



Research
England

RE-P-2022-05

4 August 2022

Research England grant allocations for 2022-23

This document summarises our research, knowledge exchange and formula capital allocations to higher education providers for the academic and financial year 2022-23.

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Research England grant allocations for 2022-23

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 2022-23 and provides information about our funding methods. Capital funding is allocated by financial year (April to March) and all other formula-based funding is allocated by academic year (August to July).

On 14 July we published the England sector total budgets for 2022-23 in Circular Letter 'Funding budgets for 2022-23 to 2024-25' (RE-CL-2022-04)¹.

This publication sets out funding for research and knowledge exchange in 2022-23, including allocations to each HEP for most of our formula-based funding (Annex A).

A grant letter has been sent to each HEP receiving formula-based funding from Research England in 2022-23, and the template is published alongside this document. Further related materials will be issued on the 2022-23 Research England funding allocation pages² in due course.

Further funding-related materials	Expected timetable
Payment information for HEPs, including payment profiles	August 2022
Grant tables for each individual HEP, showing the calculations for QR and HEIF funding	September 2022
Technical guidance, explaining in detail how the figures in the grant tables are derived	September 2022
Sector level grant tables	September 2022
Regional grant tables	September 2022
Worked examples and detailed spreadsheets of data source information	September 2022
HEP allocations for Enhancing Research Culture funding	September 2022
HEP allocations for the new HEIF business / commercialisation supplement	Autumn 2022
How we fund higher education providers (revised version)	Autumn 2022

¹ www.ukri.org/publications/research-england-funding-budgets-for-2022-to-2025/

² www.ukri.org/what-we-offer/what-we-have-funded/research-england/research-england-funding-allocations-from-2022-to-2023/

Introduction

1. This publication summarises our formula-based grant allocations for research, knowledge exchange, and research capital. Following the budgets that we announced on 14 July 2022 we are now confirming the allocations for individual HEPs.

Research England budget for the 2022-23 academic and financial years

2. The guidance letter to UK Research and Innovation (UKRI) from the Department for Business, Energy and Industrial Strategy (BEIS) confirmed the funding available for the 2022-23 financial year (April to March), and provisional funding for 2023-24 and 2024-25 financial years. The letter also identified the policies and priorities that should underpin our approach to funding³.
3. In the light of the guidance, and following discussion with and endorsement by the Research England Council, we have set budgets for Research England's funding streams for higher education providers for the academic years 2022-23 to 2023-24, and financial years 2022-23 to 2024-25. Any significant future changes to our funding by government could affect the funding we are able to distribute to HEPs in the 2022-23 academic year, and this may include revising allocations after they have been announced.
4. While the budgets cover multiple years, our grant allocations to HEPs are for 2022-23 only. This is because the most up-to-date information is used to calculate allocations each year.
5. Table A shows our funding streams allocated by academic year (for research and knowledge exchange funding) and by financial year (for capital funding).

³ www.ukri.org/publications/guidance-from-beis-for-research-england-funding-allocations/

Table A: Research England funding to be distributed in 2022-23

Funding stream	Total £ million
<u>Research funding (academic year basis)</u>	
Quality-related research (QR)	1,974
Policy Support Fund	29
Enhancing Research Culture	30
Participatory Research	6
Specialist Provider Element	20
National facilities and initiatives	51
School of Advanced Study and Institute of Zoology	11
Total research funding	2,121
<u>Knowledge Exchange funding (academic year basis)</u>	
HEIF formula funding	260
HEIF business / commercialisation supplement	20
KE funding for HEPs eligible for but not in receipt of HEIF	6
Contribution to RED fund	20
RED fund Connecting Capability Fund / commercialisation programme	22
Total knowledge exchange funding	328
Total academic year funding 2022-23	2,449
<u>Capital funding (financial year basis)</u>	
Research Capital Investment Fund (RCIF)	206
National facilities and initiatives	10
UK Research Partnership Investment Fund (UKRPIF)	29
Total capital funding	245
Total financial year funding 2022-23	245
Total funding 2022-23 (academic + financial year basis)	2,694

Note: Figures may not sum due to rounding.

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; support for the next generation of researchers; and leverage funding from external sources such as the charitable and business sectors.”
7. In determining our budgets and distribution methods, we have taken account of government guidance to “pay particular attention to maintaining disciplinary breadth in areas of strategic importance” and 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”.

