



Research
England

Research England:

how we fund
higher education providers

Supporting healthy and dynamic research
and knowledge exchange in HEPs



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About this booklet

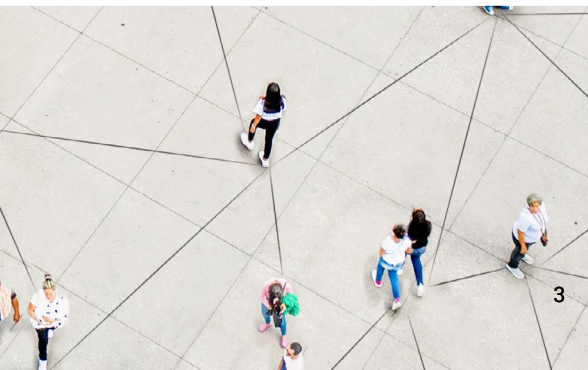
Research England provides funding to English higher education providers (HEPs) for research and knowledge exchange. This booklet gives an introduction to our funding methods, covering:

- how we calculate the amount that each HEP receives
- the components of a HEP's annual grant
- the different types of funding that we allocate.

Detailed information about the full technical definitions and specifications used in our allocation and monitoring processes, plus the conditions of funding and requirements that HEPs must meet to receive funding from us, can be found on our website www.ukri.org/research-england

Our website also lists the amounts of funding allocated each year – both the total, and a breakdown by HEP.

There is more information about our mission, the activities that our funding supports and the impact of that investment on our website.



Clarifications:

Some technical terms and abbreviations are explained throughout the document.

Research England's mission

Clarification: higher education provider (HEP)

A HEP that is registered with the Office for Students (OfS) and receives Research England funding.

Clarification: knowledge exchange

This term covers a broad range of interactions between HEPs and the economy and society, in which HEPs put their considerable knowledge, expertise and assets to use through engaging with businesses, public services, the third sector and communities to deliver external impact. Examples include setting up businesses to develop new technologies grounded in research carried out by the HEP; enabling small businesses to use specialist equipment and other facilities; delivery of professional training, consultancy and services; supporting graduates to set up their own business; and contributing to public service and social innovation.

Clarification: Research Excellence Framework (REF)

The REF is the system for assessing the quality of research in HEPs in the UK. A periodic, peer-review exercise, it provides a profile of research quality in HEPs and the numbers of staff with significant responsibility for research they have submitted for assessment across 34 subject areas. For each submission by a HEP to a subject area, quality is assessed for three separate elements covering research outputs, impact and environment, which are combined into an overall quality profile for the submission. For more details see www.ref.ac.uk

Our mission is to create and sustain the conditions for a healthy and dynamic research and knowledge exchange system in English HEPs.

We do this through providing performance-based, HEP-focused funding to:

- deliver excellent research and high-performance knowledge exchange
- unlock potential
- generate economic and social impact
- meet local and regional priorities and tackle national and global challenges.

This includes a strong focus on high-value, strategic and agile funding streams such as quality-related research (QR) funding underpinned by the Research Excellence Framework (REF) and support for knowledge exchange via Higher Education Innovation Funding (HEIF).

We want to make the best use of taxpayers' money – prioritising funding where we can get the best value and ensuring that we deliver the government's policy aims. We also make sure that HEPs are accountable for the money they get, but without creating an excessive burden on them.

Research England is part of UK Research and Innovation (UKRI), along with the seven discipline-focused research councils and Innovate UK, which funds innovation by businesses. There is more information about UKRI and its component parts at www.ukri.org

Our funding powers and responsibilities

The funding framework that gives us our powers and responsibilities was created by the 2017 Higher Education and Research Act.

In broad terms, we can fund research and knowledge exchange activities of HEPs. We can also fund other organisations that carry out services in relation to research or knowledge exchange in eligible HEPs.

We provide and administer funding for English HEPs, using formulaic and non-formulaic methods to divide money between HEPs.

The majority of our funds are allocated using formulae that take into account certain factors for each HEP. This includes the number of eligible academic staff, the amount and quality of research undertaken, and the amount of research and knowledge exchange income received.

We have funding responsibility for a wide range of activities, but the limitations of our budget mean that we fund only a subset of what is potentially fundable. For example, we prioritise research funding towards activity that meets a high quality threshold.

Although we distribute funding, it is the government that sets public expenditure for higher education as it does across all its departments, by carrying out periodic spending reviews that set expenditure levels for certain years. We provide confidential advice to the government about the financial needs of higher education, to inform its decision making.

How we fit into the research funding system

In England, public research funds are distributed to HEPs under a balanced funding system known as 'dual support', because funding is provided via two routes for two distinct purposes:

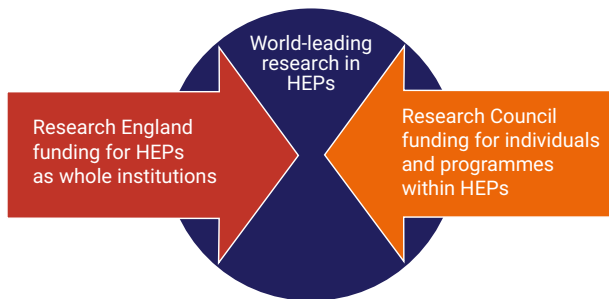
a. **Research England** provides funding to ensure that the research base has the capacity to undertake high-quality innovative research, and to contribute to supporting the research infrastructure. Most of our funding is not allocated to any specific activity – it may contribute towards the costs of salaries for permanent academic staff, premises, libraries or central computing, among other things. It supports fundamental and 'blue skies' research conducted by HEPs, and contributes to the cost of training new researchers. This research is the foundation of strategic and applied work, much of which is later supported by research

councils, charities, industry and commerce. There are equivalent funding bodies in each of the UK's devolved nations.

b. Seven discipline-specific **research councils** provide funding to support specific programmes and projects, and some research students. The research councils operate across the UK.

