

# Cylchlythyr | Circular

## Summary of responses to the consultation on implementing a new research funding method

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**To:** Heads of higher education institutions in Wales  
**Response by:** No response required  
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This circular provides the outcomes of a consultation on the implementation of a new method for allocating HEFCW's unhypothecated research funding. This new method will replace the current method used to allocate HEFCW's QR and PGR support funding streams.

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. This circular provides a summary and brief analysis of responses to the consultation on proposals to update HEFCW's method for allocating annual unhyposhatched research funding to higher education institutions (HEIs) (see HEFCW circular [W21/25HE](#)). This consultation informed the changes HEFCW has made to its formula method for allocating Quality Research (QR) and Postgraduate Research (PGR) training funding. These changes will be introduced from academic year 2022/23 and are summarised separately in HEFCW circular W22/24HE.

## Background

2. HEFCW funds research in HEIs in Wales primarily through its QR funding stream. This is unhyposhatched funding, allowing institutions to decide how to spend it to best pursue their strategic goals. In academic year 2021/22 HEFCW allocated £81.7m to HEIs through its main QR funding stream (excluding additional in-year funding). QR funding is allocated by formula.
3. HEFCW also allocates funding to contribute to the costs of training PGR students in Welsh HEIs. In academic year 2021/22 HEFCW allocated £6.2m to HEIs through this stream. PGR training funding is allocated by formula.
4. HEFCW's QR formula operates to fund sustainable research excellence, using quality, volume, and sustainability measures. The quality measures are drawn from the results of UK national research assessment exercises, currently run as the Research Excellence Framework (REF). Full details of QR formula in use from 2015/16 to 2021/22 are available in Annex A of circular [W21/25HE](#).
5. HEFCW Council decide each year the maximum amount of funding available from HEFCW's total budget that can be provided to the PGR support stream. This is allocated by formula using eligible PGR enrolments reported in institutional HESA returns combined with Units of Funding which reflect differing subject weightings. If the allocations produced by the formula exceed the maximum funding available, allocations are reduced pro rata. Full details of the PGR support formula in use from 2015/16 to 2021/22 are available in Annex B of circular [W21/25HE](#).
6. Following review and consultation, HEFCW will implement a new funding method, using the results of the REF 2021 exercise, to come into effect for the academic year 2022/23 funding allocations. This will ensure that institutional allocations are based on REF 2021 results as soon as possible, so that HEFCW's allocations will be underpinned by the latest available data, and provide as early a return as possible on the resources institutions dedicated to excellent research in their REF 2021 submissions. Full details of the new method can be found in circular W22/24HE.

## Review rationale

7. In 2015, a task and finish group of HEFCW's Council recommended that in the longer term, HEFCW's research funding method should be reviewed in order to ensure that it was more strategically focused on excellence and capacity. At the time, the decision was taken to defer any review of the funding method given the changing landscape of funding. Since then, the following have all had an impact on the research funding landscape in Wales:
  - The Diamond review (2016)<sup>1</sup>
  - The Reid review (2018)<sup>2</sup>
  - The introduction of innovation and engagement funding through the Research Wales Innovation Fund
  - The advancement of Welsh Government plans for the Commission for Tertiary Education and Research
  - The establishment of UK Research and Innovation
  - The UK government has committed to reaching a target of R&D investment reaching 2.4% of GDP
  - The UK has left the European Union

In light of these developments and their impacts on the research funding landscape, HEFCW Council agreed a review of HEFCW's research funding methodology was necessary to ensure it would continue to fund sustainable research excellence in the current funding landscape.

8. The HEFCW methods for QR and PGR formula funding in use between 2015/16 and 2021/22 use the results of REF 2014, the then most recent completed UK national research assessment exercise. The method is designed to fund sustainable research excellence using definitions and categorisations that derive from the REF 2014 process and its results. Following the Stern review (2016),<sup>3</sup> significant changes were made to institutional submissions for the next national research assessment exercise, REF 2021. These and other changes which underpin the REF 2021 data make prudent a review of HEFCW's funding methods which will draw upon REF 2021 outcomes.
9. In May 2019 HEFCW published its Vision for Research and Innovation in Wales. This was [refreshed](#) in February 2022. Built around the four thematic pillars of Excellence, Place, Innovation, and Collaboration, it outlines how HEFCW seeks to work with partners and stakeholders to deliver a thriving a community of challenge, change, and achievement that will meet economic, social, and civic ambitions across Wales, the UK, and the world. The review of HEFCW's research funding method will also to ensure it will support delivering HEFCW's Vision.

