



Research
England

RE-P-2021-02

21 October 2021

Research and knowledge exchange funding for 2021-22

Recurrent and single year grant allocations

This document summarises our main recurrent funding, single year grants and formula capital allocations to higher education providers for 2021-22.

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Research & knowledge exchange funding for 2021-22

To	Heads of Research England-funded higher education providers
Of interest to those responsible for	Finance, planning.
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Summary

Research England funds research and knowledge exchange at Higher Education Providers (HEPs) in England. This document summarises our allocations to HEPs in 2021-22 and provides information about our funding methods. Recurrent funding is provided for the academic year (August 2021 to July 2022), along with non-recurrent and formula capital funding for the financial year (April 2021 to March 2022).

On 30 September we published the England sector total budgets for 2021-22 in Circular Letter 'Funding for 2021-22' (RE-CL-2021-08¹). That Letter announced that the overall grant we will be distributing is £2,466 million:

- £1,860 million for research grant, comprising:
 - £1,748 million for quality-related research (QR) funding
 - £29 million for the Policy Support Fund (previously called Strategic Priorities Fund)
 - £62 million for national facilities and initiatives
 - £10 million for specialist providers
 - £11 million for School of Advanced Studies (SAS) and Institute of Zoology (IoZ)
- £267 million for knowledge exchange, comprising:
 - £230 million Higher Education Innovation Fund (HEIF) allocated through formula
 - £20 million HEIF for the Research England Development fund
 - £17 million Connecting Capability Fund²
- £132 million for single year grants
- £208 million for capital funding
 - £188 million for formula-based research capital
 - £21 million for national facilities and initiatives

Figures may not sum to the total due to rounding differences.

This publication sets out the above funding for research and knowledge exchange in 2021-22. Funding for ongoing UKRPIF capital projects that was carried forward from 2020-21 due to Covid 19 impacts has been excluded.

¹ <https://re.ukri.org/sector-guidance/publications/circular-letter-funding-for-2021-22/>

² Continuing funding for CCF wave 1. CCF wave 2 dependent on 2021 Spending Review outcomes

Related material published alongside this document includes:

- A covering letter and grant tables for each HEP
- '2021-22 Recurrent research and knowledge exchange funding: technical guidance', a technical document that explains in detail how the figures in the grant tables are derived.
- Sector level grant tables
- Regional grant tables

Further related materials will be issued at a later date. This includes worked examples and detailed spreadsheets of data source information.

Introduction

1. This publication summarises our formula-based grant allocations for research, knowledge exchange, and research capital. Following the budgets that we announced on 30 September 2021 we are now confirming the allocations for individual HEPs.

Research England budget for the 2021-22 academic and financial years

2. The government's guidance to Research England confirmed the funding available to us for the 2021-22 financial year³. The letter also identified the policies and priorities that should underpin our approach to funding.
3. In the light of the guidance, we have agreed budgets for 2021-22. In doing so, as in previous years we have made a modest assumption for the value of recurrent research funding for financial year 2022-23. This assumption is required due to the overlap between the 2021-22 academic year and 2022-23 financial year. Any significant future changes to our funding by government could affect the funding we are able to distribute to HEPs in the 2021-22 academic year, and this may include revising allocations after they have been announced.
4. Table A separates out our funding streams allocated by academic year from those allocated by financial year.

Table A: Research England grant to be distributed in 2021-22

Funding stream	Total (£M)
Allocations made by academic year	
Quality-related research (QR) funding	1,629
Higher Education Innovation Funding (HEIF)	230
HEIF for the Research England Development (RED) Fund	20
Connecting Capability Fund (CCF)	17
National facilities and initiatives	62
School of Advanced Studies and Institute of Zoology	11
Total allocations (academic year basis)	1,969
Allocations made by financial year	
Additional QR funding	119
Policy Support Fund (previously called Strategic Priorities Fund)	29
Specialist Provider Element	10

Funding stream	Total (£M)
New single year grants ³	132
Formula-based research capital	188
National facilities and initiatives capital	21
Total allocations (financial year basis)	499

Note: Figures may not sum due to rounding. Figures exclude funding for the UK Research Partnership Investment Fund (UKRPIF).

5. A number of new short-term grants have been developed across both research and knowledge exchange for the 2021-22 financial year. Further details on these can be found at paragraph 28.