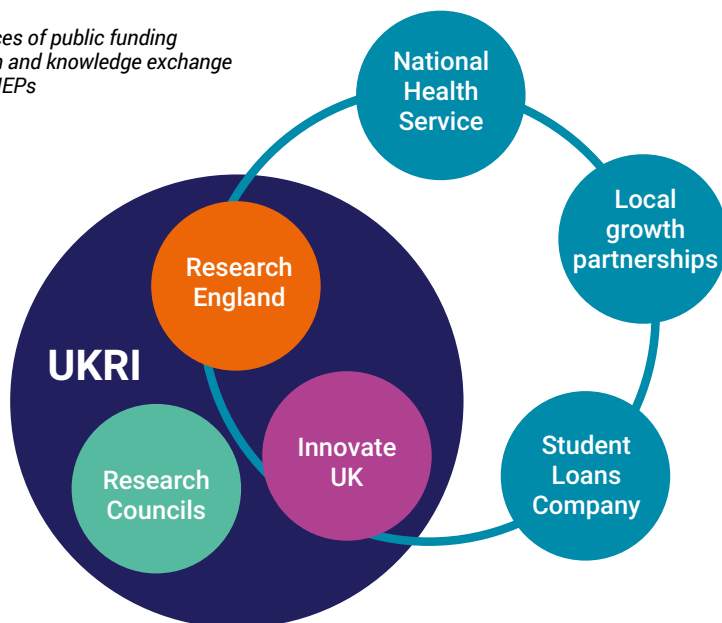
Other public bodies also distribute government funding to support various other aspects of higher education research and knowledge exchange. Some examples include:

■ **Medical and dental research.** While government funding for medical and dental research in HEPs' medical schools is distributed through Research England, the National Health Service supports the clinical facilities needed to carry out research in hospitals and other parts of the health service.



The dual-support system of public funding for research

Some sources of public funding for research and knowledge exchange in English HEPs



- **Loans for tuition fees.** Publicly funded loans to students, including loans available to research masters students and research doctoral students, are administered by the Student Loans Company (SLC), which is government-funded and non-profit-making.

- **Knowledge exchange and innovation.** Public funding for this comes from a variety of sources:

- o The research councils support a range of schemes for knowledge exchange to increase the impact of their funded research.

- o Innovate UK funds innovation by businesses and some HEPs through partnership schemes such as Knowledge Transfer Partnerships.

- o HEPs play a significant role in **local growth partnerships** and can receive funding through them to support knowledge exchange and skills activities.

HEPs also receive other income from many sources. For example, funding from the beneficiaries in the economy and society provides a significant source of support for knowledge exchange activities in many HEPs.

Types of funding provided by Research England

Each year the government provides guidance to us to confirm our funding available for the following financial year (April to March), and provides an indication of the likely funding available for future years in the spending review period. This guidance also provides an outline of the government's policy priorities for our funding.

Having been informed of the total available, we then determine the grants to individual HEPs for research and knowledge exchange, which we generally allocate on an academic year basis. Each year we divide the total funds between research, knowledge exchange, and other funding, taking account of the guidance from the government.

We provide the following types of funding:

Recurrent funding

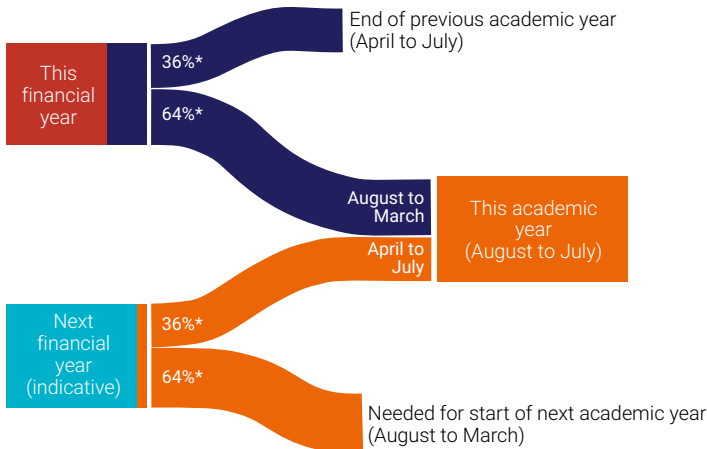
This funding is allocated annually by formula to HEPs for research and knowledge exchange.

It is called 'recurrent funding' because it re-occurs, at relatively stable levels, from year to year.

Recurrent funding supports ongoing core activities and is by far the majority of what we distribute.

It comprises three elements with different purposes:

- For **research**, our funding method is designed to target funds where research quality is highest.



Funding on an academic year cycle: how it works

** Percentage varies each year; figures shown here are for illustration only*

- **Knowledge exchange** funding aims to achieve maximum impact on the economy and society by supporting and rewarding HEPs with significant knowledge exchange performance and partnerships.
- **Formula capital** funding helps HEPs invest in their physical research infrastructure.