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<sup>1</sup> [The Review of Higher Education Funding and Student Finance Arrangements in Wales](#)

<sup>2</sup> [Review of Government Funded Research and Innovation in Wales](#)

<sup>3</sup> [Building on Success and Learning from Experience: An Independent Review of the Research Excellence Framework](#)

## Consultation responses

10. A brief summary of the consultation responses are given below, arranged by question/proposal:

- **HEFCW's aims to continue to fund sustainable research excellence with a simpler, more transparent model:** All responses supported the proposed aims. Some concerns were expressed around how best to define and support excellence, and how to simplify the model without compromising support for excellence.
- **Not to introduce an element to incentivise grant capture into the QR formula at this time:** Almost all responses supported this proposal, pointing to activities like the Wales Innovation Network or the anticipated Future of Wales Fund that should answer this need. One response was supportive only in the context of the Future of Wales Fund being established.
- **To remove the research excellence stream which allocates funds against 4\* research only:** the majority of responses supported this proposal on the grounds that it would simplify the formula. Two responses expressed reservations, saying the 4\* weighting should increase if this stream were removed.
- **To remove minor volume measures:** the majority of responses supported this proposal, welcoming the additional simplicity and transparency this would bring to the formula. A minority expressed concern that this would represent an important element of the research base not attracting funding in the new formula.
- **To use REF 2021 volume and quality data to drive the new formula:** all responses supported this proposal, noting the rigorous and suitable nature of the REF. Some responses noted concerns over what university research activity REF does and doesn't take into account, or weight adequately.
- **To adjust the quality weightings applied to the REF results (4\*, 3\*, 2\*, 1\*, u/c):** responses varied, with some supporting maintaining or increasing the current heavier weighting of research activity assessed as 4\*. Other responses supported introducing a weighting above 0 for 2\* research activity.
- **To review subject weightings:** all responses supported this proposal, with some explicitly endorsing maintaining the recognition of higher costs of research in some subjects.
- **To retain volume and sustainability thresholds in the new formula:** a slim majority of responses were against this proposal, arguing that sustainability of research activity had already been accounted for in REF results, and that the thresholds discourage investment in areas of growth. A minority of responses supported this proposal, noting that the thresholds ensure only sustainable capacity attracts funding, and that universities can still invest in smaller areas for growth if they choose.
- **To set a charity income stream allocated pro rata to institutions' research income from charities at 15% of non-PGR research funding:**

responses to this proposal varied significantly. Three endorsed maintaining this level of support with additional transparency. Two wanted this level of support increased. Two recommended this stream be removed entirely. One recommended the stream expand its remit to allocate according to institutions' competitive research income from any source.

- **To use the same definition of charity income as Research England and the Scottish Funding Council:** the majority of responses supported this proposal, with one undecided pending more information.
- **To remove time limits on PGR enrolments:** the majority of responses supported this proposal, noting the positive equality, diversity and inclusion impacts. One response expressed concern that this could dilute support for PGRs on study routes that lead them to contribute more to the research base.
- **To use the same subject weightings for PGR as for QR:** all responses supported this proposal, welcoming the simplification of the formula. Some expressed concerns over potential effects on PGR recruitment to high cost subjects.
- **To set PGR as a proportion of available funding:** the majority of responses supported this proposal, commenting that it would increase consistency of support and transparency. Other responses expressed concerns over variability of funding impacting planning, and the inability for fixed funding to rise in line with PGR numbers.

11. A more detailed summary of responses can be found at **Annex A**.

### **Outcomes**

12. HEFCW took all consultation responses into account in finalising its plans for the new research funding methodology. Detailed responses from HEFCW to concerns raised by consultation responses can be found at **Annex A**.
13. The full details of HEFCW's final research funding methodology can be found in circular W22/24HE.

