

**Huw Lewis AM**

Minister for Education and Skills  
Welsh Government  
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Cardiff Bay, CF99 1NA

By email: [correspondence.huw.lewis@wales.gsi.gov.uk](mailto:correspondence.huw.lewis@wales.gsi.gov.uk)

8<sup>th</sup> January 2016

Dear Mr Lewis,

I am writing on behalf of the above UK-wide and Welsh organisations. We recognise the many positive policies introduced by the Welsh Labour Government to strengthen Wales' research base, such as appointing the first Welsh Chief Scientific Adviser and developing the 2011 'Science for Wales' strategy.

However, we would like to express our concern at the 32% (£41 million) cut to the budget of the Higher Education Funding Council for Wales (HEFCW) proposed in the Welsh Government's draft Budget in December.

HEFCW has a vital function investing in research in Welsh universities particularly through the Quality-Related (QR) funding stream. This forms one half of the dual-support system and provides essential flexibility and autonomy to higher education institutions. It enables them to explore new avenues of research and pursue excellence in line with their institution's strengths. This supports them to attract top academic talent and greater levels of funding from the UK Research Councils and European Union, as well as to meet the full cost of research, including research in partnership with charities and industry.

As demonstrated in Sir John Cadogan's report for The Learned Society of Wales, blue-skies research underpins later success in applied research and innovation<sup>1</sup>. This brings great economic, social, and health benefits. It also leverages further investment from industry: for each pound invested by the Government in R&D, private sector output rises by 20p each year in perpetuity<sup>2</sup>. We welcome the increase in innovation funding in the draft Budget and believe it should be in concert with greater investment in blue-skies research in universities.

We understand that we are in a difficult financial climate, with the 2015 Spending Review settlement equating to a real-terms cut for the Welsh Government Budget but investment in research remains an investment in the future. To support its economy, the Welsh Government should protect the HEFCW budget in real terms and commit to giving universities the freedom to use QR funds in line with their own research strategies. This should form part of moves towards greater investment in research in the longer-term.

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<sup>1</sup> <http://learnedsoc.users40.interdns.co.uk/wp-content/uploads/Curiosity-driven%20Blue%20Sky%20Research%20WEB%20LSW.pdf>

<sup>2</sup> [http://sciencecampaign.org.uk/?page\\_id=14040](http://sciencecampaign.org.uk/?page_id=14040)

Real-terms maintenance of the HEFCW budget will also allow the Council to support high-cost Science, Technology, Engineering, and Maths courses, which are vital to delivering the high-skilled workforce Wales needs for the future.

Yours sincerely,

A handwritten signature in black ink on a light grey rectangular background. The signature reads "Sarah Main" in a cursive, slightly slanted script.

**Dr Sarah Main**

Director

Campaign for Science and Engineering (CaSE)

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Cc: Carwyn Jones AM, First Minister, Edwina Hart AM, Minister for Economy, Science and Transport; Jocelyn Davies AM, Chair of the Finance Committee; Professor Julie Williams CBE, Chief Scientific Adviser for Wales