Non-recurrent funding

The remainder of our funding is referred to as 'non-recurrent' because these funds are announced for finite periods, from a few months to several years.

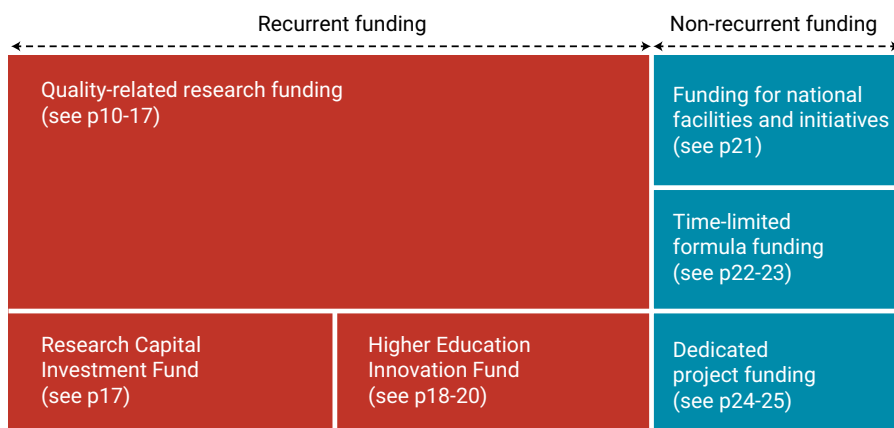
Non-recurrent funding streams are used to secure change or support activities that cannot be addressed through our recurrent research and knowledge exchange funding, or the support that HEPs can obtain from other appropriate sources. This includes funds designed to provide incentives for HEPs to help us deliver

our strategic aims and current government priorities for research and knowledge exchange, as well as grants to support the sector's infrastructure.

Non-recurrent funding comprises:

- **Funding for national facilities and initiatives** supporting the development of the national infrastructure.
- **Time-limited formula funding.** This enables efficient distribution of short and medium term funding to support specific priorities.
- **Dedicated project funding,** for specific purposes, allocated either competitively or selectively based on specific criteria for each individual fund.

We aim to provide an effective balance between recurrent and non-recurrent funding, so we continually review the balance to ensure that it is justified.



Recurrent funding for research

We provide recurrent funding to support both revenue and capital costs of research in HEPs. Quality-related research (QR) funding is for revenue costs while the Research Capital Investment Fund (RCIF) supports capital.

What is QR funding for?

Generally, HEPs may spend their recurrent research funding largely as they choose; they are not expected to mirror our calculations in their own internal spending.

This allows them to target spending towards their own priorities, so long as these relate to the activities that we are empowered to fund: research, knowledge exchange and related activities. It enables HEPs to be autonomous and does not impose a burden of accounting in detail for expenditure.

We are committed to promoting excellent research so we target funding where research quality is highest. We therefore allocate grants based on the quality, volume and relative cost of research in different subject areas.

Quality is measured in a periodic exercise known as the REF, which we administer on behalf of all four devolved higher education funding bodies (see www.ref.ac.uk for more information).

Because of its focus on quality, this recurrent research funding is known as quality-related research (QR) funding.

Types of QR funding

There are five elements of QR allocation:

- a. **Mainstream QR.** This is based on the quality, volume and relative cost of research in different areas, and accounts for about two-thirds of the total QR funding we allocate.
- b. **QR research degree programme (RDP) supervision fund.** This allocation reflects postgraduate research student numbers in departments that attract mainstream QR funding, the relative costs of the subjects they are studying, quality and London weighting.
- c. **QR charity support fund.** Many charities support research in higher education, particularly in medical disciplines, but they are not always able to meet the full economic costs of research. We therefore provide additional funding to HEPs in proportion to the London-weighted income they receive from charities for research.
- d. **QR business research element.** We also provide funding to support HEPs undertaking research with business and industry. This is allocated in proportion to the income they receive from business for research.
- e. **QR funding for National Research Libraries.** This is additional support for five research libraries which are designated as being of national importance.

How we allocate QR funding

Each HEP receives a proportion of funding based on measures such as numbers of staff and income received by the HEP. This ensures we are fair, transparent and efficient in how we distribute grants to HEPs.

We have a fixed budget provided to us by the government, which does not change just because we choose one measure of activity rather than another. Our concern is to ensure that HEPs receive an appropriate, fair share of that fixed budget, in a way that supports accountability but avoids an excessive burden or unwelcome effects.

We therefore choose our measures to reflect factors that are important in higher education, and to take into account the following considerations:

- the extent to which a particular factor can be measured and audited reliably
- the accountability burden on HEPs in supplying the data
- the extent to which a particular measure will influence the distribution of funding
- the messages and incentives that any particular measure may give to HEPs and the behaviours (desirable or undesirable) it might therefore encourage.

These measures do not, though, define what we fund or what our funding should be used for. For example, where a measure relates to activities of specific academic departments the funding may be used to support

the research activity of HEPs more generally, not just the activity within those specific academic departments.

Mainstream QR funding

Mainstream QR funding is first separated into three 'pots' according to the contribution that the three elements of research assessed in the REF make to overall quality profiles (more details below).

