

Meeting 08/05/15	Agenda Item 20	Reference No HEFCW/15/47
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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 2013/14, 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

- 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

Contact Linda Tiller (Tel 029 2068 2228; E-mail: linda.tiller@hefcw.ac.uk)

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.
- 7.2 This year, the report will also help inform the meetings which we plan to hold with research-led institutions to discuss their research strategies following the REF, and to follow up on any research-related queries identified from our analysis of their Strategic Planning and Engagement Documents.
- 7.3 The report reflects past performance. We have only limited information about the sector's current performance in research grant "capture", which will determine research income levels in subsequent years. We will seek more information on research income forecasts as part of our planned visits to research-led institutions later this year.

8 The Data

- 8.1 Information on the sources of research income for individual HEIs in Wales for 2012/13 and 2013/14 is presented in tabular form at **Annex A**. A summary table for the period 2006/07 to 2013/14 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 £251m in 2012/13 to £268m in 2013/14.
- 9.2 Welsh HEIs secured 3.8% of the total UK research income for the UK in 2013/14 (**Annex Ai**), compared with the notional figure of 5% which is normally assumed to represent Wales' share of the UK higher education activity. The 3.8% share in 2013/14 was marginally up from 3.7% in 2012/13.
- 9.3 The Council's research grant (QR and PGR) continued to be by far the largest single source of research income, amounting to 28.4% of the total research income for Wales in 2013/14 (**Annex Ai**). This represented 3.9% of the total Recurrent Research Funding for the UK as a whole, unchanged from 2012/13. (**Annex Aii**).
- 9.4 Over the past five years, HEFCW's QR/PGR funding has represented a decreasing proportion of the sector's total research income, falling from 34.0% of the total in 2009/10 to the present level of 28.4% (**Annex Bi**). This reflects the fact that, over that period, QR and PGR funding first decreased slightly and was then maintained at a constant level, whereas the sector's income from other sources has increased.
- 9.5 In 2013/14, Wales' share of total Research Council income was 3.0% of the UK total. This figure was unchanged from 2012/13, but considerably lower than in preceding years, when the sector's share was around 3.3% or 3.4% of the UK total. Swansea and Aberystwyth both increased their Research Council income in 2013/14, by £1.7m and £1.5m respectively. However,

Cardiff's Research Council income remained virtually unchanged from 2012/13, and Bangor saw a decrease of £330k.

- 9.6 In absolute terms, Research Council income in Wales increased by £2.7 m (5.7%) between 2012/13 and 2013/14. For the UK as whole, Research Council income in HEIs increased by 8.2% between the two years, or by 6.6% when the 'golden triangle' institutions are excluded. In 2013/14, 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'). It also missed the target in 2012/13, but had met it in the preceding three years.
- 9.7 The sector's research income in most other categories also increased between 2012/13 and 2013/14. Continuing the pattern of recent years, the most significant areas of growth were in income from UK government bodies, health and hospital authorities (up by £6.1m) and EU sources (up by £5.1m).
- 9.8 The chart at **Annex Ci** shows total external research income (excluding recurrent funding) for the research-led universities in Wales. In 2013/14, total external research income increased for all four of the research-led institutions Swansea University recorded the largest increase (£5.8m or 15%), attributable primarily to a significant increase in funding from UK Government bodies.

10 Research Council Analysis

- 10.1 A breakdown of the sector's income by Research Council in 2013/14 is shown in the following table. Comparative figures for 2012/13 and 2011/12 are included for Wales percentage share for each Research Council.

Research Council	Research Grant Income of Welsh HEIs 2013/14	Research Grant Income of UK HEIs 2013/14	Wales as % of UK		
			2013/4	2012/13	2011/12
	£k	£k			
AHRC	2,775	60,197	4.6%	4.3%	5.4%
BBSRC	10,432	202,312	5.2%	4.9%	5.2%
EPSRC	13,366	573,804	2.3%	2.6%	2.9%
ESRC	4,032	126,652	3.2%	3.6%	6.5%
MRC	9,619	388,621	2.5%	2.0%	2.3%
NERC	5,748	131,667	4.4%	4.9%	4.4%
STFC	2,329	108,373	2.1%	2.7%	2.6%
Other	935	74,252	1.3%	1.0%	1.0%
Total	49,236	1,665,878	3.0%	3.0%	3.4%

- 10.2 The table indicates that, Wales continues to perform well in relation to AHRC and BBSRC income. However, its share of ESRC income – an area where Wales has historically performed very strongly – decreased to 3.2% in 2013/14, down from 3.6% of the UK total in 2012/13 and 6.5% in 2011/12. We understand that the drop in ESRC funding is connected with the ending of funding periods for several large ESRC-funded research centres at Cardiff

University. The sector's share of EPSRC funding has also dropped back progressively over the last three years from 2.9% of the UK total in 2011/12 to 2.3% in 2013/14.

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

Risk	Action to address risk
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.