

Higher Education Research Capital (HERC) Fund

Date: 14 September 2026

Reference: Medr/2026/46

To: Heads of higher education institutions

Respond by: 12 February 2027 and 23 April 2027

More information: research@medr.cymru

Summary:

This publication provides details of 2026-27 allocations for institutions qualifying to receive Higher Education Research Capital (HERC) funding.

Introduction

1. Since 2011 Higher Education Research Capital (HERC) has been provided to qualifying institutions in Wales. This publication advises Higher Education Institutions (HEIs) of allocations for 2026-27 and provides guidance on the associated reporting and monitoring requirements.

Background

2. The Department for Business, Innovation, Science and Trade (BIST, formerly DSIT) has confirmed that it will provide HERC funding to the four UK HE funding bodies¹ in 2026-27. BIST will provide support of £3,985,554 in Wales which will be matched by a contribution from the Welsh Government (WG) resulting in a total fund of £7,971,108.

Changes to HERC Funding

3. In March 2026, the UK Minister for Science confirmed in a letter to Welsh Government that HERC funding for Wales will see a tapered reduction from 2026/27 to 2029/30, linked to wider UK Research and Innovation (UKRI) capital funding reforms. After 2026/27, UKRI capital funding provided through Research England will focus on sustaining existing facilities, with funding for new equipment and infrastructure delivered through UK-wide competitive calls led by UKRI's research councils.
4. Indicative BIST HERC allocations for Wales are expected to reduce over the Spending Review period, from £3.99m in 2026/27 to £2.44m by 2029/30.
5. To provide Welsh Government, Medr and HEIs with time to adapt to these changes, BIST has secured a time-limited top-up to the HERC allocations for Wales. This additional funding is included within the allocations for 2026-27, allowing a slower taper to support the transition.
6. In Wales, Welsh Government have confirmed that HERC will not be limited to maintenance only; HEIs in Wales retain the existing flexibility to make strategic decisions about how to invest HERC in their research infrastructure.

Use of funding

7. The funding provided under HERC in Wales is to be used solely for capital investment in the physical infrastructure for 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.
8. In determining the use of their allocations institutions should take account of the priorities and ambitions set out in [Medr's Strategic Plan 2025-2030](#), the Welsh

¹Medr – the Commission for Tertiary Education and Research; Scottish Funding Council; Department for the Economy (Northern Ireland); Research England.

Government's upcoming Programme of Government (scheduled for autumn 2026) and [Innovation Strategy \(Wales Innovates\)](#), and the UK Government's [Science and Technology Framework](#), [Industrial Strategy](#) and [UKRI Strategy](#). Consideration should also be given to how funding is used to support the ambitions of the [Well-being of Future Generations \(Wales\) Act 2015](#).

Allocations

9. Funding is allocated via separate methods for BIST and Welsh Government elements:
 - i) The BIST element of funding is allocated using the most recent 3-year data from the Higher Education Statistics Agency (HESA) on UKRI Research Council income. As per BIST's Memorandum of Understanding with Medr and Welsh Government, funding should focus on maintaining excellent departments with critical mass to compete globally and the expertise to work closely with business, charities and public services.
 - 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 in 2022/23, 2023/24, and 2024/25. The QR allocation for 2026/27 has been used within the funding formula for HERC 2026-27.

Funding threshold

10. In order to meet the BIST requirement that the fund supports excellence and builds critical mass the formula includes a minimum threshold of £100k. Only institutions with allocations calculated to be above this eligibility threshold will receive funding in 2026-27.
11. Funding allocations for qualifying institutions in 2026-27 can be found at **Annex A**.

Monitoring arrangements

12. In February 2026, institutions submitted details of their future HERC funding priorities for 2026-27. Confirmation of these investments and potential future plans for 2026-27 should be provided by completing and submitting the pro-forma at **Annex B**.
 - Part 1 of the pro-forma should report on confirmed use of funding in 2026-27, including total costs of large scale investments where HERC funding has been a contribution. Institutions should demonstrate where HERC funding has enabled and incentivised research capacity, developed strategic priorities, and allowed institutions to compete more effectively for external research and innovation funding.
 - Part 2 of the pro-forma should be used to outline spending priorities for 2027-28 based on the assumption further HERC funding is made available.
 - **Annex B** must be returned to Medr by no later than **12 February 2027**.

13. 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 **23 April 2027**. Institutions should ensure it is clear whether any unspent funding is fully committed and if so, the date by which it will be spent in full. **Unspent funding which is uncommitted can be reclaimed by Medr.**
14. The information submitted by HEIs in these reports will form the basis of Medr's reporting requirements for Welsh Government in February 2027 and BIST in May 2027. Failure to provide adequate project and expenditure detail could delay future confirmation of funding allocations, or indicate a potential lack of impact for HERC investment in Wales which could diminish the argument for continued funding.

Payment arrangements

15. As noted in **Annex A** funding will be distributed via two payments in September 2026 and January 2027.

Further information/responses to

16. For further information, contact Hayley Moss (research@medr.cymru).

Assessing the impact of our policies

17. 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 info@medr.cymru for more information about impact assessments.

Higher Education Research Capital – Funding Allocations 2026-27

Institution	BIST Allocation	WG Allocation	Total
University of South Wales	£53,345	£145,272	£198,616
Aberystwyth University	£427,792	£263,263	£691,056
Bangor University	£211,995	£449,563	£661,558
Cardiff University	£2,136,710	£2,314,197	£4,450,908
Swansea University	£1,121,517	£701,698	£1,823,216
Cardiff Metropolitan University	£34,194	£111,561	£145,756
Total	£3,985,554	£3,985,554	£7,971,108

Payment Profile 2026-27

Institution	September 2026	January 2027
University of South Wales	£99,308.00	£99,308.00
Aberystwyth University	£345,527.50	£345,527.50
Bangor University	£330,779.00	£330,779.00
Cardiff University	£2,225,454.00	£2,225,454.00
Swansea University	£911,607.50	£911,607.50
Cardiff Metropolitan University	£72,878.00	£72,878.00
Total	£3,985,554.00	£3,985,554.00

Notes:

1. In 2026-27 HEIs must meet a minimum £100k threshold when the formula is applied to qualify for standard HERC funds.
2. BIST funding is allocated using the most recent 3-year data from the Higher Education Statistics Agency (HESA) on Research Council grants (www.hesa.ac.uk/data-and-analysis/finances/income#research). Row 1i is excluded.
3. Welsh Government funding is allocated pro-rata to QR allocations for 2026/27, plus other research income reported by the provider to the HESA finance record 2022/23, 2023/24, and 2024/25.

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