These pots are then further divided by subject, and finally distributed to HEPs. The distribution between subjects and HEPs is informed by:

- the volume of research based on numbers of submitted staff with significant responsibility for research
- the quality of research as measured in the REF
- subject cost weights reflecting, for example, that laboratory-based research is more expensive than library-based research
- London weighting to reflect the higher costs incurred by HEPs in London.

The volume measure

The volume measure in our research funding method is the number of staff with significant responsibility for research employed by the HEP and submitted to the REF (counted in full time equivalent (FTE) terms), multiplied by the proportion of research that meets a quality threshold in the REF. This threshold is explained on page 15.

The quality ratings and staff volume were determined from the 2021 REF. The volume measure for research determines what we count for funding purposes.

Quality profiles

The 2021 REF reviewed research in all disciplines, divided into 34 subject areas known as units of assessment (UOAs). A two-tier panel structure was used to determine the profile of research quality in each submission. Each UOA was assessed in one of 34 sub-panels, with four main panels (A to D) coordinating and advising on the work of the sub-panels in related disciplines. HEPs were required to return in the REF all staff employed with significant responsibility for research. It was for HEPs to determine to which UOA each staff member should be submitted.

For each submission made, the panels determined a quality profile, identifying what proportion of the research met certain quality thresholds. This profile was on a five-point scale:

- **four-star (4*)** – quality that is world-leading
- **three-star (3*)** – quality that is internationally excellent
- **two-star (2*)** – quality that is recognised internationally
- **one-star (1*)** – quality that is recognised nationally
- **unclassified** – quality that falls below the standard of nationally recognised work or is otherwise found to be ineligible.

Each overall quality profile is composed from sub-profiles reflecting the three elements assessed in each submission. Each element is given a different weighting towards the overall profile. These elements are:

- the quality of research **outputs** – predominantly publications (60 per cent)
- the social, economic and cultural **impact** of research (25 per cent)
- the research **environment** – the resources and infrastructure that support research (15 per cent).

The next figure is an example of a HEP quality profile identified from the REF.

Example HEP quality profile from REF 2021 for UOA3

| UOA3 –Allied Health Professions, Dentistry, Nursing and Pharmacy | Percentage of research activity in the submission judged to meet the standard for: | | | | | FTE of staff submitted: |
|--|--|-------|-------|------|------|-------------------------|
| | 4* | 3* | 2* | 1* | U/C | |
| Overall | 47% | 44% | 8% | 1% | 0% | 76.79 |
| Outputs | 34.3% | 50.5% | 14.1% | 0.5% | 0.6% | |
| Impact | 66.7% | 33.3% | 0.0% | 0.0% | 0.0% | |
| Environment | 62.5% | 37.5% | 0.0% | 0.0% | 0.0% | |

Subject cost weights

| Subject grouping | Weighting |
|--|-----------|
| A High-cost laboratory and clinical subjects | 1.6 |
| B Intermediate-cost subjects | 1.3 |
| C Others | 1.0 |

Subject cost weights

There are three subject cost weights, as shown above.

Periodically, we review information about the relative costs of different types of activity. These reviews are informed by data provided by HEPs on their expenditure in academic departments.

London weighting

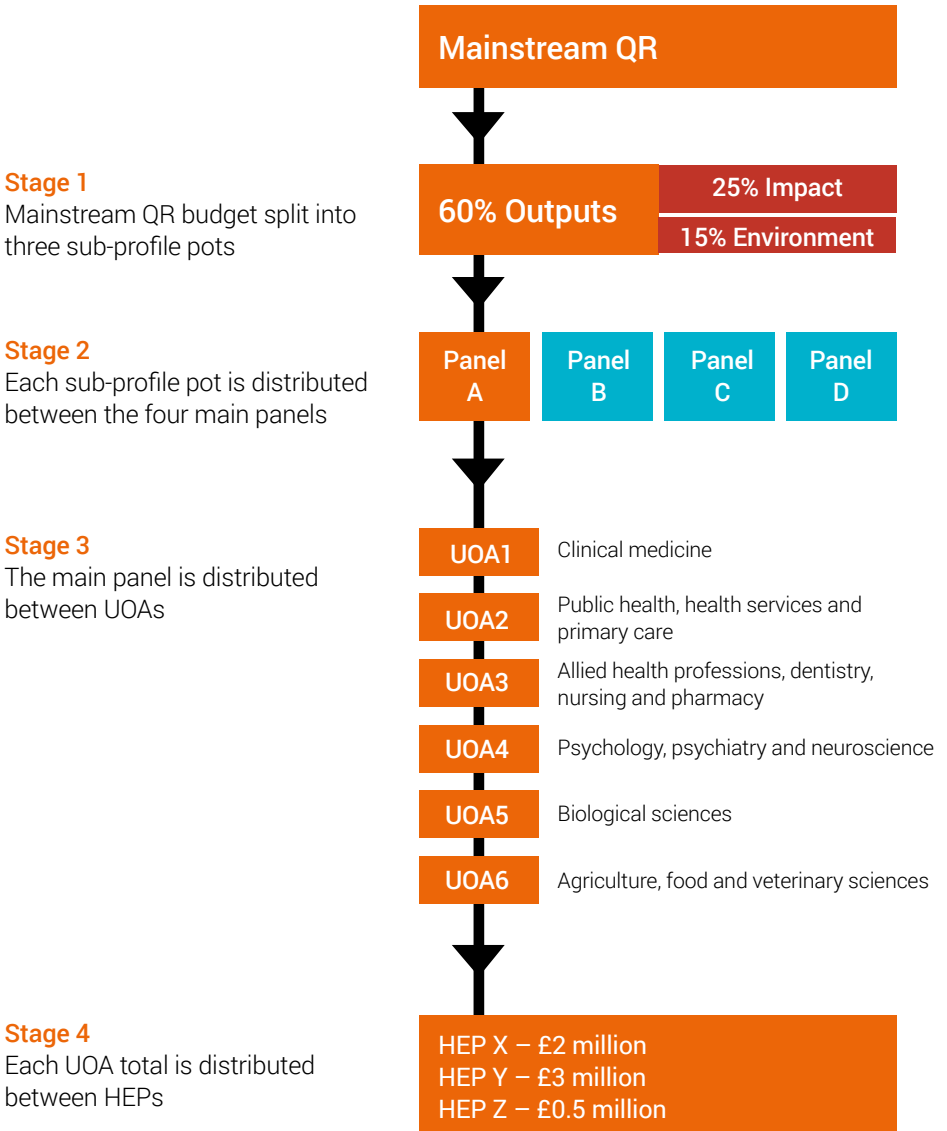
This is 12 per cent for HEPs in inner London and 8 per cent for HEPs in outer London.