### **Next steps and timetable**

14. The new research funding methodology will drive QR and PGR funding allocations from AY 2022/23.

### **Further information / responses to**

15. For further information, contact Ben Raynor ([ben.raynor@hefcw.ac.uk](mailto:ben.raynor@hefcw.ac.uk)).

## Assessing the impact of our policies

16. 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. Contact [equality@hefcw.ac.uk](mailto:equality@hefcw.ac.uk) for more information about impact assessments.
17. Full details of the considerations arising from impact assessment of the new research funding methodology can be found in circular W22/24HE. Please also note the responses to questions on Welsh language considerations, equality, diversity and inclusion, and the Wellbeing of Future Generations (Wales) Act 2015 in **Annex A** of this circular.

## Summary of responses to consultation on implementing new research funding method

### 1. Introduction

A summary of the responses for each question and HEFCW's comments and response are provided below. Please note that while we have endeavoured to capture as many issues and concerns raised by each response as possible, some have been streamlined and summarised due to the sheer range of issues raised.

### 2. Proposed changes: aims

HEFCW is proposing that its current funding arrangements for research in Welsh HEIs be replaced by the following three streams, referred to collectively as 'Research Funding':

- a. Research Excellence Framework outcomes: this will be the largest stream and would be calculated on the basis of the quality profile and volume of category A submitted staff in each REF submission.
- b. Charity research income: this stream would be allocated pro rata to institutions' research income from charities, and would help meet the Full Economic Cost of research supported in this manner as charities do not pay overheads on their research grants.
- c. PGR: HEFCW would continue to contribute to the costs of training for eligible PGR enrolments.

HEFCW welcomes views on what its Research Funding should aim to achieve, and the higher level changes to the overall Research Funding stream.

**HEFCW proposes that the new Research Funding method should aim to:**

- a) Continue to fund sustainable research excellence
- b) Have a simpler, more transparent model
- c) Use only data that is collected in the REF or HESA data
- d) Help achieve HEFCW's Research and Innovation: the Vision for Wales

**Are these suitable aims for HEFCW's Research Funding method? Are there any others you feel should be included?**

*There was broad support for HEFCW's aims to continue to fund sustainable research excellence while using a simpler model.*

*There were some concerns over the aim to fund sustainable research excellence, which focused on how to define excellence. There was a suggestion that the REF does not use all metrics relevant to research excellence, especially as concerns place, innovation, and collaboration. There was also a concern that the volume and sustainability thresholds in the current formula did not support emerging or small scale research excellence, and would continue not to do so if retained.*

*While there was support for the transparency that a simpler model would bring, there were concerns that a pursuit of a simpler model should not reduce complexity to the point where it harmed supporting excellence.*

HEFCW response:

We note the support of the aims for the new research funding methodology.

While we acknowledge concerns over what elements of research excellence are measured in the REF, the results of the REF are a robust and internationally respected assessment of the volume and quality of research activity in UK universities. REF results are therefore fully suitable for us to use to drive QR allocations. Other HEFCW funding, such as the Research Wales Innovation Fund, and our support for the Wales Innovation Network, provides support for institutions to collaborate, innovate, and pursue their civic mission goals.

QR is provided as an unhypothecated grant to universities. This allows them to spend it to pursue their longer term research strategies, and this can include supporting emerging or small areas of research activity, since HEFCW's allocation methodology places no restrictions on how universities can spend their allocations.

Throughout the policy process, HEFCW has balanced the desire for a simpler formula with the need to continue to support sustainable research excellence.

**HEFCW proposes that the new Research Funding method should not include a stream to reward and incentivise research grant capture at this time. Do you agree?**

**Please also provide any comments on methods for incentivising research grant capture in the Welsh HE sector.**

*The majority of respondents agreed with this approach, as grant capture is already supported through QR's role in underpinning all research activity, and is already recognised in the REF and therefore rewarded in the funding formula. It was also recognised that the Wales Innovation Network and the planned Future of Wales Fund would serve this purpose.*

*One institution commented that if there was no Future of Wales Fund, this aim should be met through a ringfence in QR funding allocated against all research income in an institution.*



HEFCW response:

We note the strong majority support not to introduce a stream to QR funding to incentivise grant capture at this time. We continue to work closely with Welsh Government on how universities can become more competitive in competitions to secure external research funding. This includes pursuing the recommendations of Professor Graeme Reid's Review, as endorsed by Welsh Government, which included the introduction of a Future of Wales Fund once QR had been at least sustained in real terms. The Wales Innovation Network, funded by HEFCW, should also intensify collaborative bidding activity between universities as a route to greater success in external grant capture.

