
Cardiff University	£2,242,169	£2,242,169
Swansea University	£1,103,928	£1,103,928
Cardiff Metropolitan University	£54,721	£54,721
<b>Total</b>	<b>£4,231,936</b>	<b>£4,231,936</b>

**Notes:**

1. In 2023-24 institutions must meet a minimum £100k threshold when the formula is applied to qualify for standard HERC funds.
2. DSIT funding is allocated pro-rata using the latest three years of Research Council Income (2019/20 – 2021/22).
3. WG funding is allocated pro-rata to QR allocations for 2022/23, plus other research income reported by the provider to the HESA finance record in 2021/22.