Calculating mainstream QR funding

There are four stages to the allocation of mainstream QR funds (summarised in the diagram overleaf):

- **Stage 1** – separating the mainstream QR total into three elements, reflecting the weight given to each sub-profile element in determining the overall quality profile
- **Stage 2** – distributing the three elements between the four REF main panel disciplines
- **Stage 3** – further distributing the main panel totals between the 34 UOAs
- **Stage 4** – distributing the totals for each UOA between HEPs.

Allocation of mainstream QR funding



Note: Sizes of allocations are for illustrative purposes only

Stages 1 and 2: Determining the amount provided for the four main REF panel disciplines

The total mainstream QR allocation is separated into funding pots for each sub-profile element. This reflects the weighting given to the elements submitted to the REF in determining the overall quality profile:

- outputs – 60 per cent
- impact – 25 per cent
- environment – 15 per cent.

The next stage is to decide the amounts that will be allocated from these separate pots to the main subject panels. The total funding in each main panel subject pot is based on the proportion of funding allocated to each main panel in 2021-2022.

Stages 3 and 4: Distributing the main panel totals between UOAs and then HEPs

In the final stages the totals for each main panel are distributed, firstly between its constituent UOAs, and finally between HEPs. The shares for each UOA, and within them for each HEP, are in proportion to their volume of activity reaching the 3* and 4* quality levels in the REF, multiplied by quality and cost weights.

In stages 3 and 4, we apply weightings to the volume of research attributable to each quality rating, as shown in the table below. This ensures that our funding of research is highly selective.

Research funding quality weightings.

| Quality rating (with abbreviated description) | Quality weighting |
|---|-------------------|
| 4* (world-leading) | 4 |
| 3* (internationally excellent) | 1 |
| 2* (recognised internationally) | 0 |
| 1* (recognised nationally) | 0 |
| Unclassified (below the standard of nationally recognised work or ineligible) | 0 |

The cost weights used in the funding method for mainstream QR (shown in the table on page 13) are unchanged from previous years.



Clarification: department

The term 'department' means a group of staff and their research activity returned in a single submission within one subject UOA, irrespective of whether this forms a single administrative unit within the HEP.

Allocating London weighting on mainstream QR

We provide London weighting as a percentage of a HEP's funding for mainstream QR (see previous page). This is calculated separately after Stage 4.

QR RDP supervision fund

Funding for RDP supervision is provided on the basis of FTE postgraduate research (PGR) student numbers in all departments that receive mainstream QR funding for research. These are derived from HEPs' Higher Education Statistics Agency (HESA) data.

When determining RDP supervision fund allocations, we calculate a quality score for each department. This consists of the amount of 3* and 4* activity as a proportion of total activity at 2* quality and above, in its REF overall quality profile. For each eligible department, PGR student FTEs are subject to London weighting (using the same percentages as for mainstream QR), the cost weightings given in the table on page 13 and the quality score. We then distribute the total available funding in proportion to these weighted FTEs.

We also take account of data that enables us to recognise the contribution of more than one HEP associated with a formal collaborative research training programme and, in specific cases, directly fund the different HEPs. This is because we recognise that collaborative research training programmes involving more than one HEP are increasing in number. Data on these collaborative programmes was captured for the first time on the 2015-16 HESA student record.

QR charity support fund

The QR charity support fund is provided to HEPs in proportion to the amount of eligible research income from charities reported in their four most recent years' finance data (HESA Finance Record and Office for Students Annual Financial Return), subject to London weighting (the same percentages as mainstream QR). The research income has to have been awarded openly and competitively. There is no minimum quality threshold for eligibility for this funding.

QR business research element

The QR business research element supports HEPs undertaking research with business and industry. The allocation is provided in proportion to the amount of research income HEPs receive from industry, commerce and public corporations, using data reported in their four most recent years' finance data (HESA Finance Record and Office for Students Annual Financial Return). There is no minimum quality threshold for eligibility for this funding.

