

Specific guidance to UKRI, from BEIS, regarding the operation of Research England

Research England: 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 the context of the coronavirus pandemic, both dealing with the immediate aftermath and in contributing to economic recovery in the medium term. In this context, the Government has affirmed its continuing commitment to the Dual Support system, and Quality-related Research (QR) funding remains important to our research success within this system. QR's un-hypothecated nature 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 order to ensure that the best research is supported in this challenging time funding allocations should continue to be made on the basis of academic excellence and impact wherever it is found; to provide selective support for the next generation of researchers; and to support research funding leveraged from external sources such as the charitable and business sectors. Given the considerable challenges faced by the research system as a result of the pandemic, 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 for Research England for research, knowledge exchange and research capital for 2020-21 are set out in the table below and will enable you to deliver our agenda for research, economic growth and levelling up, including supporting the higher education contribution to responding to the COVID-19 crisis and recovery. The GCRF contribution to QR is subject to the ODA requirements.

BEIS and Department for Education have established a joint Ministerial Taskforce on "University Research and Knowledge Exchange (KE) Sustainability" bringing together sector experts, Devolved Administrations, HE funding bodies, UKRI and Research England. This will provide a forum to consider the risks associated with the impacts of COVID-19 on university research and KE capacity, and work together to consider approaches to ensure that university research and KE can contribute effectively to UK society and the economy in the recovery and beyond. We expect universities will also want to develop their own proposals to build an efficient, effective and sustainable research and development system, focused on driving recovery. The Government will work in partnership with the sector on these proposals. To help address some of the immediate pressures being faced for university research activities, you are bringing forward £100m for QR Funding into Academic Year (AY) 2019-20 from AY 20-21, as an increase to institutions' overall QR allocation for AY19-20.

Joined up working between Research England (on behalf of UKRI) and the Office for Students (OfS) will be 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 around sustainability of the sector and of appropriate burden of accountability. Research England (UKRI) and the OfS should prioritise collaboration with the OfS on areas of shared interest, including: skills; capability and progression; support to PGR Students; knowledge exchange; the ongoing financial sustainability of HE providers, especially in the context of impact of COVID-19 on the financial sustainability of research; accountability and assurance; infrastructure funding; and building robust evidence and intelligence.

We recognise the support that will have been given to university efforts to respond to COVID-19 in pausing the current Research Excellence Framework (REF2021). We also recognise the considerable investment made so far in preparing for the current REF exercise. Research England should continue to work with the HE funding bodies across the UK on a revised timescale to ensure the exercise takes place as soon as is practicable, providing a timely and robust assessment of UK HE research and its considerable impact.

Open Access is a key feature of REF2021. Research England should continue to support the implementation of full and immediate open access, in line with global efforts in this area. Acknowledging the implications for Learned Societies, you should develop mechanisms which will support them transition through implementation. You should also continue open dialogue with publishers of all types, as you implement full and immediate open access.

Research England should continue make allocations to universities from the Global Challenges Research Fund (GCRF) in such a way that they are encouraged to develop research directions which support cutting edge research that addresses the challenges of economic development and wellbeing faced by developing countries as listed on the OECD DAC list of eligible countries. This has opened up new ways in which universities can support these countries.

Budget 2020 announced £80m funding in recognition of the “excellence and global reach” of our leading research specialist institutions over the next five years. You should develop an allocation approach, engaging with the OfS, which supports research excellence and capabilities within these specialist institutions, to help ensure their continued contribution to the economy and society.

Research Commercialisation and Collaboration with Business

The research base has a critical role in supporting our economy and future prosperity, highlighted further by the important contributions that universities are making during crisis and will make through the recovery. Effective university collaboration with industry and the application of research has always provided a notable competitive advantage for the UK, and most recently a means to secure safety and security of our people and communities.

The UK Research Partnership Investment Fund (UKRPIF) has proved highly effective in developing collaborative research programmes at scale between universities and the private sector. 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 2021). You should give special attention to projects where capital developments progress have been unavoidably delayed or university partners have been significantly disrupted by COVID-19, assessing financial impact and reporting back to the Department.