**HEFCW proposes that the new Research Funding method should not replicate the current 'Research Excellence' stream which allocates £6.5m against 4\* research only. Do you agree?**

*The majority of respondents agreed, on the grounds that it would simplify the formula and the 4\* weighting already supports the best research in the rest of the formula.*

*Respondents who disagreed were concerned with a potential move away from a focus on research excellence, and supported increasing the 4\* quality weighting if the ringfence was removed.*

HEFCW response:

We note that the majority of respondents support this simplification of the formula. In the new methodology, to continue to support research excellence, HEFCW has raised the weighting of 4\* research activity in the allocation formula.

**HEFCW proposes that the new Research Funding method should not include minor volume measures for research students, research assistants, research fellows, and charitable income awarded through open competition. Do you agree?**

*The majority of respondents agreed with this proposal. These respondents felt this would simplify the formula, that temporary staff did not represent the core research capacity QR aims to support, and that these staff have already been accounted for in REF quality profiles as part of the environment score for individual units of assessment.*

*Some respondents disagreed or expressed reservations, arguing that minor volume measures supported staff that were not eligible for submission to REF 2021 but were still vital for research and the sustainability of the research base.*

HEFCW response:

REF 2021 is a far more inclusive exercise, in terms of research staff submission, than REF 2014. All staff with significant responsibility for research were returned by universities in their submissions to REF 2021. These staff represent the most sustainable investment institutions make in the research base, so should be the focus on HEFCW investment in sustainable research excellence, and will therefore act as the sole volume measure in the new allocation formula. HEFCW acknowledges the very important contributions made by other categories of university staff to research activity, but these should be recruited in proportion to investment in long term research capacity.

Support for charity income and for postgraduate research students have their own dedicated funding streams, ensuring support for these areas will continue after the removal of their associated minor volume measures.

### 3. Proposed changes: QR/ REF outcomes (paragraphs 19-24)

HEFCW is proposing to continue to allocate the majority of its core research funding to institutions via formula as an unhypothecated funding stream. By using the results of the REF 2021, it would continue to sustainably fund research excellence in Welsh HEIs.

#### **Should HEFCW derive its quality and volume measures for the new research funding method from the results of REF 2021?**

*All respondents agreed that HEFCW should use REF 2021 results for quality and volume measures in the new formula. Respondents pointed out that REF 2021 results are rigorous and suitable, and that there were no other metrics to draw upon.*

*Concerns were expressed around how not all staff would be recognised in the REF 2021 volume measures, and that impact was not appropriately weighted in REF results and that the Research Wales Innovation Fund should take REF impact scores into account to make up for this. Two respondents also suggested that since the REF results already take into account the sustainability of research activities, the volume and sustainability thresholds should be removed from the new QR formula.*

HEFCW response:

We are confident that REF 2021 was a robust and rigorous assessment of the volume and quality of research in UK universities, and will form a sound basis for allocating research funding.

With regard to other staff not recognised in REF 2021 volume measures, please see HEFCW's response to the question on minor volume measures.

With regard to the volume and sustainability thresholds, please see HEFCW's response to the question on the thresholds.

Impact accounted for 25% of a unit of assessment's overall quality profile in REF 2021. This was increased from 20% in REF 2014. In this way impact is taken fully into account in REF 2021 results. Whether the relative weightings of the different elements of the REF assessment should remain the same if they are used again in the future will be considered by the funding bodies when designing the next UK-wide research assessment exercise. Other HEFCW funding streams, such as the Research Wales Innovation Fund, use different datasets to recognise university innovation and civic mission activity which produce impacts in wider society.