Quality-related research (QR) funding

8. Mainstream QR funding and QR research degree programme (RDP) supervision funds are informed by the results of the 2021 Research Excellence Framework (REF2021)⁴ for the first time in 2022-23. This demonstrated the world-leading quality of research conducted in the UK across a broad span of higher education providers and highlighted the wide-ranging and significant benefits that UK research brings to the economy and society.
9. In setting our budgets, we have sought to maintain stability and continuity in our investment in research as well as recognising the outcomes of REF2021.
10. For mainstream QR (including London weighting), proportional allocations across disciplinary areas are maintained, recognising the contribution which all of our disciplines make to national life. Other features of the mainstream QR funding mechanism remain unchanged, including the current relationship between 4* and 3* research in our QR allocations.
11. There are no changes to the funding mechanism for other elements of QR.
12. A high level description of the QR funding methods can be found in the publication ‘How we fund higher education providers’⁵, and a more detailed explanation will be provided in the technical guidance that will be published on our funding allocations pages in September.

⁴ www.ref.ac.uk/

⁵ www.ukri.org/publications/research-england-how-we-fund-higher-education-providers/

13. For academic year 2022-23 the funding for all elements of core quality-related research (QR) is increased from 2021-22 levels, totalling £1,974 million. The distribution of funding to the elements of QR is shown Table B.

Table B: 2022-23 Budgets for elements of QR grant

Elements of QR grant	Total £ million
Mainstream quality-related research (QR) funds including London weighting	1,303
QR research degree programme (RDP) supervision funds	332
QR charity support fund	219
QR business research element	114
QR funding for National Research Libraries	7
Total QR grant	1,974

Note: Figures may not sum due to rounding.

14. The distribution of QR to individual HEPs is shown at Annex A, Table 1.

Other research funding

15. Following positive feedback from the sector, funding for the Policy Support Fund (£29 million), Enhancing Research Culture fund (£30 million) and Participatory Research fund (£6 million) is being maintained.
16. Specialist Provider Element funding is doubled to £20 million for 2022-23. This is the third year of the five-year, £80 million allocation provided for specialist HEPs in the March 2020 budget.
17. Allocation methods for the above funds have not changed, except:
- a. funds allocated on a financial year basis in 2021-22 have been moved to an academic year basis from 2022-23;
 - b. a minor technical change has been made to the Enhancing Research Culture fund allocation method, in order to allow for using more up-to-date data.
18. Descriptions of allocation methods for all funds will be included in 'How we fund higher education providers' when revisions are published in autumn 2022. Allocations to individual HEPs are shown at Annex A, Table 3, with Enhancing Research Culture fund allocations to follow in September 2022.

Knowledge exchange funding

19. Our formula-based knowledge exchange funding 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.

Higher Education Innovation Funding (HEIF)

20. HEIF formula funding has been increased to £260 million for academic year 2022-23, which includes £48 million contributed by the Department for Education to support student and teaching elements of KE through HEIF.
21. £240 million is allocated through the main HEIF formula, with the remaining £20 million distributed as a supplement to HEPs whose main allocation is capped at the maximum. As in previous years, this is provided to enable HEPs to enhance their knowledge exchange strategies where there is evidence that the cap on funding is a constraint on their support of economic growth.
22. We will maintain the same funding method and weightings for HEIF formula funding, except for the following amendments to accommodate the increase in budget:
 - a. The limit on the year-on-year percentage increase will go up from +10 per cent to +15 per cent.
 - b. The upper cap on the main HEIF allocation will be increased from £4.285 million to £4.67 million
 - c. The upper cap on the top-up allocation (for HEPs whose main HEIF formula funding is limited by the top cap) will be increased from £0.5 million to £1 million.
23. A high level description of the HEIF funding methods can be found in the publication 'How we fund higher education providers'⁶, and a more detailed explanation will be provided in the technical guidance that will be published on our funding allocations pages in September.
24. HEPs must comply with the policies, priorities and accountability arrangements for HEIF, as set out in RE-P-2020-03⁷. We also ask that HEPs pay particular regard to the priorities in the Innovation Strategy and levelling up white paper in using funds.
25. The distribution of HEIF funding to each HEP is shown at Annex A, Table 1.

