

## Specific guidance to UKRI, from BEIS, regarding the operation of Research England for 2022-2023

### 1. Science and Research - Funding and priorities

The excellence of the UK's research base is internationally recognised and is crucial in supporting sustainable economic growth and enhanced productivity. This is especially important in supporting economic recovery and the ambitions of the Innovation Strategy. The Government has affirmed its continuing commitment to the Dual Support system. Quality-related Research (QR) funding remains important to our research success within this system. QR's un-hypothecated nature allows universities to deploy it in response to a broad range of challenges and opportunities and with a wide group of research partners including business, charities, public sector organisations and government departments.

The Spending Review 2021 (SR21) settlement for Science and Research means we can continue to support research and training and maintain the balance of funding across dual support system. To ensure that the best research is supported funding allocations should continue to be made on the basis of academic excellence and impact; support for the next generation of researchers; and leverage funding from external sources such as the charitable and business sectors. Research England, working with the Devolved Administrations and across UKRI, should pay particular attention to maintaining disciplinary breadth in areas of strategic importance.

Funding allocations to Research England for research, knowledge exchange and research capital for the financial year 2022-23 (along with indicative budgets for 2023-24 and 2024-25) are set out in the table below. This will enable Research England to deliver the Government's objectives for research, R&D people and culture, economic growth and levelling up. This allocation ensures that the balance of dual support (*ie the balance of research funding between Research England and the Research Councils*) will be around 64p to the pound for the financial years 2022-23 to 2024-25. We recognise Research England's role in working as part of UKRI to deliver the Government's priorities for UK science and research but also their distinctive role in supporting government priorities for universities in England. Continued engagement with English universities, assessment of sector health and analysis of emerging issues remain important to understanding how the sector responds to our priorities and identifying delivery risks and pressures to the system.

Joined up working between Research England (on behalf of UKRI) and the Office for Students (OfS) remains essential to ensure a co-ordinated and strategic approach to the funding and regulation of the Higher Education (HE) system in England, including addressing issues of sustainability and accountability of the sector. Research England should prioritise collaboration with the OfS on areas of shared interest, including skills; capability and progression; Higher Education reforms; support to Post Graduate Research Students; knowledge exchange; financial sustainability of HE and research providers; infrastructure funding; and shared evidence and intelligence.

We welcome the recent publication of the results of Research Excellence Framework 2021 (REF2021). and ask that you consider the implications of the findings for institutions across the sector and disciplines.

We are encouraged to see the progress being made, working with the HE funding bodies in the devolved administrations, through the "Future Research Assessment Programme", to review how research assessment could evolve following the conclusion of REF 2021. This activity should ensure the right incentives and rewards for research and for researchers are in place. These should stimulate and foster a diverse, open and productive research culture, recognising all contributions to research including attention to the assessment of local impacts. The Programme, which should continue to motivate high quality, diverse, creative and risk-taking work, will contribute to positive economic and social impacts and preserve the UK's reputation for world-leading research. Clear accountability for public funding must be maintained but without unnecessary bureaucracy. You should continue to progress this work through 2022-23.

Progress towards Open Access is a key feature of REF2021. Noting that universities are the primary customer of publishers, Research England should continue to work with the other Councils within UKRI to complete the implementation of full and immediate open access, in line with global efforts in this area. We

note the progress made in aligning policies for open access, led by the UK working with international partners, and encourage you to ensure that future research assessment arrangements similarly align. Acknowledging the implications for Learned Societies, you should continue to support mechanisms which will support smooth implementation.

Budget 2020 announced £80m funding in recognition of the “excellence and global reach” of our leading research specialist institutions over the five financial years to 2024-25. We appreciate your actions to continue to support Specialist Institutions.

## 2. Impact, Research Commercialisation and Collaboration with Business

The research base has a critical role in supporting our economy and future prosperity, highlighted by the important contributions that universities made during the Covid crisis and continue to make through the recovery. Effective research collaboration between universities and industry has provided a competitive advantage for the UK, and most recently a means to secure safety and security of our people and communities. Research England should use its funding allocation to promote an increase in university/business research collaboration through an overall increase in funding targeting these outcomes over the SR21 period, including Business QR and Higher Education Innovation Funding (HEIF).

