



Changes to Research England terms and conditions – consultation document, June 2023

For attention of	Heads of institution
Purpose	Consultation document for changes to Research England terms and conditions
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Summary

1. This document invites comments on revised terms and conditions of funding administered through Research England under section 97 of the Higher Education and Research Act 2017, forming part of an overarching accountability framework between Research England and the higher education providers we fund.
2. A summary of the revisions for the 2023-24 Research England terms and conditions of funding is provided in the annex.

Introduction

3. The Higher Education and Research Act 2017 established UK Research and Innovation (UKRI) to oversee and support the majority of publicly funded research and innovation activity in the UK. Research England is the Council within UKRI with delegated funding and regulatory responsibilities for university research and knowledge exchange in England.
4. Research England's role is to create and sustain the conditions for a healthy and dynamic research and knowledge exchange system in English universities. Working closely with the Research Councils and Innovate UK, and with our partner funding bodies in the devolved administrations, we ensure that our nation's universities are effectively supported and encouraged to deliver excellent research with impact and world-leading knowledge exchange.
5. UKRI is a non-departmental public body. This means that while UKRI's remit (and the remits of its councils) are set by the Secretary of State for Science, Innovation and Technology, UKRI is not part of any government department. The 2017 legislation provides clear protections for academic freedom and provider autonomy under the Haldane principle and the 'dual support' system for research funding. These protections enable UKRI and its councils to make investments that deliver excellent research, that promote and incentivise impact, and that support high-performance knowledge exchange and business-led innovation. These protections also enable Research England to act as a broker between universities and the Government ensuring the appropriate provider freedom for research and knowledge exchange.
6. Research England's funding powers under the 2017 Act are linked to the definition of eligible higher education providers as set by the Office for Students (OfS) and prescribed in detail by the OfS' regulatory framework.

Accountability framework

7. Our accountability framework, and the terms and conditions that fit within it, are intended to safeguard both higher education provider and academic autonomy, which are widely regarded as key factors in the success of English higher education. The principle of provider autonomy and the systems of regulation on which it depends rely on clear lines of accountability for the proper stewardship of public funds and on being able to demonstrate to Parliament and the public that, in the exceptional circumstance when something goes wrong, there is a clear mechanism to put it right.
8. Higher education in England is made up of a diverse range of providers of varying size and complexity. To give expression to the principle of autonomy, every higher education provider is headed by a governing body or equivalent which is unambiguously and collectively responsible for overseeing the provider's activities, determining its future direction, and fostering an environment in which the provider's mission is achieved and the potential of all students (including postgraduate research students) is realised. The governing body or its equivalent ensures compliance with the statutes, ordinances and provisions regulating the provider and its framework of governance. Research England's funding is provided explicitly to the governing body as the higher education provider's ultimate authority.
9. As accounting officer, the chief executive of UKRI has a personal responsibility to safeguard public funds and achieve value for money as set out in HM Treasury guidance, 'Managing Public Money'. This includes responsibility for the public funds allocated by Research England to universities for research, knowledge exchange and associated purposes. The Executive Chair of Research England makes a clear personal contribution to fulfilling this responsibility, in line with the delegated responsibilities defined by legislation.
10. The approach to accountability described above draws on the expertise and diligence of governors, the effective academic management of higher education providers and a relationship of trust between Research England and English universities. Research England, in turn, has a responsibility to promote and protect the wider public interest, particularly in relation to the funding we provide.

Terms and conditions of funding

11. The purpose of our terms and conditions of funding is to provide clarity and assurance around the formal funding relationship between UKRI (operating through Research England), governing bodies and heads of providers.

12. In updating these terms and conditions we have continued to focus on two key principles:
- a. **Complementarity**: replicating similar frameworks operated by other bodies and utilising existing sources of assurance where possible
 - b. **Continuity**: avoiding unnecessary major changes in the relationship between Research England and the providers it funds
13. UK Research and Innovation regularly reviews its terms and conditions. We will strive to ensure that where our aims are the same as those of the rest of UKRI we do not generate additional conditions. Increasingly, the Research England conditions will focus specifically on areas where our distinctive model of assurance is fundamental to what we do, cross-referring to other documents where we share interests with others.
14. Research England's purpose is to create and sustain the conditions for a healthy and dynamic research and knowledge exchange system in English universities. Our role is in securing flexibility for universities and colleges to make their own judgements and take risks. We are responsible for the element of dual funding which protects the capacity of universities to respond quickly to opportunities central policymakers may not even be aware of and our approaches to funding will ensure that we do that. We are also responsible for ensuring that the research system across our universities is capable of sustaining its level of achievement. We will diverge from other existing accountability frameworks only in order to achieve these goals.

