

Cylchlythyr | Circular

Research Capital Funding 2016-17

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To: Heads of higher education institutions in Wales
Response by: **30 September 2016 and 31 January 2017**
Contact: Name: Chris Cowburn
Telephone: 029 2068 2247
Email: chris.cowburn@hefcw.ac.uk

This circular sets out details of research capital funding that will be provided in 2016-17 to qualifying institutions. There is a requirement upon all qualifying institutions to submit details of intended expenditure in 2016-17 in the required format by 30 September 2016, **but only if proposals have changed from the previous report submitted at 5 February 2016**. All qualifying institutions are also required to provide a report on the use of the current or previous funding by 31 January 2017 and their intended priorities for the following year.

If you require this document in an alternative accessible format, please telephone us on (029) 2068 2225 or email info@hefcw.ac.uk.



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Introduction

1. This circular announces the allocations and distribution dates of research capital funding for 2016-17 and advises on how the expenditure of this capital will be monitored.

Background

2. The Department for Business Innovation and Skills (BIS) has confirmed that it will provide research capital funding to the four UK HE funding bodies for 2016-17. 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. BIS requires this funding to be matched by a similar contribution and the Welsh Government (WG) 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 for the previous four years and was reviewed by HEFCW last year. 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 2016/17 recurrent QR grant and 2014/15 other research income. Similarly the BIS allocation has been calculated by reference to an average of the 2012/13-2014/15 Research Councils' income received.

Allocations

4. The HEFCW Corporate Strategy sets out our aspirations in relation to research namely "*to secure research of internationally excellent quality to deliver a buoyant economy and support social justice*". Reflecting on this, 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 2016 and January 2017.

Monitoring arrangements

5. Under the provisions of circular W15/10HE, institutions receiving research capital funding were required to complete and return a pro-forma by 5 February 2016 providing two brief case studies and identifying priorities for 2016-17 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 30 September 2016. We will expect the previous report or any subsequent report to be

consistent with details provided as part of the forthcoming strategic planning information 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 2012-2017

7. To enable HEFCW to demonstrate the value of research capital funding and to support the presentation of an effective case to WG, 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 2016-17 are required to submit a brief report identifying the use and benefits arising, primarily from the expenditure of the 2016-17 research capital allocation but possibly in conjunction with earlier research capital allocations received in the period from 2012 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 2017-18. The report must be submitted to HEFCW by no later than 31 January 2017.

Payment arrangements

8. The allocated funding will be distributed via two payments in July 2016, and January 2017.

Further information / responses to

9. For further information, contact chris Cowburn (tel 029 2068 2247; email chris.cowburn@hefcw.ac.uk).

Assessing the impact of our policies

10. We will be carrying out an impact assessment which will include 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.