**Should HEFCW retain the following quality weightings from the existing QR formula?**

**4\* - 3**

**3\* - 1**

**2\* - 0**

**1\* - 0**

**Please consider your answer in the context of the proposed removal of the Research Excellence ring-fenced stream within QR which allocates additional funding against 4\* research only.**

*Respondents gave varied views. Some thought the 4\* weighting should be increased further to emphasise support for research excellence. Others thought the current weightings should remain, as they balance supporting excellence with supporting diversity. Others felt that the 2\* weighting should be increased from 0, saying this was appropriate in the context of REF 2021 being a less selective assessment exercise and would help support early career researchers and sustainability in the research base.*

**HEFCW response:**

One of the overall aims for the HEFCW's QR funding is to continue to fund sustainable research excellence. An important part of pursuing this aim through the funding formula is ensuring that the best research attracts a greater level of funding within the funding formula. In the context of the removal of the Research Excellence ringfence, HEFCW has decided to increase the 4\* weighting to 4 to ensure the new formula continues to fund research excellence. This brings HEFCW's subject weightings in line with Research England's QR subject weightings as of 2021/22.

**HEFCW's current subject weightings are:**

- **Clinical medicine/laboratory based subjects: 1.6**
- **Subjects with technical/experimental premium: 1.3**
- **Other subjects: 1.0**

**HEFCW is proposing to update these weightings using new research. Do these weightings need updating to reflect current relative costs of research across disciplines?**

*Respondents recommended further consultation following the findings of research underway at the time. There was broad support for continuing to recognise the higher cost of research in some subjects.*

HEFCW response:

In the absence of a strong case for change arising from research conducted by Research England on behalf of UK research funding bodies, HEFCW has decided to retain the current subject cost weightings, to continue to recognise the differing costs of research across subjects. Institutions were informed of the research findings and invited to comment, and there was no appetite for changing the subject cost weightings.

**HEFCW's current QR formula includes volume and sustainability thresholds. These aim to ensure that HEFCW's QR funding supports sustainable research activity in HEIs. Should HEFCW retain volume and/or sustainability thresholds for the new formula?**

*Respondents' views were mixed. Some were in favour of retaining or raising these thresholds, arguing they ensure HEFCW only funds sustainable research capacity, and that universities can still invest funds in smaller research areas for growth if they choose. Others were in favour of removing them, arguing they discourage investment in areas that are growing in research activity, that sustainability is already accounted for in REF scores, and that the thresholds penalise smaller institutions with pockets of excellence. One respondent pointed out that Research England does not use thresholds in its QR formula.*

HEFCW response:

HEFCW has decided to retain the policy principle represented by the volume and sustainability thresholds, namely that the funding formula should ensure that Units of Assessment that have not achieved a certain level of size or quality in their research activity will not attract funding. This ensures that public funds are not allocated to research activity that has not yet proved itself sustainable over the longer term, and is an important element of ensuring HEFCW QR funding funds sustainable research excellence. As QR is an unhypothecated grant, universities remain free to invest in areas of research activity that do not attract funding in the new formula, if they consider this the best way to pursue their longer term research strategy.

The thresholds chosen for the new funding methodology have been set to ensure that all Units of Assessment assessed by REF 2021 to have at least some world-leading research activity attract funding in the new funding formula.

#### 4. Proposed changes: charity research income (paragraphs 25-30)

At present, HEFCW contributes to meeting the Full Economic Cost (FEC) of research funded by charities through a ring-fenced element (£3.3m) within the QR funding stream, and through the effects of its minor volume measure for charitable income. HEFCW is proposing to replace these in the new funding method with a dedicated Charity Research Income stream to continue to contribute to meeting the FEC of research funded by charities.