Research England should continue working as part of UKRI and with key stakeholders to support university engagement with the Trusted Research agenda. This should include embedding related activity to strengthen and increase positive impacts on international collaboration and bilateral relationships.

The UK Research Partnership Investment Fund (UKRPIF) has proved highly effective in developing collaborative research programmes at scale between universities and the private sector. We are providing funding of £100m for a further round of UKRPIF over the SR21 period. You should ensure that research projects supported lever private co-investment equal to at least £2 for every £1 from the Fund. You should continue to monitor effective delivery and leverage of committed private co-investment (at least £2 for every £1 from the £900m allocated through to 2022).

We have confirmed a long-term commitment to HEIF, which reached £250m a year in 2020. HEIF should support delivery of key government priorities from the Innovation Strategy and Levelling Up White Paper, and complement investments made through other Councils in UKRI. The OfS will be responsible for the teaching and student elements of HEIF via the £48m Strategic Priorities Grant contribution for the financial year 2022-23. Research England should continue to work with the OfS on programme management including evaluation and review.

We welcome your review of approaches to knowledge exchange funding, including the future for HEIF formula and projects funding, the Knowledge Exchange Framework (KEF) and sector-led Knowledge Exchange Concordat which you launched in 2022. This should take account of government priorities emerging from the R&D Roadmap, Innovation Strategy and Levelling Up White Paper. The review will provide useful insights into what is working on the ground. We would like you to continue pursuing a robust outcome-based funding approach demonstrating value for money, and balancing predictability in funding with rewarding dynamism and due regard to burden. Support of innovative HEIF projects through the Research England development (RED) Fund has been particularly valuable to stimulate novel directions in KE and commercialisation that can generate greater value for money. Its contribution should be considered further in your KE review. We particularly welcome your work considering innovative models to advance developments of entrepreneurial talent that can further the porosity of academia with business.

We endorse your long-term plans for the KEF, including the second KEF exercise planned for the summer and the consideration of the relationship to funding, being scoped in the KE Review. Further development of the HE Business and Community Interaction review is vital to realise the potential of the KEF. We therefore welcome your work with the Higher Education Statistics Agency (HESA), to accelerate the Higher Education – Business and Community Interaction (HEBCI) review. Evidence collected in KEF narratives on “local growth” and “public and community engagement” are also valuable to capture contributions to economic growth, such as place and civic contributions. This should complement the sector led KE Concordat. We welcome the cross UK working of the HE sector with the HE funding bodies in

implementation of the KE Concordat, including the important focus on training and good practice issues, such as in handling Intellectual Property.

The Connecting Capability Fund (CCF) has similarly supported innovative projects. It has incentivised universities across England to work together to pool their capability, ideas and resources and scale their collective offer, making it easier for business and investors to access opportunities. CCF has shown promise as a critical means to deliver key government priorities for R&D, particularly on improving good practice in commercialisation through collaboration. You should consider further how to strengthen support of these projects' mechanisms, including disseminating good practices across the sector to support the ambitions of the Innovation Strategy and the Levelling Up White Paper.

It is vital that entrepreneurial researchers with exciting new business ideas are supported to make their journey from the lab to the market. The work that you are doing to explore issues around university IP commercialisation will be instrumental in this. This includes the advice from Mike Rees into University-Investor Links published in July 2019, your support for engagement between leading UK university Tech Transfer experts and their counterparts in the US from MIT, Stanford and Columbia, and the work Research England supports through the new University Commercialisation and Innovation Policy Evidence Unit (UCI) at Cambridge. Building on this, and the latest evidence and insights from international comparisons, you should continue to review and enhance incentives for research commercialisation, and the development and adoption of good practice.

