The balance of UKRI dual support funding

An analysis of UKRI dual support funding trends over the period 2015/16-2017/18
Background

What is this?
This slide pack presents sector-level findings arising from analysis undertaken within the ongoing UKRI Balanced Funding programme to explore “reasonable balance” within the dual support system.

This analysis was undertaken to characterise the dual support system and identify key trends in relevant UKRI funding at this time. Findings will complement activities within other programme workstreams to understand the drivers and pressures resulting in these trends to provide UKRI with an evidenced understanding of the levers, drivers and pressures across the dual support system. The analysis was not undertaken to identify or recommend particular funding decisions for UKRI to follow.

These findings are being made available to inform the sector of some of the key findings from this work, and to help inform future discussions between UKRI and key stakeholders on the topic of dual support funding.

Data
The data informing this analysis are funding information concerning all payments made by UKRI and the three devolved Higher Education Funding Councils in years 2015-16 to 2017-18. Funding Council and Research Council data refer to academic and financial years respectively, though no distinction between the two is made in the analysis.

Spending is ascribed to only the organisation initially receiving the funding, or that listed as the lead organisation on a grant. UKRI does not hold information detailing transfers of funding by a lead organisation subsequent to receipt and this information has not been included within this analysis.

Scope
Acknowledging the UK-wide nature of the dual support system, analysis considered funding information from UKRI and the funding councils within the devolved administrations, namely:

- the Department for the Economy Northern Ireland, as part of its responsibility for Higher Education (DfE)
- The Higher Education Funding Council for Wales (HEFCW), and
- The Scottish Funding Council (SFC)

Representatives from the above organisations sit as full members of the working group managing the delivery of the Balanced Funding programme and have advised on the development and presentation of this analysis.

While this analysis includes comparable data from all four Funding Councils alongside that of the Research Councils, it does not set out to identify or recommend particular courses of action for any of the organisations contributing to it.

The data represents over £17 billion of spending in total. While the major categories of funding are represented, it is not a comprehensive list of all organisational spend over this period. Despite this, data is considered to be suitably robust to complete this analysis with confidence that observations are accurate.

Some analyses draw on only a subset of the data (those relating to postgraduate training for example) while some use the whole data set. All funding, including that provided to organisations outside the UK, features in most analyses. Exceptions to this are highlighted.

The dual support system
In this analysis, the dual support system is understood to mean the funding of non-teaching activities by:

- the Department for the Economy Northern Ireland, as part of its responsibility for Higher Education (DfE)
- The Higher Education Funding Council for Wales (HEFCW)
- The Scottish Funding Council (SFC)
- Eight of the nine Councils which constitute UKRI, namely

  1. the Arts and Humanities Research Council (AHRC)
  2. the Biotechnology and Biological Sciences Research Council (BBSRC)
  3. the Engineering and Physical Sciences Research Council (EPSRC)
  4. The Economic and Social Research Council (ESRC)
  5. The Medical Research Council (MRC)
  6. The Natural Environment Research Council (NERC)
  7. The Science and Technology Facilities Council (STFC)
  8. Research England (RE)

Funding from Innovate UK is excluded, as is funding provided to the National Academies and PSREs unless it was originally provided to them by one of the bodies mentioned above (in which case it will be apparent in their spending data.)

Acknowledging differences in nomenclature across the funding councils, all funding council funding will be referred to as quality-related (QR) funding within this document.
Who receives dual support funding?

Figure 1 shows the location of UK organisations receiving funding through at least one arm of dual support during the period 2015-16 to 2017-18. Organisations have been shaded dependent on whether they received QR funding (teal) or not (purple) over this period.

Supporting information:

• More than 500 organisations received research funding from at least one arm of the dual support system in the period 2015-16 to 2017-18.

• UK Higher Education Institutions (HEIs) supported by the Funding Councils made up a minority of these (157, or about 30%) but between them received the greatest part of the funding allocated (just over 80% of the total.)