Research funding

6. The underlying policy intent for our research funding, as set out in government guidance, is unchanged from previous years:

‘...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’

7. Funding for research is informed by the results of the 2014 Research Excellence Framework.⁴ This demonstrated the world-leading quality of research conducted in UK higher education providers and highlighted the wide-ranging and significant benefits that UK research brings to the economy and society.
8. For academic year 2021-22 the funding for all elements of core quality-related research (QR) is maintained at 2020-21 levels at £1,629 million. The distribution of funding to the elements of QR is shown in Table B.

³ See paragraph 28 for detail of the new single year grants

Table B: 2021-22 Budgets for elements of QR grant

Elements of QR grant	Core QR AY 2021-22 £m	Additional QR FY 2021-22 £m	Total £m
QR funding for research			
Mainstream quality-related research (QR) funds including London weighting	1,095	97	1,192
QR research degree programme (RDP) supervision funds	260	12	272
QR charity support fund	204	-	204
QR business research element	64	10	74
QR funding for National Research Libraries	7	-	7
Total research funding	1,629	119	1,748

Note: Figures may not sum due to rounding.

9. We have allocated a further £119 million to continue Additional QR funding, maintained at the same level as 2020-21. This comprises £97 million allocated in proportion to mainstream QR (including London weighting), £12 million in proportion to QR research degree programme (RDP) supervision funds, and £10 million in proportion to QR business research funding. All other elements of recurrent research funding will be maintained in cash terms for 2021-22, including £204 million for QR charities support funding and £7 million for National Research Libraries.
10. The distribution of core QR by HEP is shown at Annex A Table 1, and the distribution of additional QR by HEP is shown at Annex A Table 3.
11. Funding for the Policy Support Fund (formerly Strategic Priorities Fund⁴) is maintained at £29 million for 2021-22. The distribution of the Policy Support Fund by HEP is shown at Annex A Table 5.
12. As communicated to HEPs in our circular letter of 11 March 2021 (RE-CL-2021-03⁵), there is no QR Global Challenges Research Fund allocation in 2021-22.

⁴ <https://re.ukri.org/funding/our-funds-overview/qr-strategic-priorities-fund/>

⁵ <https://re.ukri.org/sector-guidance/publications/circular-letter-gcrf-qr-notification/>

Knowledge exchange funding (Higher Education Innovation Funding, HEIF)

13. Our formula-based knowledge exchange funding (through HEIF) provides incentives for and supports HEPs to work with business, public and third-sector organisations, community bodies and the wider public, with a view to exchanging knowledge and thereby increasing economic and societal benefit.
14. HEIF reached £250 million in the academic year 2020-21 and this amount has been maintained for academic year 2021-22.
15. Total recurrent allocations for knowledge exchange are allocated through the HEIF formula at £230 million. This includes £47 million which is provided from the Office for Students' teaching grant.
16. Allocations for 2021-22 are calculated using Higher Education – Business and Community Interaction (HE-BCI) survey data for 2017-18 to 2019-20, data from Innovate UK on Knowledge Transfer Partnerships (KTPs) and the HESA Finance Record.
17. HEPs must comply with the policies, priorities and accountability arrangements for HEIF, as set out in RE-P-2020-03⁶.
18. The HEIF formula parameters will remain the same as 2020-21 with the exception of the maximum year-on-year increase which will revert to +10per cent (from +15 per cent).
19. As in previous years, a supplement is provided to HEPs whose main allocation is capped at the maximum, to enable their knowledge exchange strategies to be enhanced where there is evidence that the cap on funding is a constraint on their support of economic growth.
20. The distribution of HEIF funding to each HEP is shown at Annex A Table 1.

Capital funding

21. The capital funding made available to us by Government for the financial year 2021-22 totals £208 million. The total that we are distributing comprises:
 - £188 million for formula-based research capital.
 - £21 million for national facilities and initiatives.

⁶ <https://www.ukri.org/publications/research-england-heif-policies-and-priorities/>

22. Annex A Table 2 shows the distribution between providers of £188 million of formula-based research capital allocations, comprising:
- a. 'HEI Research Capital England', totalling £101 million, which will be allocated in proportion to 2019-20 and 2020-21 recurrent QR funding and research income in proportion to research income in 2018-19 and 2019-20 from other selected (non-Research Council) sources.
 - b. 'Higher Education Research Capital (HERC) England', totalling £87 million, which will continue to be allocated in proportion to research income from Research Councils, reflecting finance data for the most recent three years.