Your continuing support of the National Centre for Universities and Business (NCUB) is important, bringing together leaders of universities and businesses to contribute to national policy agendas. NCUB and the UCI are providing critical evidence to inform recovery approaches. This includes important insights for policy through convening its university-business stakeholders and contributing to delivery such as through the innovation brokerage platform, konfer.

In the Levelling Up White Paper, the government gave UKRI a new organisational objective to *“Deliver economic, social, and cultural benefits from research and innovation to all of our citizens, including by developing research and innovation strengths across the UK in support of levelling up”*, and to increase consideration of local growth criteria and impact in R&D fund design. Research England has already made an important contribution in this regard, through the successful administration of the Strength in Places Fund. We welcome and encourage your ongoing attention to the levelling up agenda across your work, including through the UKRI's place strategy.

Your support of museums and galleries has been important to unlocking university resources to gain additional cultural impact. We encourage you to work with the Arts and Humanities Research Council (AHRC) on taking forward fruitful collaborations to make even more of university cultural assets.

### 3. Efficiency & Effectiveness

We must ensure the HE sector uses resources for research and knowledge exchange efficiently and effectively, and that unnecessary bureaucracy is removed. As well as continuing to work with OfS and sector bodies, we welcome the contribution of Research England as part of UKRI to the independent Review of Research Bureaucracy led by Professor Adam Tickell and the UKRI Reforming our Business Programme.

Digital technologies play a vital role in supporting an inclusive and collaborative research and innovation system. As a major funder of Jisc, Research England should continue to ensure that Jisc delivers positive impact and value for money for the research community by providing digital services and solutions which deliver efficiencies and effectiveness in the sector. We encourage you to support Jisc in continuing to maintain and enhance the Janet Network which remains essential for research and innovation, connecting UK higher education institutions and research establishments to the rest of the digital research world and providing secure, high-capacity, research infrastructure and the high-speed digital foundation for collaborative research. In the area of cybersecurity, we expect Jisc to maintain the resilience and integrity of the Janet Network, itself essential to research activity and integrity. In addition, Jisc must support effective cybersecurity within and across universities and research establishments in the context of the

Trusted Research agenda through awareness raising, effective governance, capacity and resilience building from board level downward.

In addition to pursuing the Government's objective of full and immediate open access referred to above, you should deploy expertise in Jisc which complements UKRI activity to extend the boundaries of work to deliver broader benefits of open research. These benefits should include improvements in the integrity and reproducibility of research findings to supporting a more diverse, equitable and inclusive research system. This will provide the maximum social and economic benefit to all whilst remaining as secure as necessary in light of potential risks.

#### 4. Table – Research England Budget Allocations

The table below shows allocations for Research and Knowledge Exchange for 2022-25.

Research England Allocations (£m)	Final 2021-22	2022-23	2023-24	2024-25
Recurrent grant for Research inc. contribution to core HEIF	2006.87	1715	2143	2308
Strategic Programmes funding ( <i>previously National Productivity Investment Fund</i> ) inc. HEIF uplift	293.58	414	243	170
Additional funding to cover Covid	0.25			
Specialist Institutions	10.00	15.00	20.00	25.00
<b>Total Programme ESA10 CDEL</b>	<b>2310.70</b>	<b>2144</b>	<b>2406</b>	<b>2503</b>
HEI Research Capital England	92.86	122.9	118.12	124.95
HE Research Capital (HERC) England	86.87	93.1	106.88	113.05
UK-RPIF	83.11	29.00	25.00	75.00
<b>Total Capital CDEL</b>	<b>262.84</b>	<b>245.00</b>	<b>250.00</b>	<b>313.00</b>
<b>DfE contribution</b>				
Recurrent Teaching contribution to HEIF – attrib. to OfS	47.00	48.2	TBA	TBA

*The table reflects Financial Years (April to March). The 2021-22 figures reflect any rephasing of payments across the academic year, which do not affect the overall academic year allocations.*

In addition to the above, as delegated by UKRI, Research England will also be responsible for administering the budget for the Strength in Places Fund, which is included within Strategic Programmes.