**HEFCW proposes that the new Research Funding method should include a funding stream allocated against institutions' charity research income set at 15% of non-PGR Research Funding, while removing the minor volume measure for charity income. This will represent sustaining the ring-fenced support for meeting the FEC of charity research income at current levels. Please comment on the proposed method and level of funding for the Charity Income Stream.**

*Respondents' views were mixed. Some welcomed the proposal, saying it would maintain important support with increased transparency. Some suggested increasing the level of support to more than 15% of available funding.*

*Other views were less supportive of the proposal. Suggestions included:*

- removing this ringfence entirely, since charity research income is not the only research income funded at less than the full economic cost.*
- removing this ringfence entirely, since it represented an inappropriate use of public funds*
- expanding the ringfence to support all research income*

HEFCW response:

We note the variety of responses to this question, and the lack of a consensus view in the sector over the value of maintaining this funding stream at its current level. We also took into account the key role that the remainder of QR funding plays as an unencumbered grant in underpinning *all* university research activity, including the pursuit of long term research strategies, recruiting and training the best staff, maintaining infrastructure, and supporting the competitiveness and sustainability of external grant capture.

Taking all this into account, HEFCW has decided to retain a dedicated funding stream allocated against universities' charity research income, but to set it at **10%** of overall available funding.

**HEFCW is proposing to sustain the Charity Income Stream at its present proportion of non-PGR research funding to help address the issue of low Full Economic Cost recovery for charity-funded research. Is there more HEFCW could be doing to address the issue of Full Economic Cost recovery from this source of funding?**

*There was broad support for any methods that could work to recover full economic costs, while acknowledging that in the absence of more funding solutions were difficult. Suggestions included a continued focus on charity funded research, and seeking other sources of funding such as the Development Bank of Wales.*

HEFCW response:

HEFCW acknowledges and appreciates the suggestions for addressing this issue. We will take these into account as we continue to work with Welsh Government on helping ensure the sector can be competitive in sustainably securing grant funding for research.

**HEFCW proposes to use the same definition of qualifying charity income in the new funding method as the current Research England and Scottish Funding Council definition: charity income from UK, EU, and non-EU charities (competitive sources only). Is this definition suitable?**

*There was broad support for this proposal. Where undecided, respondents said they could not respond without knowing impacts on funding.*

HEFCW response:

HEFCW notes the broad support for this proposal, and will use this definition in its new methodology.

## 5. Proposed changes: PGR support funding (paragraphs 31-33)

HEFCW currently contributes to the training costs of PGR students in Welsh institutions through formula funding. This is allocated according to eligible PGR enrolments in qualifying REF 2014 Units of Assessment combined with discrete Units of Funding for different research disciplines. For the new Research Funding method, HEFCW will continue to support PGR training using an updated allocation formula and REF 2021 data.

**Should HEFCW remove time limits on eligible PGR enrolments for PGR support funding in the new funding method?**

*There was broad support for this proposal, with the opportunity to address equality, diversity and inclusion concerns around lack of support for non-traditional study patterns the most cited reason. Some concern was expressed over channelling research funding support toward non-traditional PGRs, given their limited contributions to the research base at an institution.*

HEFCW response:

HEFCW welcomes the broad support for this proposal, and will implement it in the new PGR methodology. This should have positive equality, diversity and inclusion impacts for universities' ability to support non-traditional modes of study among PGRs.

**HEFCW is proposing to use the same subject weightings for the new PGR support funding formula as for the other elements of Research Funding. These would replace the current PGR Units of Funding. Do you agree?**

*The majority of respondents agreed, welcoming the simplification of the formula. There were reservations expressed over the potential to depress PGR recruitment in high cost subjects.*

HEFCW response:

HEFCW notes the support for this proposal, and will implement it in the new PGR funding methodology. HEFCW is confident that given PGR training funding is only a contribution to the cost of training PGRs in universities, and the continued high demand and high application numbers for PGRs in high cost subjects, that this change will not have significant negative effects on PGR recruitment in high cost subjects.

**Should HEFCW set PGR support funding as a proportion of total available funding?**

*The majority of respondents supported this proposal, saying it would increase transparency and consistency of support. It was suggested that if this would fix funding it would be positive for planning, but if the amount would vary, it would be beneficial to set a guaranteed minimum level of support.*

HEFCW response:

At present, HEFCW Council decides how much funding to make available to PGR training each year. HEFCW has decided to continue with this, to allow for greater responsiveness and flexibility in how HEFCW funds PGR training in the future. Council will use a range of data to determine the level of funding for PGR training. This approach recognises that HEFCW may wish to respond to ongoing changes to PGR support at a UK wide level.

