

# Regional Innovation Fund (RIF): FAQs

## Version control

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4 October 2023	v1	N/A
5 October 2023	v2	Q3 updated

## 1. Where can I find my HEP allocation – or allocations for HEPs in my region (for local partners)?

RIF allocations are calculated based on

- main 2023-24 HEIF allocations available at Research England [grant allocation data \(Table 3\)](#). The Research England grant allocation table includes the region for each provider which corresponds to the below table.
- and a regional weighting as shown in Table 1 below:

**Table 1**

Regions	Weighting applied to individual HEP main HEIF 2023-24 allocation to calculate the additional Regional Fund allocation
East Midlands	22%
East of England	3%
London	19%
North East	17%
North West	30%
Open University	27%
South East	5%
South West	29%
West Midlands	52%
Yorkshire and the Humber	14%

**Worked example:** If you are a HEP in the East Midlands your RIF allocation is 22% of your main 2023-24 HEIF allocation (not including top cap pot or business/commercialisation supplement). Therefore, if your main 2023-24 HEIF allocation was £1,000,000 then you will receive an additional £220,000 in your RIF allocation. (NB: % weighting figures provided here are rounded, final allocations may vary slightly.)

A Circular Letter with all details of RIF allocations and terms and conditions will be published by end October and we aim for the first RIF payments to be made in November.

## **2. What are the priorities for this Fund – is it the same as HEIF?**

DSIT have set out particular [priorities for this Fund](#), which are more targeted than HEIF. RIF is specifically focused on the regional/local growth agenda and takes account of broader HE contributions to growth currently captured in regeneration data. RIF also sits in context of the Government's broader levelling up agenda.

HEIF and RIF should not then be compared against each other as RIF is intended to reflect and reward something different to HEIF. RIF uses established HEIF mechanisms to reduce complexity in a short term pilot.

HEIF has increased to £260 million with an additional £20 million business and commercialisation supplement in 2023-24 (for the SR period).

## **3. What can RIF allocations be used for – and when?**

Funds must be used by end of March 2024. Funds must be used for knowledge exchange (activities must involve an external - to the HEP - partner), and specifically must be used for activities that further economic growth and productivity, and these activities must be addressing local/regional priorities.

Funds can be used for revenue and capital. Capital use may include the purchase of equipment expressly for the purpose of knowledge exchange activities with external partners in line with fund priorities. For the avoidance of doubt, the use of this funding for capital expenditure relates to the RIF pilot funding only. Capital expenditure remains ineligible for HEIF allocations and related supplements including the business and commercialisation supplement.

**Update added 5 October** - RIF may be used for expenditure from the date of the funding announcement by the Secretary of State for Science, Innovation and Technology on 3 October 2023.

## **4. Is RIF a one-off fund or will it be included in HEIF next year?**

RIF has been allocated using HEIF allocations as the basis for distribution as detailed in Q6. RIF has not been integrated into the HEIF model and HEIF formula features, such as the year on year funding modifiers do not apply. This means that irrespective of the RIF allocation that is received by an individual HEP, there will be no direct impact on the formula used to calculate the 2024-25 HEIF allocations. This is because RIF is a one year pilot for now. DSIT and RE will consider lessons learned from this round of RIF funding before making any further decisions on future funding.

## **5. How is local/regional defined for eligible use of RIF?**

HEPs have discretion to focus RIF on the local/regional spatial footprint that makes sense for them - for example related to their local partners, which may be local, combined or mayoral combined authorities, but also local R&D including business partners. HEPs are likely to need to involve partners from outside of their chosen footprint – for example, specialist investors or research partners to enable activity, but the primary focus should be local/regional partners, priorities and impacts.

While recognising short timescales to use RIF, we will be particularly pleased to see local/regional collaborative activity supported through RIF, both across HEPs in an area and with all types of local partners, including local, combined and mayoral authorities. Opportunities to strengthen links across the ecosystem may be an important contribution that RIF can make for future policy directions.

## **6. How was the method chosen?**

The method was chosen to address the specific DSIT priorities for RIF given this is a distinctive and novel development and has an important levelling up context.

In addition, it had to be fit for use to make allocations soundly but enable as early as possible the publication of individual HEP allocations through a simple and targeted method. Timeliness is very important so that HEPs have appropriate information to be able to plan to use funds effectively by end March 2024.

The method uses existing HEIF 2023-24 allocations because these have already gone through Research England's normal funding processes and been published and hence are a sound basis.

The method then weights those allocations using factors from DSIT priorities – inversely to levels of total R&D in the region and related to strength of HEP performance in regeneration activity. So HEPs in regions with less R&D activity and with strong regeneration performance will achieve a higher allocation, expressed as a greater percentage weighting of their main HEIF allocation. These weighting factors have also been normalised by the number of HEPs receiving HEIF in each region, so that allocations are not disproportionately high to be used effectively within the time scales.

## **7. What is regeneration activity/income?**

Regeneration income is collected in the HESA [HE-BCI survey, and is](#) defined as “Any funding received for the purpose of regeneration that enhances or increases knowledge exchange between the HEP and business and community partners.” The definition of regeneration used within the HE-BCI survey is as “a set of activities that reverse economic, social and physical decline in areas where market forces will not do this without support from government” (DCLG, 2008, p6). Research England uses regeneration income in HEIF, but also as a metric in the Local Growth & Regeneration perspective within the Knowledge Exchange Framework (KEF). This is an important aspect to reflect the place and levelling up agenda in KE policy, HEIF and KEF.

Current sources of regeneration income include from the European Commission – the European Regional Development Fund (ERDF) and domestic. ERDF funding will come to an end in the UK at the end of 2023. The RIF pilot is an important source of evidence on approaches going forward in England.

## **8. Why is the RIF allocation percentage weighting of main HEIF allocation – so much higher in West Midlands compared to, for example - East of England?**

This reflects that the East of England has very high total R&D, including both public and private funded R&D, and there has been less HEP regeneration activity/performance in the region. While the West Midlands reflects both lower R&D level but also particularly high regeneration performance.

## **9. Is the method sound, given that R&D clusters might not sit within boundaries of regions, and hence a cluster may involve HEPs with different regional weightings and hence with different levels of RIF to support that cluster?**

The model uses NUTS1 classifications which are also used in calculating the Government's [Levelling Up White Paper](#) targets and which are available to use in RIF. We have employed the NUTS1 classification as it is simple and widely used/recognised.

Research England is putting in place a national centre for KE metrics and appropriate models, and approaches and metrics for local growth is one area of work for the centre. We had already

anticipated the need to develop new approaches given changes to regeneration income in Q7 as ERDF is around 40% of current regeneration, though in the future new domestic sources such as Shared Prosperity Fund will be captured. Any future RIF will have to be different due to these changing factors.

We look to our National Adviser (Tomas Ulrichsen) and the National Advisory team at UCI to also provide insights for us on appropriate metrics and spatial levels for targeting of funding for RIF type activities.

#### **10. What about Scotland, Wales and Northern Ireland?**

Proportionate funding under the Barnett formula will be provided to the Devolved Governments- the decision on use is a matter for the Devolved Administrations.

#### **11. How will the funding be monitored?**

The RIF allocations will be monitored via the existing HEIF annual monitoring statement (AMS) process.

#### **12. Who can I contact with any queries?**

Queries should be sent to the Research England Knowledge Exchange policy team via [KEPolicy@re.ukri.org](mailto:KEPolicy@re.ukri.org)