

Annex D: Research England

To Executive Chair Research England From BEIS

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. The Government has reaffirmed its commitment to the Dual Support system, and Quality-related Research (QR) funding remains important to our research success within this system. We value QR's un-hypothecated nature which contributes to a sustainable research system and allows universities to deploy it strategically and to respond to the broad range of research partners and funders including business, charities, public sector and government departments.

In looking ahead, the priorities set out in 2018 remain, and Research England should continue its work in implementing these where they have not been superseded, with further updates set out below. These should be reflected in the Research England Strategic Plan due to be published in June. Funding allocations for Research England for research, knowledge exchange and research capital for 2019-2020 are set out in the table below and will enable you to deliver our agenda for research and economic growth.

In areas of joined up working between UKRI (including Research England) and the Office for Students (OfS) which are set out in the collaboration Agreement between the OfS and UKRI, you should continue to prioritise areas of shared interest, including: skills; capability and progression; support to PGR Students; knowledge exchange; the ongoing financial sustainability of HE providers; accountability and assurance; infrastructure funding; building robust evidence and intelligence; and ensuring that the Research Excellence Framework (REF), Teaching Excellence and Student Outcomes Framework (TEF) and Knowledge Exchange Framework (KEF) are mutually reinforcing

Industrial Strategy: Research Commercialisation and Collaboration with Business

The Industrial Strategy confirmed that Higher Education Innovation Funding (HEIF) should reach £250m a year by 2021. The OfS will be responsible for the teaching and student elements of HEIF via the £47m Teaching Grant contribution to HEIF. Research England should work with the OfS to improve understanding of teaching and students' involvement in and contribution to achieving the external economic and societal impacts that are the focus of knowledge exchange activities, with the aim of informing HEIF and knowledge exchange strategies from 2021.

Ministers have welcomed progress with developing the Knowledge Exchange Framework (KEF), which you are expecting to launch in Autumn 2019, with first full results from Spring 2021, and which will complement proposed Knowledge Exchange Concordat led by Professor Trevor McMillan.

Budget Allocations

The table below shows allocations for Research and knowledge Exchange for remainder of the Spending Review period. Allocations for UKRPIF and Connecting Capability Fund are confirmed through to FY 2020-21.

	Research England	
£m	2018-19 Final	2019-20
Recurrent grant for Research including contribution to core HEIF	1,733.43	1,642.32
Contribution from GCRF	54.75	67.94
Connecting Capability Fund	25.00	30.00
National Productivity Investment Fund (NPIF) including uplift to HEIF	104.58	184.25
UEZ allocation		5.00
Total Programme ESA10 CDEL	1,917.75	1,929.51
HEI Research Capital England	106.33	126.56
Higher Education Research Capital (HERC) England	86.87	86.87
UK-RPIF	146.23	91.50
Total Capital CDEL	339.43	304.93
Recurrent Teaching contribution to HEIF - attributable to OfS	47.00	47.00
Contribution to SAS and IoZ	10.67	10.67

Adjustments to budget allocations since March 2018 reflect the outcome of decisions on distribution of elements of NPIF, reprofiling of some payments scheduled for April 2019 into March 2019, which does not affect overall Academic Year allocations, or reprofiling project payments into future years.

In addition to the above, Research England will be responsible for administering the budget for “Strength in Places Fund” on behalf of UKRI.