Updates for 2023-2024

15. Given our focus on complementarity and continuity and given the additional pressures the sector is facing following the pandemic and with the rise of inflation, the changes for this year either clarify ambiguity or are couched as expectations rather than conditional requirements. The updates to the 2023-24 terms and conditions are intended to:
- a. provide additional clarity, specifically to our eligibility criteria, where the T&Cs may previously have contained ambiguous or unclear wording.
 - b. align with applicable regulatory changes.
16. The annexed table highlights the substantive amendments and additions to the 2022-23 Research England terms and conditions. Paragraph references in brackets refer to the current, published [2022-23 terms and conditions](#) document for ease of comparison and reference.

Responding to this consultation

17. Responses to this consultation should be submitted via the [online survey](#) by **12 June 2023**.

18. We will finalise the terms and conditions in light of feedback received through consultation. We will publish the final document on our website, together with a summary of the feedback received, before 31 July 2023.

Annex A: Table of substantive amendments for the 2023-24 RE Terms and Conditions

A - Clarifying eligibility criteria (RE T&Cs, paragraph 8)

Clarifying eligibility criteria

We have taken the opportunity to clarify eligibility criteria for our funding. We have done this by clarifying the wording currently stated in the terms and conditions at paragraph 8, set out below, and by publishing an explainer document on KE funding eligibility (including HEIF) ['Statement of eligibility for KE funding'](#).

As currently stated, the following wording in paragraph 8b 'undertaking research and related activities', lacks definition.

- a. *'8. For a provider to be eligible for grant funding from Research England, it must meet the following criteria: The provider must be registered with the OfS in the Approved (fee cap) category of the OfS's register. This includes continuing to meet the OfS's ongoing conditions of registration.'*
- b. *The provider must be undertaking research and related activities (*including knowledge exchange)*
- c. *The principal – though not necessarily exclusive - aim of the provider's research activity should be the creation of new knowledge which is made freely available to all.'*

Therefore, the proposed new wording is:

"For a provider to be eligible for grant funding from Research England, the provider must be registered with the OfS in the Approved (fee cap) category of the OfS's register. This includes continuing to meet the OfS's ongoing conditions of registration.

Where a provider is undertaking research and meets the eligibility criteria for research funding from Research England, the principal – though not necessarily exclusive - aim of the provider's research activity should be the creation of new knowledge which is made freely available to all."

These amendments to the terms and conditions do not change the requirements to be eligible to receive Research England funding. Individual funding streams will continue to confirm eligibility criteria, which may vary across schemes in order to meet that scheme's overarching objectives. The eligibility criteria in paragraph 8 of the terms and conditions states what a HEP must demonstrably meet in order to receive any type of RE funding, prior to any additional, fund specific criteria being applied. We are proposing to further clarify this in the terms and conditions by incorporating the following wording:

“Further to the eligibility criteria stated in paragraph [8], individual Research England funding streams will continue to confirm any additional eligibility criteria, which may vary across funding streams and will be linked to the objectives, intended outcomes, and specific characteristics of research or knowledge exchange activity relevant to that particular funding stream.”

B - Renaming Annex A (RE T&Cs, page 23, Annex A)

For 2020-21 we included a new annex which brought together standard conditions that relate to funding that is not allocated by formula, (annex A, page 23 of the [2022-23 T&Cs](#)). This was done to reduce the number of separate terms and conditions documents and to harmonise the common conditions into one over-arching T&C document.

The term 'competitively allocated' is currently used to describe annex A which includes conditions used to cover all non-formula and project (both competitive and non-competitive) funding. Therefore, the use of the word 'competitive' is not entirely applicable to the range of funds this annex relates to, therefore we are proposing to change the use of the term 'competitively allocated funding' to 'non-formula and project funding'. The use of the term 'non-formula and project funding' more accurately reflects the application of those conditions and is designed to provide additional clarity for both RE internally and those in receipt of our funding. This is a name change only and will have no bearing on the application of these conditions. We will continue to alert fund recipients as to whether the conditions in annex A relate to their funding at the point of award.

C - Aligning with regulatory changes (RE T&Cs, paragraph 59)

In order to reflect the change in the relationship between the Office for Students (OfS) and the Quality Assurance Agency (QAA) as the Designated Quality Body, which came into effect on 31st March 2023, we are proposing to remove reference to the QAA Quality Code for Higher Education. The change is designed to reflect the way in which quality in England is now regulated by the OfS.

D - Clarification of expectations around data assurance (RE T&Cs, paragraphs 76)

In order to align with our data assurance processes, we propose to include a clear statement of expectation that providers conduct an internal audit of the data supplied to Research England to inform allocations of funding and for other purposes. Proposed new wording will be incorporated into paragraph 76 under 'Data Assurance' as follows:

“To ensure the quality and accuracy of the data, we expect HEPs to undertake an internal audit review of the data approximately every 5 years, along with a review of the systems and processes used for the compilation of the data.”