QR funding for National Research Libraries

Five HEPs receive supplementary funding because they have libraries designated as National Research Libraries (NRLs). The criteria for designation as an NRL are:

- have a unique collection or critical mass of rare material
- make a significant and essential contribution to the national research base

- incur associated costs beyond which the host HEP could be expected to bear
- have a track record of high quality services to external users.

Research Capital Investment Fund (RCIF)

Formula-based capital funding is provided to support sustainable investment in higher education research facilities and infrastructure. These grants are allocated through the Research Capital Investment Fund (RCIF), which has two elements:

- **HEI Research Capital England**, allocated in proportion to HEPs' two most recent years' recurrent QR funding and research income from other (non-research council) sources.
- **Higher Education Research Capital (HERC) England**, allocated in proportion to HEPs' three most recent years' research income from research councils.

Recurrent funding for knowledge exchange

Higher Education Innovation Funding (HEIF) is the mechanism through which we provide annual funding for knowledge exchange.

What is knowledge exchange recurrent funding used for?

HEIF is revenue funding designed to support and develop a broad range of knowledge-based interactions between HEPs and the wider world, which result in economic and social benefit to the UK.

It supports and provides incentives for 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 social benefit.

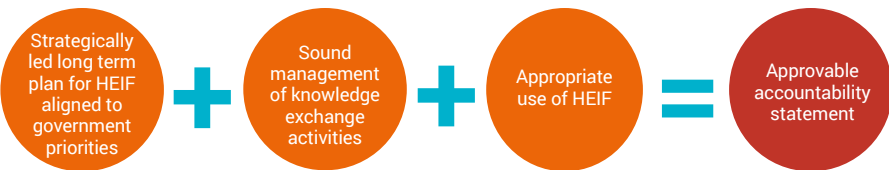
Working with the Office for Students

A proportion of HEIF is provided by the Department for Education. We therefore work with the Office for Students, which oversees teaching funding, to ensure joint agreement on management of HEIF ensuring it reflects the student and teaching elements of knowledge exchange.

How we allocate HEIF

HEIF is allocated by formula to all eligible HEPs. HEPs can only receive HEIF allocations if we are satisfied that they are being used for eligible purposes: knowledge exchange activities related to key priorities. We check this through our accountability and monitoring regime, which for the period 2020-21 to 2024-25 is outlined in [RE-P-2020-3 - HEIF Policies and Priorities](#). Key priorities for use of HEIF are set out periodically in accountability guidance and confirmed in the annual guidance UK Research and Innovation receives from government, currently addressing priorities of the Innovation Strategy and the Levelling Up White Paper.

To target knowledge exchange funding where it can support higher education knowledge and skills to have the greatest positive impact on the economy and society, we only give HEIF to HEPs with evidence of significant knowledge exchange performance and partnerships.



Criteria for approval of an accountability statement for knowledge exchange

To judge this, we use data on the income received by a HEP from its users – businesses, public and third sector services, the community and wider public – as a proxy measure for the impact of its knowledge exchange activities.

We calculate allocations for individual HEPs by adding together their main knowledge exchange income indicators. This data is collected through:

- data that HEPs submit to HESA in the Higher Education – Business and Community Interaction (HE-BCI) Survey
- other financial data from the Office for Students Annual Financial Return.
- data on knowledge transfer partnerships from Innovate UK.

We take account of income over a three-year period, weighted towards the latest year of performance, providing a balance between stability and dynamism. Income from small and medium-sized enterprises (SMEs) is given a double weighting within this component, to signal the importance of working with such businesses and to recognise the higher costs involved.

There is an allocation threshold for all HEPs: if the allocation calculated by the formula for a HEP is lower than this threshold, they will not receive any allocation at all. This is intended to ensure that our funding for knowledge

exchange is efficient, by targeting it to HEPs with the most significant knowledge exchange performance and partnerships.

There is a cap on individual allocations, so that we provide both incentives for high performers and support for a broad range of HEPs supporting the range of different external partners, across the country. Where there is evidence that the cap is a constraint on a HEP's support of economic growth, we provide a supplement to enable their knowledge exchange activities to be enhanced. The supplement is based on the HEP's share of qualifying income (calculated according to the main HEIF allocation method).

Allocations are re-calculated annually based on the latest data, to encourage dynamism and to reward recent performance. But we also moderate year-on-year changes so that, subject to being above the minimum threshold and below the cap, no HEP has a change in allocation greater than the notified amount. This gives HEPs a level of predictability so that they can use HEIF strategically. Ordinarily this annual modifier is set to +/-10 per cent compared to the previous year's allocation although the upward modifier may vary to take into account new funds.

For full details of the policies, priorities and accountability processes for HEIF, see [RE-P-2020-3: HEIF Policies and Priorities](#).