⁶ www.ukri.org/publications/research-england-how-we-fund-higher-education-providers/

⁷ www.ukri.org/publications/research-england-heif-policies-and-priorities/

Other knowledge exchange funding

26. A new £20 million HEIF business / commercialisation supplement is being developed, to be allocated through a new formula funding method using business and commercialisation data only. We will ask for assurance that this funding is used entirely for, and additionally to use of HEIF for, business and commercialisation activity. Further details, including allocations to HEPs, will follow in autumn 2022.
27. KE funding for HEPs eligible for but not in receipt of HEIF is maintained at £6 million for academic year 2022-23, with no changes to the allocation method used, where the funding is allocated equally between such providers.
28. The RED fund / CCF commercialisation programme replaces the former separate Connecting Capability Fund (CCF) programme. It addresses the same agenda of support for scale and collaboration in commercialisation but will be allocated through Research England Development (RED) fund processes to make it more flexible to respond to any new government priorities, while simplifying and reducing operational costs. Further information on this funding, including how to apply, will be available in late 2022.
29. Descriptions of allocation methods for all funds will be included in 'How we fund higher education providers' when revisions are published in autumn 2022. Allocations to individual HEPs are shown at Annex A, Table 3.

Capital funding

30. The capital funding made available to us by government for the financial year 2022-23 totals £245 million. The total that we are distributing comprises:
 - £206 million for the Research Capital Investment Fund (RCIF).
 - £10 million for national facilities and initiatives.
 - £29 million for the UK Research Partnership Investment Fund (UKRPIF)

Research Capital Investment Fund (RCIF)

31. Annex A Table 2 shows the distribution between HEPs of £206 million of RCIF funding, a formula-based research capital allocation comprising:
 - a. 'HEI Research Capital England', totalling £113 million, which will be allocated in proportion to 2020-21 and 2021-22 QR funding and research income (for 2019-20 and 2020-21) from other selected (non-Research Council) sources.
 - b. 'Higher Education Research Capital (HERC) England', totalling £93 million in 2022-23, which will continue to be allocated in proportion to research income from Research Councils, reflecting finance data for the most recent three years.

32. As in previous years, we are not providing RCIF allocations in 2022-23 to HEPs where the total sum of the two RCIF elements would be less than £10,000.
33. 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 2023. 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.
34. 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.
35. 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.
36. In deciding how these funds are spent we expect HEPs to consider environmental sustainability and the need to reduce carbon emissions as well as securing value for money.
37. HEPs will be required to report in 2023 on their use of RCIF allocated during financial year 2022-23, and these returns may be subject to audit. Further details of this will be provided in due course. 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.

Museums, galleries and collections funding

38. Our research funding supports infrastructure on which research and scholarship depends. This includes support for university museums, galleries and collections. We currently provide almost £12 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

39. 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 £51 million (including £12 million for museums, galleries and collections mentioned above) from our research and knowledge exchange grant and £10 million from capital funding for these purposes. Other than museums, galleries and collections allocations the distribution of this funding is not shown in this publication⁸.

2022-23 Terms and conditions of funding

40. 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 and describes the broad accountability framework that exists between Research England and the higher education providers it funds. The terms and conditions applicable to funding provided to HEPs for the 2022-23 academic year are published on our website⁹. 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.
41. 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 framework¹⁰, effective from 1 August 2019.

⁸ www.ukri.org/publications/research-england-how-we-fund-higher-education-providers/

⁹ www.ukri.org/publications/research-england-terms-and-conditions-2022-to-2023/

¹⁰ www.officeforstudents.org.uk/advice-and-guidance/regulation/the-regulatory-framework-for-higher-education-in-england/

Fluctuation in grant allocations for HEPs

42. Most HEPs will receive different amounts of grant in 2022-23 from that received in 2021-22. 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. REF2021 results providing new quality profiles and category A staff numbers. The results, relative to the sector as a whole, affect HEPs' share of mainstream quality-related research (QR) funding together with its London weighting element and the QR RDP supervision funding allocations.
 - b. postgraduate research student numbers and research income data. Such changes affect HEPs' share of QR RDP supervision funding, QR charity support funding, and QR business research funding.
 - c. HE-BCI data, OfS Annual Financial Return data, and Knowledge Transfer Partnerships (KTP) data, which affects their share of knowledge exchange funding.

Further information

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

Annex A: HEP allocations

This Annex is available to download as an Excel file alongside this document at www.ukri.org/publications/research-england-grant-allocations-2022-to-2023/

This consists of four tables:

- Table 1: Quality-related research (QR) and Higher Education Innovation Funding (HEIF) grants for the academic year 2022-23
- Table 2: Research Capital Investment Fund (RCIF) allocations for financial year 2022-23
- Table 3: Further allocations for the academic year 2022-23
- Table 4: Museums, Galleries and Collections fund for the academic year 2022-23