

Meeting 09/05/14	Agenda Item 15	Reference No HEFCW/14/41
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## **1 Issue**

- 1.1 This paper presents information on sources of research income for higher education institutions (HEIs) in Wales in 2012/13, together with comparative data for earlier years.

## **2 Corporate Planning Implications / Rationale for paper**

- 2.1 The Corporate Strategy for 2013-14 to 2015-16 includes a target that the annual percentage change in income from Research Councils should exceed the comparable figure for UK higher education institutions, excluding the 'golden triangle' of Oxford, Cambridge and London.
- 2.2 Achieving increased Research Council income is also a central objective of the Welsh Government's Sêr Cymru programme of research investment, which seeks to increase the sector's share of UK Research Council funding to 5% within five years.

## **3 Recommendation(s)**

- 3.1 The Council is invited to note the contents of this paper.

## **4 Timing for decisions**

- 4.1 This paper is for information only.

## **5 Council members' interests**

- 5.1 No conflicts of interests have been declared in advance of the meeting.

## **6 Further information**

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## 7 Background

- 7.1 A report on sources of research income is submitted to the Council and the Research, Innovation and Engagement Committee annually in order to enable them to monitor the research support obtained by HEIs in Wales from sources other than the recurrent grant. The figures are taken from the Higher Education Statistics Agency's (HESA) Finance Statistics Return.

## 8 The Data

- 8.1 Information on the sources of research income for individual HEIs in Wales for 2011/12 and 2012/13 is presented in tabular form at **Annex A**. A summary table for the period 2005/06 to 2012/13 is attached at **Annex B**. The charts at **Annex C** show changes in research income by institution.

## 9 Points of note emerging from the data

- 9.1 Total research income in Welsh HEIs increased from £246m in 2011/12 to £251m in 2012/13.
- 9.2 Welsh HEIs secured 3.7% of the total UK research income for the UK in 2012/13 (**Annex Ai**), compared with the notional figure of 5% which is normally assumed to represent Wales' share of the UK higher education activity. This is down slightly from 3.8% in 2011/12.
- 9.3 The Council's research grant (QR) continued to be by far the largest single source of research income, amounting to 30% of the total research income for Wales in 2012/13 (**Annex Ai**). This represented 3.9% of the total Recurrent Research Funding for the UK as a whole, down slightly from 4.0% in 2011/12 (**Annex Aii**).
- 9.4 In recent years, the sector's share of the total UK Research Council income has held steady at around 3.3% - 3.4% of the UK total. In 2012/13, however, Wales' share of total Research Council income decreased to 3.0% of the UK total. Among the research-led institutions in the sector, Aberystwyth and Bangor both saw decreases of around £1m, and Cardiff University saw a decrease of £3.6m. Swansea University's Research Council income increased slightly. We understand that the decrease at Cardiff University arose primarily because a number of large Research Council-funded centres came to the end of their funding periods in 2012/13.
- 9.5 In absolute terms, Research Council income in Wales decreased by £5.2 m (10.1%) between 2011/12 and 2012/13. For the UK as whole, Research Council income in HEIs increased by 2.1% between the two years, or by 1.6% when the 'golden triangle' institutions are excluded. In 2012/13, the sector therefore did not achieve the Corporate Strategy target of exceeding the annual percentage change Research Council income for UK HEIs as a whole (excluding the 'golden triangle'). This is the first time in three years that Wales

has performed more poorly than the rest of the UK (excluding golden triangle) on this measure.

- 9.6 Despite the disappointing performance in relation to Research Council income, the sector's research income in most other categories increased between 2011/12 and 2012/13. The most significant areas of growth were in income from UK government bodies, health and hospital authorities (up by £4.1m) and EU sources (up by £3.1m).
- 9.7 The chart at **Annex Ci** shows total external research income (excluding recurrent funding) for the research-led universities in Wales. In 2012/13, Swansea University and Bangor University saw significant increases in total external research income (excluding recurrent funding) of 12.3% and 8.5% respectively, and Cardiff University saw a marginal increase of 0.6%. Aberystwyth University saw a decrease of 10.5%.

## 10 Research Council Analysis

- 10.1 A breakdown of the sector's income by Research Council in 2012/13 is shown in the following table. Comparative figures for 2011/12 are included for Wales percentage share for each Research Council.

Research Council	Research Grant Income of Welsh HEIs 2012/13	Research Grant Income of UK HEIs 2012/13	Wales as % of UK	
			2012/3	2011/12
	£k	£k		
AHRC	2,381	55,050	4.3%	5.4%
BBSRC	9,261	189,361	4.9%	5.2%
EPSRC	14,852	562,934	2.6%	2.9%
ESRC	3,962	108,565	3.6%	6.5%
MRC	6,299	318,168	2.0%	2.3%
NERC	6,168	124,893	4.9%	4.4%
STFC	2,924	107,777	2.7%	2.6%
Other	718	73,708	1.0%	1.0%
<b>Total</b>	<b>46,565</b>	<b>1,540,056</b>	<b>3.0%</b>	<b>3.4%</b>

- 10.2 The table indicates that, whilst Wales' share of total NERC research income increased between 2011/12 and 2012/13, its share of ESRC income – an area where Wales has historically performed very strongly – decreased from 6.5% of the UK total to 3.6%. The drop in ESRC funding is connected with the ending of funding periods for several large ESRC-funded research centres at Cardiff University, as mentioned in paragraph 9.4 above.

## 11 Financial implications

- 11.1 There are no financial implications arising from this paper.

## **12 Communications implications**

12.1 There are no publicity or communications implications arising from this paper.

## **13 Diversity and Equal Opportunities implications**

13.1 This paper has no implications for age, disability, gender, race, religious belief, sexual orientation or the Welsh language.

## **14 Risk Assessment**

<b>Risk</b>	<b>Action to address risk</b>
There is a risk that, if the sector does not secure credible levels of research income from external sources, there will be an adverse effect on the research base in Wales, both in terms of its reputation and standing and the level of activity which could be undertaken.	Performance in securing income is monitored annually by means of this paper to the RIE Committee and Council in order to provide early warning of any problems.