Features and parameters of the HEIF formula¹

| HEIF formula feature or parameter | Description |
|---|--|
| Purpose | Support for a broad range of knowledge exchange activities across all subjects which result in economic or societal impact. |
| Accountability | Formula funding released against a high-level accountability statement on use of HEIF. Annual monitoring of spend and progress. |
| Data used to calculate allocations | <p>HE-BCI Contract Research income</p> <p>HE-BCI Consultancy income</p> <p>HE-BCI Equipment and facilities income</p> <p>HE-BCI Regeneration income</p> <p>HE-BCI Intellectual property income</p> <p>OfS Annual Financial Return Non-credit-bearing course income</p> <p>Innovate UK Knowledge Transfer Partnerships income</p> <p>Note: SME income double weighted where data is available</p> |
| Data years and weighting | Allocations recalculated annually using the three most recent available years of data, weighted 2:3:5. |
| Threshold (minimum allocation) | HEPs that do not achieve an allocation equal to or higher than a threshold get no allocation at all. |
| Cap (maximum allocation) | Cap on maximum allocation per HEP. |
| Moderation | Annual transition so no HEP (subject to being above the minimum threshold, and below the maximum allocation) sees its allocation increase or decrease by more than a set percentage of its allocation. Ordinarily this is $\pm 10\%$, although this may be varied depending on total funds to allocate. |
| Top-up allocations | Allocated pro-rata between those HEPs on the maximum allocation (although awards are calculated with a minimum and a maximum to provide effective incentives for all HEPs on the cap). There are no transitional modifications, and the top-up is not considered as part of the HEP's core allocation from which future years are calculated. |

¹ Parameter values may be subject to change and are confirmed each year in the Research England annual funding allocations: <https://www.ukri.org/what-we-offer/what-we-have-funded/research-england/>

Non-recurrent funding

We allocate a small proportion of our total funding to support special programmes, promote specific policies and contribute towards additional costs that are not recognised through our recurrent funding methods.

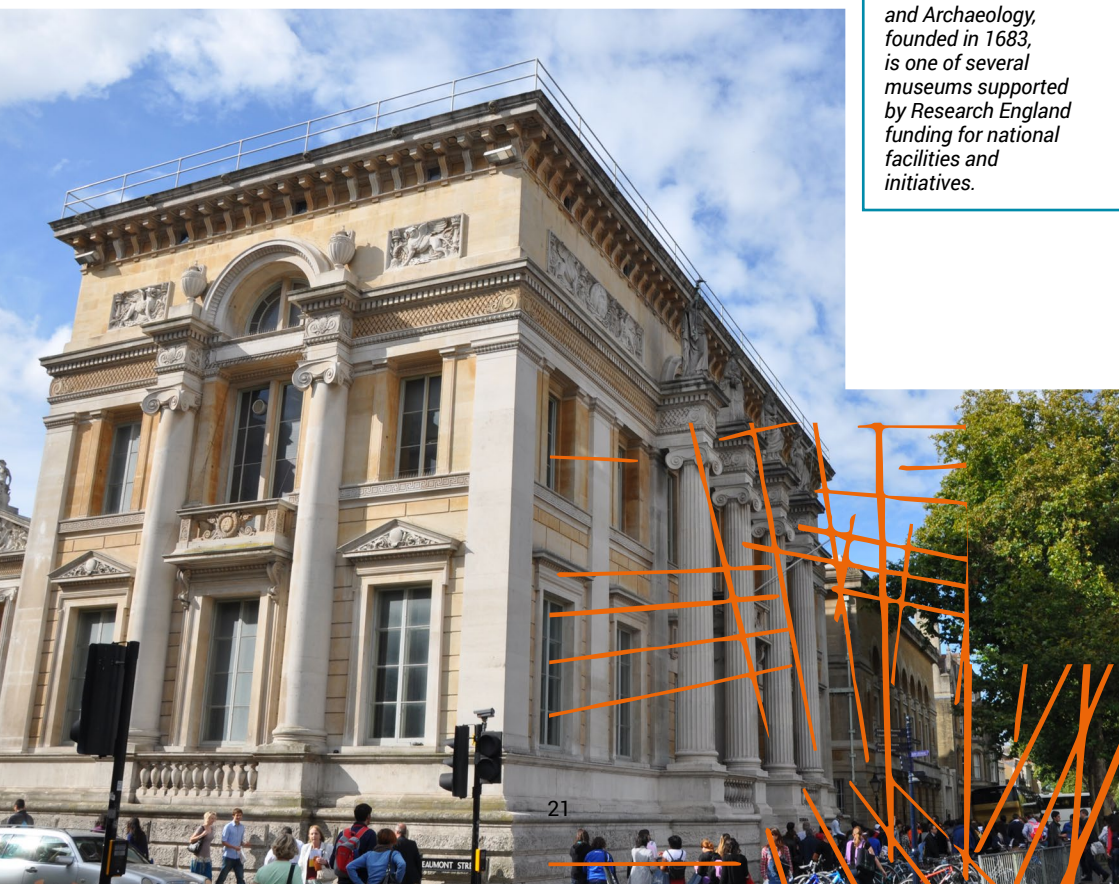
National facilities and initiatives

The Museums, Galleries and Collections Fund supports museums and galleries in the higher education sector that have research significance beyond their home HEP.

For a full list of recipients, see our website www.ukri.org/research-england/

Funding for national facilities and initiatives also supports partnership working with some sector bodies, such as Jisc (www.jisc.ac.uk) which funds development and champions the use of digital technologies in UK education and research.

The University of Oxford's Ashmolean Museum of Art and Archaeology, founded in 1683, is one of several museums supported by Research England funding for national facilities and initiatives.



Time-limited formula funding

Enhancing Research Culture

The Enhancing Research Culture Fund (ERC) supports HEPs to develop and initiate new activities in response to the government's R&D People and Culture Strategy.