We are not providing allocations in 2021-22 to HEPs whose share of the funds would be less than £10,000.

Use of formula-based research capital allocations

23. Capital funding is provided on a financial year basis and must be used for the purpose intended. Research England is not permitted to make payments to HEPs in advance of need and thus require capital grants to be spent in full by March 2022. Research England funding should not be used for advance payments to contractors, or other financing arrangements (such as bonds) where payments precede production of goods or delivery of services.
24. Allocations of capital funding announced in this document are provided to sustain and strengthen the facilities and infrastructure that underpin research and enhance the research environment at HEPs. The funds may:
- Contribute to the long-term financial sustainability of a HEP's research and the supporting physical infrastructure
 - Contribute to replacement of premises or infrastructure, improved space utilisation, and increased sharing and utilisation of research equipment
 - Promote collaborative partnerships between HEPs, industry, charities, Government and NHS Trusts
 - Promote world-leading research capability in all disciplines with the capacity to respond to developing national priorities.
25. Capital funding must be used for the purposes intended, though we recognise that it may be neither feasible nor desirable to create ring-fenced boundaries between research and teaching facilities. We look to HEPs to adopt a pragmatic approach, whereby capital projects primarily focus on research activities.
26. In deciding how these funds are spent we expect HEPs to take account of the need to reduce carbon emissions as well as securing value for money.

27. HEPs will be required to report in 2021 on their use of capital funding allocated during financial years 2019-20 and 2020-21 and these returns may be subject to audit. Further details will be provided nearer the time. If we are not satisfied that HEPs have used the funds for the purposes described in paragraphs 22 to 25, we may seek to reclaim some or all of the funding provided.

Single year grant funding

28. In addition to maintaining additional QR, single year funding totalling £132 million has been allocated to support the sector’s continuing contribution, working with partners, to deliver societal and economic benefits as part of the national response around Covid 19. A number of short-term interventions have been developed for the 2021-22 financial year to address immediate Covid 19 challenges and opportunities by supporting university capacity in particular areas and in strengthening working with other institutions and external partners.
29. Table C shows these single year funds under two overarching themes, with information on purpose and allocation methods for each.

Table C: Single year funds in 2021-22

Theme	New single year grant element	FY 2021-22 (£m)	Description and allocation method
Strengthening university capacity to enable transition from addressing immediate Covid 19 pressures to maximising existing and new opportunities post pandemic	Enhancing Research Culture	30	Enabling universities to prepare activities aligned with the R&D People and Culture Strategy. Allocation method to be confirmed shortly.
	QR Research Degree Programme Recovery	30	This has been allocated to HEPs in proportion to their 2021-22 QR RDP supervision funding to support PGR students as part of Covid recovery.
	Rapid and Agile KE contributions through HEIF	10	This has been allocated to HEPs in proportion to their main HEIF allocations for 2021-22 to enable additional KE activity.
	Incentives for HEIF Top Cap	10	This has been allocated to HEPs in proportion to their HEIF supplement, effectively doubling their supplement, to address government priorities

Theme	New single year grant element	FY 2021-22 (£m)	Description and allocation method
	Specialist Provider Sustainability Support	10	This is to support providers most exposed to large losses of charity income for one further year. Specialist institutions, as defined by the 2015-16 HEFCE review of specialists, with more than 10 percent of their total income drawn from eligible charity funding are eligible for an allocation. This funding has been allocated to HEPs in proportion to an average of research income from charities in the most recent four years for which data is available.
	School of Advanced Studies (SAS) special funding	0.5	Uplift to SAS funding
	Institute of Zoology (IoZ) special funding	0.1	Uplift to IoZ funding
	Business QR Recovery	10	This has been allocated to HEPs in proportion to their 2021-22 QR business research funding to incentivise and support partnerships with industry.
Strengthening existing and new partnership working to increase the sector's contribution to building back better post pandemic	Additional KE collaboration funding uplift through HEIF (linked to similar objectives to the CCF scheme)	12	This has been allocated to HEPS in proportion to their main HEIF allocations for 2021-22 to maintain CCF objectives of collaboration between providers (in advance of further development of the CCF scheme).
	New KE funding for smaller providers not in receipt of HEIF	6	Capacity building allocations to address new government priorities to build back better. To be distributed equally across all providers eligible for but not currently in receipt of HEIF.
	Participatory research programme	6	For providers to extend capabilities, develop capacity and pilot approaches to facilitate successful co-production of research. Allocation method to be confirmed shortly.
	RED fund: Piloting new approaches to government priorities	6	To target new priorities in the Innovation strategy, People and Culture strategy and forthcoming place and levelling up priorities. See RED fund guidance ⁷ for further information on developing and submitting proposals.