• About two thirds of all organisations receiving any UKRI funding in the period were in the UK. Of these, 292 (85%) were in England, six (2%) in Northern Ireland, 32 (9%) in Scotland and 17 (5%) in Wales. Around 95% of all funding allocated was allocated within the UK.

• 79% of dual support funding was allocated to organisations receiving funding from both arms; just under 21% was allocated to organisations which received only Research Council funding (although some of these will be entities hosted within an organisation that does receive QR funding and so, in reality, this figure will likely be lower); and just 0.2% was allocated to organisations receiving Funding Council funding only.

• Funding Council and Research Council resources are typically co-located.
Dual support funding by Research Council remit

Figure 2 details the total dual support funding allocation for the three year period 2015/16 to 2017/18. Where possible, this funding has been mapped to the remits of the Research Councils to support high-level exploration of dual support funding across different research disciplines.

Supporting Information
Across the three years, about £14.9 billion of dual support funding was either allocated by Funding Councils in relation to specific UoAs or through the Research Councils, meaning that it can in principle be assigned to a Research Council remit. Information collated through parallel workstreams also indicates that QR funding allocation within HEIs aligns with the UoA allocation.

The largest single part, £4.1 billion, was for research in EPSRC remit, which is around £1.3 billion to £1.4 billion per year. MRC remit research received the next largest allocation, of about £3.3 billion in total, or £1.1 billion per year. Between them research in the remits of these two Research Councils received half of all funding.

There is a significantly lower level of funding allocated for research in all other Research Council remits, ranging from £1.8 billion (£600 million per year) for BBSRC remit research to just under £1 billion (£330 million per year) for research within the remit of AHRC.
The composition of the funding available for research varies by Research Council remit. Total allocations through each arm of dual support are in Table 1 below, along with estimated probable ranges of gross Funding Council QR availability (see FAQs).

**Table 1: Total allocations through both arms of the dual support system alongside estimated probable ranges of gross Funding Council QR**

<table>
<thead>
<tr>
<th>Subject area</th>
<th>Research Council allocation (£M)</th>
<th>Funding Council allocation (£M)</th>
<th>Estimated FC range (£M, and as % of total funding)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AHRC</td>
<td>283</td>
<td>693</td>
<td>46 (5%)</td>
</tr>
<tr>
<td>BBSRC</td>
<td>1,341</td>
<td>482</td>
<td>32 (2%)</td>
</tr>
<tr>
<td>EPSRC</td>
<td>2,716</td>
<td>1,369</td>
<td>71 (2%)</td>
</tr>
<tr>
<td>ESRC</td>
<td>596</td>
<td>806</td>
<td>45 (3%)</td>
</tr>
<tr>
<td>MRC</td>
<td>2,198</td>
<td>1,063</td>
<td>74 (2%)</td>
</tr>
<tr>
<td>NERC</td>
<td>931</td>
<td>311</td>
<td>31 (2%)</td>
</tr>
<tr>
<td>STFC</td>
<td>1,918</td>
<td>166</td>
<td>19 (0.1%)</td>
</tr>
</tbody>
</table>

**Figure 3:** Total allocations by Research Council remit in years 2015-16 to 2017-18, by funder type. Percentages are % of total funding in subject area by funder type. The data excludes Funding Council streams not allocated on the basis of UoAs.
Supporting Information

Research Council research grant funding is awarded at <100% full economic costs (fEC) of the projects supported. This implies a funding liability associated with each Research Council grant which must be met by the research organisation holding the grant from other sources.

If it is assumed that liabilities implied by Research Council grants are met from QR it follows that the nominal allocation of QR to research organisations overstates the actual availability of funding in each subject area. Figure 4 (left) estimates this net availability of Funding Council support over the three-year analysis period.

Figure 4: “net availability” of QR funding within Research Councils’ remits over the three years 2015-16 to 2017-18 having accounted for RC liabilities.

