

# Cylchlythyr | Circular

## Higher Education Research Capital (HERC) Funding 2024-25

**Date:** 18 July 2024  
**Reference:** W24/14HE  
**To:** Heads of higher education institutions in Wales  
**Response by:** 14 February 2025 and 25 April 2025  
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This circular provides details of 2024-25 allocations for institutions qualifying to receive Higher Education Research Capital funding.

The Higher Education Funding Council for Wales (HEFCW) will cease operating after 31 July 2024. HEFCW's duties, responsibilities and staff will transfer to Medr, the [Commission for Tertiary Education and Research](#), from 1 August 2024. Any circulars that require attention after 1 August 2024 will be available on the Commission's website from August.

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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**Lywodraeth Cymru**  
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## Introduction

1. Since 2011 Higher Education Research Capital (HERC) has been provided to qualifying institutions in Wales. This circular advises institutions of allocations for 2024-25 and provides guidance on the associated reporting and monitoring requirements. The funding and regulatory functions carried out by HEFCW will be transferred to Medr, the Commission for Tertiary Education and Research on 1 August. All reference to HEFCW should be assumed to refer to Medr once responsibility is transferred.

## Background

2. The Department for Science, Innovation and Technology (DSIT) has confirmed that it will provide HERC funding to the four UK HE funding bodies<sup>1</sup> in 2024-25. DSIT will provide support of £4,478,218 in Wales which will be matched by a contribution from the Welsh Government (WG) resulting in a total fund of £8,956,436. Following the dissolution of HEFCW on 1 August 2024, Medr will administer HERC funding and ensure that reporting and monitoring arrangements meet the requirements of all funding partners.

## Use of funding

3. The funding provided can only be used as capital and is exclusively 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.
4. In determining the use of their allocations institutions should consider the requirements of the Welsh Government's [Programme for Government](#), and the ambitions identified in the [UK Innovation Strategy](#), [UKRI's strategy](#), and the [Welsh Government's Innovation Strategy](#). Thought should also be given to how funding is used to support the ambitions and goals of the [Well-being of Future Generations \(Wales\) Act 2015](#).

## Allocations

5. Funding is allocated via two separate methods for DSIT and WG elements:
  - i) The DSIT element of funding is allocated pro-rata to Research Council income. As per DSIT's Memorandum of Understanding with HEFCW<sup>2</sup> and WG, funding should focus on maintaining excellent departments with critical mass to compete globally and the expertise to work closely with business,

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<sup>1</sup> HEFCW; Scottish Funding Council; Department for the Economy (Northern Ireland); Research England.

<sup>2</sup> The MoU between DSIT, HEFCW and WG will be updated after 1 August to reflect the transfer of responsibility from HEFCW to Medr.

charities and public services. Allocations are calculated using the latest three years of Research Council income data.

- ii) The Welsh Government element of the grant is allocated pro-rata to a combination of latest recurrent Quality Research (QR) allocation plus other research income reported by the provider to the HESA finance record. The QR allocation for 2023/24 has been used within the funding formula for HERC for 2024-25.

### **Funding threshold**

6. In order to meet the DSIT requirement that the fund supports excellence and builds critical mass the formula includes a minimum threshold of £100k. Only institutions who are above this threshold will receive allocations in 2024-25.
7. Funding allocations for qualifying institutions in 2024-25 can be found at **Annex A**.

### **Monitoring arrangements**

8. Institutions submitted details of future HERC funding priorities for 2024-25 in February 2024. Confirmation of these investments, and potential future plans in 2024-25 should be provided by completing and submitting the pro-forma at **Annex B**:
  - Part 1 of the pro-forma should report on the confirmed use of funding in 2024-25, including total costs of large scale investments where HERC funding has been a contribution.
  - Part 2 of the pro-forma should be used to report on spending priorities for 2025-26 based on the assumption further HERC funding is made available.
  - **Annex B** must be returned to Medr by no later than **14 February 2025**.
9. In order to confirm HERC has been spent in full qualifying institutions are asked to submit the Confirmation of Expenditure pro-forma at **Annex C** by **25 April 2025**. Institutions should ensure it is clear whether any unspent funding is committed and if so, the date by which it will be spent in full. Unspent funding which is uncommitted can be reclaimed by Medr.
10. The information submitted by institutions in these reports will form the basis of Medr's reporting requirements for Welsh Government in February 2025 and DSIT in May 2025. Failure to provide adequate project and expenditure detail could delay future confirmation of funding allocations from partners, or indicate a potential lack of impact for HERC investment in Wales which could diminish the argument for continued funding.

### **Payment arrangements**

11. As noted in **Annex A** funding will be distributed via two equal payments in July 2024 and January 2025.

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

12. For further information, contact Hayley Moss ([hayley.moss@medr.cymru](mailto:hayley.moss@medr.cymru)).
13. The Higher Education Funding Council for Wales (HEFCW) will cease operating after 31 July 2024. HEFCW's duties, responsibilities and staff will transfer to Medr, the [Commission for Tertiary Education and Research](#), from 1 August 2024. Any circulars that require attention after 1 August 2024 will be available on the Commission's website from August.
14. If you require access to a publication that isn't readily available in August, please email [publications@medr.cymru](mailto:publications@medr.cymru).

### **Assessing the impact of our policies**

15. We carry out an impact assessment screening to help safeguard against discrimination and promote equality. We also consider 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.