We have confirmed a long term commitment to Higher Education Innovation Funding (HEIF), which will reach £250m a year by 2020. HEIF should support delivery of the key foundations of the Industrial Strategy, around “Ideas”, “People” and their role in supporting “Place”, and complement investments made through other Councils in UKRI. 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 support their evaluation of the teaching and student elements of HEIF and ensure joint agreement of the approach to allocating and accounting for HEIF funding, reflecting the teaching elements of knowledge exchange (KE) and continuing to develop the important student benefits dimension to KE.

We welcome the full review of HEIF which you are launching, in consultation with the OfS, which aims to put the Knowledge Exchange Framework (KEF) at the heart of your approach, and includes a fundamental review of the HEIF allocation methodology. We would like you to continue to pursue a robust outcome-based funding approach demonstrating value for money, balancing predictability in funding with more regular rewards for dynamism, and having due regard to burden.

Ministers have welcomed progress with developing the KEF, bringing together a comparable range of measures of effective collaboration and knowledge exchange to assess how well universities in England are doing at fostering knowledge exchange and research commercialisation. It is important that you proceed to publish and evaluate the first KEF by the end of this year, and proceed to develop long-term plans for the KEF, including how it will form the basis of a radically reformed HEIF allocation method. Alongside the HEBCI review being conducted by HESA, the evidence collected in KEF narratives on “local growth” and “public and community engagement” may be particularly valuable to ensure any future method addresses all the important aspects to the contribution of universities to COVID-19 crisis and recovery, such as place and civic contributions. This should complement implementation of the sector led KE Concordat led by Professor Trevor McMillan, working with UUK and GuildHE. We welcome the cross UK working of the HE sector with the HE funding bodies in implementation of the KE Concordat, addressing important good practice issues, such as in handling Intellectual Property, as well as seeking ways to embed the Concordat in funding and overall to minimise burden for universities through streamlined accountability.

The "Connecting Capability Fund" (CCF) has made great strides in supporting universities across England to collaborate together to pool their capability, ideas and resources and scale their collective offer, making it easier for business and investors to access opportunities. You should set in motion the development of a second round of CCF, particularly focussed on allowing critical extensions to first round projects that will play a key role in recovery and levelling up.

Your continuing support of the National Centre for Universities and Business (NCUB) is vitally important as it can play a critical role in recovery through bringing partners together, strengthening collaborations and evidence development, including through the konfer - innovation brokerage platform.

“Place” plays an important role in supporting innovation and productivity growth. Research England, working closely with Innovate UK and the HE funding bodies, should continue to lead development of the “Strength In Places Fund”, for which a separate, specific budget has been allocated to UKRI. We also welcome your increased attention to the contribution that Research England can make to our levelling up agenda throughout your funding and the development of university research and knowledge exchange, including through your leadership of UKRI place strategy work.

Efficiency & Effectiveness

We must ensure the HE sector uses resources for research and knowledge exchange efficiently and effectively. As well as continuing to work with OfS and sector bodies on implementing recommendations of Sir Ian Diamond’s reviews of efficiency and effectiveness, Research England should work with UKRI to contribute to “Review of Research Bureaucracy and Methods” announced in January, to help “*free up and support the best researchers to focus on ground-breaking, ambitious and meaningful research*”.

Budget Allocations

The table below shows allocations for Research and Knowledge Exchange for 2019-21.

£m	Research England	
	Final 2019-20	2020-21
Recurrent grant for Research inc. contribution to core HEIF	1,729.62	1,652.95
Contribution from GCRF	67.94	89.64
Connecting Capability Fund	30.00	23.30
National Productivity Investment Fund inc. HEIF uplift	220.21	316.43
UEZ allocation	5.00	NIL
Additional funding to cover budget pressures		8.53
Specialist Institutions		10.00
Total Programme ESA10 CDEL	2,052.77	2,100.95
HEI Research Capital England	126.56	116.56
HE Research Capital (HERC) England	86.87	86.87
UK-RPIF	91.50	206.75
Total Capital CDEL	304.93	410.18
DfE contribution		
Recurrent Teaching contribution to HEIF – attrib. to OfS	47.00	47.00
Contribution to SAS and IoZ	10.67	10.14

Adjustments to budget allocations since March 2019 reflect the outcome of decisions on distribution of elements of NPIF, reprofiling of some payments scheduled for April 2020 into March 2020, 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” (part of NPIF) on behalf of UKRI.