⁷ <https://re.ukri.org/funding/our-funds-overview/research-england-development-red-fund/>

Theme	New single year grant element	FY 2021-22 (£m)	Description and allocation method
	Museums, Galleries and Collections	1	This has been allocated to HEPs in proportion to their 2021-22 Museums and Galleries funding, to support projects underway at several providers to move to Covid-resilient services.
	Total additional single year grants	132	

30. Annex A Table 3 shows the allocation of the above funds to HEPs, where allocation methods have been decided.

Museums, galleries and collections funding

31. Our research funding supports infrastructure on which research and scholarship depends. This includes support for university museums, galleries and collections. We currently provide almost £11 million per year to 33 higher education museums, galleries and collections across 19 HEPs. Our funding helps museums, galleries and collections to serve the wider research community, where this costs them significantly more than meeting the needs of their own researchers and students. Annex A Table 4 shows the allocations for HEPs, where relevant.

National facilities and initiatives funding

32. We aim to provide as much of our funding for research and knowledge exchange as possible through recurrent grant allocations to HEPs. Further allocations, in the form of funding for national facilities and initiatives, are provided for specific purposes and to promote change that cannot easily be achieved through other routes. We are allocating £62 million (including £11 million for museums, galleries and collections mentioned above) from our recurrent research and knowledge exchange grant and £21 million from formula-based capital funding for these purposes. The distribution of this funding is not shown in this publication⁸.

2021-22 Terms and conditions of funding

33. The terms and conditions of funding set out the formal relationship between UK Research and Innovation (UKRI) and the HEPs that it funds in relation to funds administered through Research England. The final terms and conditions applicable to

⁸ For more information, see [‘How we fund higher education providers’](#), page 23

funding provided to HEPs for the 2021-22 academic year were published on our website in August 2021⁹. The terms and conditions include those related to provision of data and compliance with governance and data assurance requirements. HEPs should read the terms and conditions in conjunction with this publication.

34. Research England's funding powers under the Higher Education and Research Act 2017 are linked to the definition of eligible HEPs as set by the Office for Students (OfS) and prescribed in detail by the OfS's regulatory framework, effective from 1 August 2019.

Fluctuation in grant allocations for HEPs

35. Most HEPs will receive different amounts of grant in 2021-22 from that received in 2020-21. This may be due to changes in the allocation methods we use described above, and also because of changes, relative to the sector as a whole, to each HEP's:
 - a. Postgraduate research student numbers and research income data. Such changes affect HEPs' share of the QR RDP supervision funds, the QR charity support fund and the QR business research element.
 - b. HE-BCI survey data, Higher Education Statistics Agency (HESA) Finance record data and Knowledge Transfer Partnerships (KTP) data. Such changes affect HEPs' share of knowledge exchange funding.

Further information

36. HEPs requiring further information should contact annualfunding@re.ukri.org.

⁹ <https://www.ukri.org/publications/research-england-terms-and-conditions-2021-to-2022/>

Annex A: HEP allocations

This is available to download as an Excel file alongside this document at <https://www.ukri.org/publications/research-england-funding-allocations-2021-to-2022/>

This consists of five tables:

1. Table 1: Recurrent research and knowledge exchange grants for the academic year 2021-22
2. Table 2: Formula-based research capital allocations for the financial year 2021-22
3. Table 3: Non-recurrent allocations for the financial year 2021-22
4. Table 4: Museums, Galleries and Collections Fund allocations for the academic year 2021-22
5. Table 5: Policy Support Fund allocations for the financial year 2021-22