The data excludes Funding Council streams not allocated on the basis of UoAs.
The regional balance of funding

Supporting Information

Regional funding allocations are influenced by both the number of research organisations found in each region and, within those organisations, the number of researchers and their behaviour/subject interests. This makes it difficult to identify 'unreasonable' concentrations or distributions, should any exist. The ratio of QR to Research Council funding by region (Figure 5) is unaffected by this issue.

Across the UK, there is a slight gradient in the ratio of Funding Council to Research Council funding. Regions towards the north and west tend to have higher ratios, those towards the south and east have lower ratios. The highest ratio is found in Northern Ireland where the ratio is around 2:1. Wales' (7:5) and Scotland's ratios (7:6) are lower. The ratio is higher in London (1:1) than in the rest of the south east (1:2) or the east of England (again 1:2).

The relatively greater prominence of QR funding in London is explained only partly by the presence of RE’s 'Additional London Costs' stream which, at around £30 million per year, will not significantly influence this analysis.

The main drivers are the existence of a number of less research intensive organisations in London which lack equivalents in the areas outside London, and the placement of large research organisations which receive no QR funding (such as RAL and Diamond) only one of which (Crick) is in London.

Figure 5: ratio of QR to Research Council funding by NUTS1 region
2015-16 to 2017-18
Why use Research Council remits as the ‘subject area’?
There is no single, common research classification in operation across all the organisations supplying data, although this would be the ideal. A translation or mapping step is needed to identify spending occurring in the same subject area. For the purposes of this work, it was more feasible to map REF UoAs onto RC remits than disaggregating RC remits to map onto more granular UoA categories.

What does it mean when an organisation appears in the data or analysis?
It is not necessarily the case that an organisation listed as receiving funding will actually spend all that funding itself. It is quite common for a Research Council grant to feature collaboration across two or more organisations, with only the lead organisation appearing in the data as the grant holding organisation. This means that figures should be understood as indicating receipt of funding, not necessarily its deployment. In general, most of the funding will be under the control of the organisation listed. But there will be some organisations in receipt of dual support funding which are not included in the data.

What period does the data cover?
Funding Council data are recorded in academic years (August to July) while Research Council figures are recorded as Financial years (April to March) though in both cases the years in question are 2015-16 to 2017-18. This means that there is a slight mismatch between the periods described by each set, with two thirds of an AY’s funding appearing in the same FY, one third contributing to the subsequent FY. As FC funding is relatively stable across years, the distinction between the two year types has been ignored in the analysis.

How reliable is the data?
There is no simple answer to this question, but the vast majority of dual support spending in the period is represented in one way or another. Funding Council data is more precisely defined and for the most part the data here comes from public sources. Precise Research Council data is harder to come by, but the figures represent a reasonable picture of the distribution of funding by each Council in the period – certainly good enough to support the conclusions in this analysis. They are accurate, but not precise.

It is worth remembering that the figures given represent an allocation, not the actual use of the funds and so it is not correct to say that they represent ‘how much was spent on x’.

How was Funding Council spending mapped onto Research Council remits?
An estimate of the proportion of each UoA’s coverage that is in the remit of each Research Council was made, based on data from REF and input from the Research Councils. Recognising that this point estimate will inevitably be wrong, an estimate of a reasonable range of values of funding was made by modelling random variations of this figure and summing the total allocation of QR funding by Research Council remit in a way that maintained the overall total reported.

What do the error bars shown in some charts signify?
The error bars are derived from the modelling of potential variation in the actual allocation of UoAs to Research Council remits. They represent two standard deviations of the modelled data, and so cover about 95% of the modelled values.

How are organisational name changes, subdivisions and mergers handled?
Where an organisation changes name a unique ID is used to indicate continuity. As most organisations in the data do not have a UKPRN a bespoke list of organisational identifiers has been used to calculate organisational totals. Mergers are ignored, so organisational totals may not reflect the full retrospective value of awards made to a successor organisation.

If an organisation which is a subdivision of a larger organisation is listed as recipient of funding in its own right, it exists and is counted in the data set as a separate entity. This will underestimate the allocation to organisations which host independent units etc as well as introducing apparent divisions between QR and RC funding which may not exist in reality.