## Higher Education Research Capital – Funding Allocations 2024-25

	DSIT Allocation	WG Allocation	Total
University of South Wales	£57582,	£170,441	£228,023
Aberystwyth University	£386,051	£336,904	£722,955
Bangor University	£292,644	£588,025	£880,670
Cardiff University	£2,408,460	£2,269,123	£4,677,583
Swansea University	£1,310,120	£1,015,611	£2,325,730
Cardiff Metropolitan University	£23,361	£98,113	£121,475
<b>Total</b>	<b>£4,478,218</b>	<b>£4,478,218</b>	<b>£8,956,436</b>

## Payment Profile 2024-25

Institution	July-24	January-25
University of South Wales	£114,012	£114,011
Aberystwyth University	£361,478	£361,477
Bangor University	£440,335	£440,335
Cardiff University	£2,338,792	£2,338,791
Swansea University	£1,162,865	£1,162,865
Cardiff Metropolitan University	£60,738	£60,737
<b>Total</b>	<b>£4,478,220</b>	<b>£4,478,216</b>

**Notes:**

1. In 2024-25 institutions must meet a minimum £100k threshold when the formula is applied to qualify for standard HERC funds.
2. DSIT funding is allocated pro-rata using the latest three years of Research Council Income (2020/21 – 2022/23).
3. WG funding is allocated pro-rata to QR allocations for 2023/24, plus other research income reported by the provider to the HESA finance record in 2022/23.

## Higher Education Research Capital – Monitoring Report and Future Planning Priorities

<b>Institution:</b>			
<b>Project Lead:</b>		<b>Email:</b>	

Please complete the table below to report on the confirmed use of HERC 2024-25 funding by your institution. You should provide a detailed breakdown of expenditure for all projects. Where HERC has been used as a contribution towards more significant capital costs, both HEFCW and DSIT require a breakdown of expenditure to demonstrate the added value of HERC.

### Part 1 – Report on use of Higher Education Research Capital (HERC) funding in 2024-25

Project Description  Please provide a description of project and include information relating to the scale / significance; any partners; other relevant factors in prioritising use of HERC funding.	Objectives of the funded project  What will the investment enable your institutions to achieve? Why prioritise funding in this area?	Breakdown of expenditure (£k)	
		How has HERC has been invested? £k (e.g. tools, equipment, specific upgrades to facilities/estate)	Total project costs (from all sources) £k
Project 1 details....		£ £ <i>Sub-total £</i>	£
Project 2 details....		£ £ <i>Sub-total £</i>	£
Project 3 details....		£ £ <i>Sub-total £</i>	£
Etc..		£	£
<b>Total</b>		<b>£</b>	<b>£</b>

**Links to policy**

1. Provide details of how your investment helps to meet WG, national or international agendas or priorities through reference to meeting the aims of - [Programme for Government](#); [UK Innovation Strategy](#); [UKRI's strategy](#); [Well-being of Future Generations \(Wales\) Act 2015](#); the future Welsh Government Innovation Strategy; *any other relevant strategies*.

## Part 2 – Identifying research capital priorities for 2025-26

This section of the report should identify your intended priorities for the use of **HERC funding in 2025-26** on the assumption that you will receive a further capital allocation of similar size in that year.

Project Description	Objectives of the funded project	Estimated breakdown of expenditure 2025-26 (£k)	
		Provide estimated details planned HERC investment? £k (e.g. tools, equipment, specific upgrades to facilities/estate)	Total project costs (from all sources) £k
Project 1...		£ £ <i>Sub-total £</i>	£
Project 2...		£ £ <i>Sub-total £</i>	£
Project 3...		£ £ <i>Sub-total £</i>	£
Project 4...		£ £ <i>Sub-total £</i>	£
<b>Total</b>		£	£



### Part 3 – Regulatory Compliance

Regulatory Requirement Compliance	
Regulatory Area	<i>Use drop down menus to confirm:</i>
i) <a href="#">Welsh Language Standards (2018)</a>	Choose an item.
ii) Equality Impact Assessment	Choose an item.
iii) <a href="#">Well-being of Future Generations Act (2015)</a>	Choose an item.

I confirm that:

- Part 1 of this report provides an accurate summary of the use of HERC funding in 2024-25 (spent or committed to April 2025);
- Part 2 of this form provides an indicative indication of intended HERC supported projects in the financial year 2025-26 on the assumption that a comparable level of research funding will be provided in that year.

<b>Signature:</b> <b>Vice-Chancellor</b>	
<b>Date:</b>	

NB: this report should be completed and submitted to [hayley.moss@medr.cymru](mailto:hayley.moss@medr.cymru) by **14 February 2025**.

## Higher Education Research Capital - Confirmation of Expenditure 2024-25

<b>Institution:</b>	
<b>Project Lead:</b>	
<b>Email:</b>	

Total HERC Allocation 2024-25	£
Expenditure to April 2025	£
Unspent funding April 2025*	£

\*Please attach further details on any unspent funding. If funding is committed to a project please provide details noting when expenditure will be complete. As noted in circular [W24/14HE](#) any uncommitted funding can be reclaimed by CTER, formerly HEFCW.

*I confirm that the 2024-25 HERC funding has been spent in accordance with project information submitted to Medr in February 2025.*

<b>Signature: Vice-Chancellor</b>	
<b>Date:</b>	

NB: this confirmation of expenditure should be completed and submitted to [hayley.moss@medr.cymru](mailto:hayley.moss@medr.cymru) by **25 April 2025**.