## 6. Overall Comments

**Please use this box for any further comments you wish to make on HEFCW's proposals that you were not able to make elsewhere.**

*Comments included:*

- *Additional support for the Open Science agenda would be welcome*
- *Research funding should be driven by the recommendations of the Diamond and Reid Reviews*
- *Under-funding of core research and innovation activity will pose risks to the ongoing quality and sustainability of provision in Wales, and to the part it can play in the development of a prosperous economy and society.*
- *HEFCW's focus in the future for research funding should be 4\* research, ensuring volume and quality drive allocations, and impact*
- *Continued support for Wales Studies outside the research funding method would be welcome*
- *The anticipated timing of funding announcements creates significant risks for universities*

**7. Welsh Language Standards 2018**

<p><b>i. What positive or adverse effects will the proposals have on:</b></p> <ul style="list-style-type: none"> <li>• opportunities for persons to use the Welsh language</li> <li>• treating the Welsh language no less favourably than the English language?</li> </ul>	<p><b>ii. How could the proposals for the new funding method be changed to increase positive effects, or decrease adverse effects on:</b></p> <ul style="list-style-type: none"> <li>• opportunities for persons to use the Welsh language</li> <li>• treating the Welsh language no less favourably than the English language?</li> </ul>
<p><i>Comments focused on the importance to maintaining support for Welsh medium outputs, publications, and research, and on the risk that under-funding research activity in the sector poses to the delivery of all provision including that in the Welsh language and relating to Welsh language, history, and culture.</i></p>	
<p>HEFCW response:</p> <p>We note the concerns expressed here, and will continue to monitor the status of research activity relating to Welsh language, history, and culture, working closely with partners such as the Coleg Cymraeg Cenedlaethol. The unhypothecated nature of HEFCW's QR funding ensures that HEIs can use it to support key areas, including such research activity.</p>	

**8. Impact on the [Well-being of Future Generations \(Wales\) Act 2015](#)**

**Could the proposals for the new funding method be changed to increase positive effects, or decrease adverse effects on the goals of the Well-being of Future Generations Act 2015?**



*Some comments focused on the importance of research and a sustainable research base to achieving the goals of the Wellbeing of Future Generations Act, and how allocating funds incorrectly would pose risks to Wales' international impact and reputation.*

*Others focused on the importance of a research-intensive learning environment to delivery of outcomes for students, and suggested that a more outcomes focused model of funding, using an impact-driven allocation, would best incentivise institutions to deliver real benefits for Wales.*

*Respondents also commented on the desirability of aligning the new research funding methodology with the Well-being of Future Generations Act, the Universities Wales Civic Mission Framework, and the UN's Sustainable Development Goals.*

*The negative effect of the volume and sustainability thresholds on a number of research projects which contribute to the Wellbeing of Future Generations Act's goals was also commented upon.*

HEFCW response:

We note these varied responses and will integrate them into our broader policy work that aims to support a sustainable and collaborative research base which can address emerging and future challenges, including Welsh Government priorities. By effectively funding sustainable research excellence, our QR funding will make a key contribution to the sustainability of this research base.

## 9. Impact on equality, diversity, and inclusion

**Does the proposed new funding method have any positive or negative impacts, or unintended consequences, in terms of equality, diversity, and inclusion?**

*Respondents noted the positive efforts made by REF 2021 to place equality, diversity and inclusion at the heart of the exercise. Others welcomed the changes to PGR provision that should have positive effects in terms of equality, diversity and inclusion.*

HEFCW response:

HEFCW notes these responses. The changes made to REF 2021 to fully embed equality, diversity and inclusion considerations throughout the exercise have been a positive step toward making UK-wide research assessment more inclusive and equitable. The funding bodies are committed to continuing to make improvements, and will consider carefully the recommendations of the REF 2021 Equality and Diversity Advisory panel (whose report is available here) in designing future research assessment exercises. In making changes to the eligibility criteria for PGR enrolments in our PGR training funding, we aim to

avoid any negative indirect impacts for those who choose or whose circumstances necessitate flexible or longer-term modes of postgraduate study.