



Paul Davies MS
Chair of the Economy, Trade and Rural Affairs Committee

18 February 2022

Dear Paul Davies MS

At the Economy, Trade and Rural Affairs Committee meeting on 20 January I undertook to provide the Committee with further details on the progress made on implementing the recommendations of the 2018 Reid Review, in particular those relating to QR funding and competitive bidding.

We recognise the increased significance of the recommendations in the light of the UK's exit from the EU and the challenge that creates for the higher education sector in successfully competing for alternative UK-Government sourced funding and funding from UK charities, industry and other sources.

We have delivered against a number of the measures recommended by Professor Reid:

- We have fulfilled our commitment to establish a London Office. This has ensured Wales has an increased presence to promote the excellent research and innovation activity in Wales, provides a platform and link to decision-makers and the UK research community and has helped to improve inter-government engagement on policy matters.
- The increased levels of funding we have provided to HEFCW in recent years have enabled them to establish their Research Wales Innovation Fund. £15m has been allocated for the Fund in 2021/22. HEFCW has also been able to maintain levels of Quality Research (QR) funding and in 2021/22 increased its QR allocation to £81.7m, more than £10m above the £71m level recommended by Professor Reid.
- Work is underway to develop with Welsh partners a new cross Government Innovation Strategy. In devising the strategy there is a need to focus innovation effort towards recovery and growth. Professor Reid's review is one source of evidence which will inform this work. However, under this term of Government our priorities and focus have, out of necessity, also evolved, taking into account current funding constraints.

Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- Officials are working with HEFCW and the wider HE sector to consider how to increase competitive grant capture in the Welsh research system. We welcome the establishment of the Wales Innovation Network (WIN) and have provided additional funding of £2m this year through HEFCW to support the WIN.
- Additional funding of £10m has also been provided to HEFCW to be distributed to institutions as an uplift to their QR allocations this year. The funding will support research which contributes towards delivery of Programme for Government commitments as well as the First Minister's priorities for research, development and innovation.

HEFCW will be reporting to the Minister in October on how the additional funding provided this year has been allocated and the impact it has had. In addition, in relation to the QR uplift, HEFCW have been asked to include in the report information on the research outcomes the additional funding has helped to deliver.

Yours sincerely,



Huw Morris

Director Skills, Higher Education and Lifelong Learning (SHELL)