

## The QR Funding Formula

- 1 We allocate QR funding selectively to recognise and reinforce research excellence. The key data in the QR formula are provided by the 2014 Research Excellence Framework (REF), which was conducted jointly by the four UK higher education funding bodies.
- 2 Research was submitted to the 2014 REF in 36 subject categories or Units of Assessment (UoAs). The assessment outcomes were expressed in the form of quality profiles which showed the proportion of work in each submission which reached each of four quality profiles. These ranged from 4\* (world leading) down to 1\* (nationally recognised). Work below the standard of 1\* was identified as unclassified (u/c).
- 3 Consistent with our published statement of research policy, we are focusing QR funding on sustainable research excellence. Specifically:
  - we do not include 1\* or 2\* research in the QR allocation formula
  - We have applied a sustainability threshold (combined quality and volume threshold). This is calculated by multiplying the volume of staff at 3\* and 4\* in each 2014 REF submission by the quality weightings (1 for 3\* and 3 for 4\*), summing the outcomes to produce a single score for each submission, and then applying a cut-off point for funding. For 2015/16, the cut-off point has been set at a score of 6.0.
  - we also apply a volume threshold, such that departments/units with fewer than 3 Category A FTE of classified work (1\* and above) are not eligible for QR
- 4 The QR formula has three elements: quality, volume and subject cost relativities. Weightings are applied within each of these elements as follows.
  - **Quality** – the four levels of the REF quality profile are weighted as follows:

1* -	0
2* -	0
3* -	1
4* -	3
  - **Volume** – this consists of one major volume measure – the Full-Time Equivalent (FTE) number of research active staff (Category A staff) returned to the 2014 REF – and a number of minor volume measures. The volume measures and the weightings attached to them are as follows:

Research active staff	1.00
Research students	0.15
Research assistants	0.10
Research fellows	0.10
Charitable income (awarded through open competition) converted into FTE staff numbers	0.25

The data for the minor volume measures are taken from the 2014 REF submissions and from HESA data.

- **Subject Cost Relativities** – subjects (UoAs) are divided into three bands and weighted to reflect their relative costs. The bands and their weights are:

Clinical medicine and laboratory based subjects	1.6
Subjects with a technical/experimental premium	1.3
Other subjects	1.0.

- 5 Allocations are built up by UoA, using the 2014 REF submissions. Any submissions which do not meet the quality and volume thresholds described in paragraph (3) above are excluded from the calculation. For all other submissions, the volume measures are weighted by the volume weightings set out above. The product is multiplied by the relevant subject cost weighting, and then by the quality weightings. The latter are applied in proportion to the quality profile for the submission.
- 6 The overall outcomes of the formula calculation are scaled to the total amount of funding available for QR in the year in question.
- 7 Two elements of the total QR budget are allocated on a different basis:
  - An additional £6.1 million which was added to QR in 2009/10 is allocated in proportion to 4\* quality only. The standard volume and subject weightings are also applied to this element.
  - £3.1 million is provided to help institutions meet the full economic cost (FEC) of research funded by charities. This funding is allocated in proportion to research income awarded by charities through open competition in units which meet the QR quality and volume thresholds.
- 8 QR funding also includes the sum of £132k which was previously allocated to the University of Wales Press. This funding is ring-fenced within QR for the purpose of supporting scholarly publications and related activities in the fields of Welsh culture, history and literature. Institutions have been notified individually of the amounts which have been ring-fenced within their allocations in this way.