ERC is allocated using a formula based on a measure of total volume of research staff and postgraduate research students. Eligible total volume is defined as the sum of:

- a. FTE number of staff with an academic contract that is both teaching and research, and who have significant responsibility for research as reported in the HEPs' HESA staff return;
- b. FTE number of staff with an academic contract that is research only as reported in the HEPs' HESA staff return;
- c. FTE postgraduate research student numbers as reported in the HEPs' HESA student return.

The total volume measure is rounded up to the nearest 50 FTE and the results of the allocation model are rounded up to the nearest £50,000. There is a minimum allocation of £50,000 and a maximum allocation of £1 million.

HEIF Business and Commercialisation Supplement

To meet the government's requirement to increase focus and funding on university-business collaboration we are introducing a specific supplement to HEIF focussed on these aims. This supplement to HEIF is also allocated by formula and we will calculate supplement allocations for individual HEPs based on their knowledge exchange income indicators relating only to business and commercialisation activity.

We are putting in place a strategic approach to monitoring delivery of the government's priority in this area, which includes assurances that funds are used for these purposes, and sector level monitoring.

Participatory Research

Participatory Research Funding (PRF) is allocated by formula to support participatory or co-produced research. This strengthens research outcomes by involving the communities and users of research, better recognising their experience, needs and preferences, and giving greater agency to communities to implement findings.

PRF is distributed to HEPs in proportion to their total recurrent QR funding allocations for the year. There is a maximum allocation of £150,000, a minimum allocation of £20,000 for providers with a total recurrent QR allocation over £25,000, and a minimum allocation of £5,000 for providers with a total recurrent QR allocation under £25,000.

Policy Support Fund

The Policy Support Fund (PSF) is allocated by formula to support universities to link effectively with policy research priorities and opportunities, from the local to the international. The funding supports universities in undertaking research with local, regional, national and international structures (including parliament, central government, devolved administrations, local government, health and education bodies, the justice system and other regulatory organisations).

PSF is allocated in proportion to HEPs' research income from UK central government bodies, local authorities and health and hospital authorities, with minimum and maximum values for allocations in place.

Specialist Provider Element

In the 2020 Budget the government announced an investment of £80 million funding in specialist institutions over five years. The funding recognises the characteristics of specialist providers and the contribution they make to their disciplines, associated industries, and more widely to society and the economy.

Specialist providers are defined as those meeting all the following criteria:

- a. A provider that has at least 75% of their staff FTE in one HESA cost centre; or at least 90% of their staff FTE in two HESA cost centres
- b. A provider in receipt of mainstream QR funding
- c. A provider with below 1000 FTE academic staff

Funding is allocated in proportion to providers' total recurrent QR funding. There is a maximum allocation for a provider of 10% of the total Specialist Provider Element funding available.



Investment from E3 has enabled the Natural Resources Institute at the University of Greenwich to expand collaborations with universities in Africa, addressing food and nutrition security in less developed countries.

Dedicated project funding

Expanding Excellence in England (E3) Fund

E3 supports the strategic expansion of small-scale, excellent research units and departments.

It is allocated through a two-stage competitive process, based on an expert panel's assessment of research excellence, small size, expansion plans and strategic commitment. All funding from the first round was fully allocated and we are exploring opportunities for further E3 funding.

International Investment Initiative (I3) Fund

I3 is a competitive fund that helps HEPs expand existing research collaborations with universities and research organisations outside the UK. We have worked with Universities UK International on the development and delivery of I3.

All funding from the first round was fully allocated in 2019-20, with no plans at present for any further rounds.

Research England Development (RED) Fund

The RED Fund supports projects that aid the development and interaction of the UK's higher education research and knowledge exchange activity in line with government and UKRI priorities.

It is selectively allocated by assessment and focuses on innovative approaches, collaboration, risk-sharing, sustainability and projects that look to:

- demonstrate additionality to achieve wider societal and economic benefits beyond those of a HEP's setting
- share learning about effective approaches around the higher education sector
- deliver activities that are unable to be supported through any other means.

The RED fund will include an element to take forward the main themes of the **Connecting Capability Fund (CCF)**, promoting scale and collaboration between HEPs in commercialisation to develop and share capabilities and best practice, focussed on projects selected competitively responding to specific government and Research England priority areas that will be identified from time to time.

UK Research Partnership Investment Fund (UKRPIF)

UKRPIF supports investment in ground-breaking higher education research facilities, driving strategic partnerships at UK HEPs that can attract substantial co-investment from private sources.

Awards are made through a competitive bidding process. There have been six rounds of UKRPIF since it was established in 2012, with private co-investment amounting to at least £2 for every £1 awarded through the fund.



The UKRPIF helped fund the University of Manchester's Graphene Engineering Innovation Centre. The facility supports the application and commercialisation of graphene, a highly versatile material with the potential for a great number of purposes such as biomedical tissue implants, superfast semiconductors or ultra-fine water filtration systems.

As a UK-wide fund, UKRPIF is delivered by Research England in partnership with the Scottish Funding Council, the Higher Education Funding Council for Wales and the Department for the Economy, Northern Ireland.

A seventh round of UKRPIF was launched in 2022 with a budget of £100 million, seeking projects to be completed by the end of the 2024-25 financial year.

Widening access and participation in postgraduate research

Research England, together with the Office for Students, currently funds 13 projects that aim to improve access and participation for Black, Asian and minority ethnic groups in postgraduate research.

Funding was awarded through a competitive process. All funding was fully allocated in 2021 and there are currently no plans for future rounds.







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