

Specific guidance to UKRI, from DSIT, regarding the operation of Research England for 2023-2024

1. Science and Research - Funding and priorities

The excellence of the UK's research base is internationally recognised and is crucial to supporting sustainable economic growth, enhanced productivity and the ambitions of the Government's Science and Technology Framework. Government has affirmed its continuing commitment to the Dual Support system and Quality-related Research (QR) funding remains vital to research success within this system. QR's unhypothecated nature allows universities to use it to address a broad range of challenges and opportunities. It supports them in working with a wide range of research partners including businesses, charities, public sector organisations and government departments.

The Spending Review 2021 (SR21) settlement and the funding announced with the Science and Technology Framework means we can continue to support research and training and maintain the balance of funding across the dual support system. To ensure that the best research is supported, funding allocations should continue to be made based on academic excellence and impact. You should continue to support the next generation of researchers, and leverage funding from external sources such as the charitable and business sectors.

Further consideration should be given to how funding can be deployed to support the expansion of excellent, but small in scale, research capability across England. We welcome the review of Research England's approach to strategic institutional research funding that is starting shortly. This review should consider the purpose of and the fundamental principles that underpin the approach to funding allocations, in consultation with the sector and wider stakeholders. We also welcome the work that Research England is initiating on approaches to increase transparency concerning the use of this funding.

Research England, working with the Devolved Administrations and across UKRI, should pay particular attention to maintaining disciplinary breadth in areas of strategic importance.

Funding allocations to Research England for research, knowledge exchange (KE) and research capital for the financial year 2023-24 (along with indicative budgets for 2024-25) are set out in the table below. This funding will enable Research England to deliver the Government's objectives for research, R&D, people and culture, economic growth and levelling up. This allocation ensures that the balance of dual support (i.e. the balance of research funding between Research England and the Research Councils) will remain at a similar ratio to recent years.

We recognise Research England's role within UK Research and Innovation (UKRI) to deliver the Government's priorities for UK science and research but also their distinctive role in supporting universities in England. Continued engagement with English universities remains important for assessment of sector health and financial sustainability and identifying emerging issues, risks and pressures to the system.

We appreciate Research England's efforts in distributing stabilisation funds to support the sector ahead of a final decision on Horizon Europe association, and request that Research England continues to contribute as required to the implementation of the Pioneer programme.

Research England's ongoing attention to the levelling up agenda and supporting the UKRI organisational objective to *"Deliver economic, social, and cultural benefits from research and innovation to all of our citizens, including by developing research and innovation strengths across the UK in support of levelling up"* is encouraging. Research England has already demonstrated this through increased QR distributed outside the greater Southeast and the delivery of the UKRI Strength in Places Fund. The Expanding Excellence in England programme also supports this goal, and we welcome the second round of this programme.

We endorse the commitments in the recently published Research England Strategic Delivery Plan. These include better understanding of the research infrastructure landscape, increased visibility of the impacts of your investments and enhancing your role as a knowledge organisation.

Working with the Office for Students and JISC

Collaboration between Research England (on behalf of UKRI) and the Office for Students (OfS) is essential to a strategic approach to the funding and regulation of Higher Education (HE) in England. Research England should continue working with the OfS on areas of shared interest, including skills; capability and progression; Higher Education reforms; support to Post Graduate Research Students; knowledge exchange; financial sustainability of HE and research providers; infrastructure funding; and shared evidence and intelligence.

Research England and the OfS should work closely with the Higher Education Statistical Agency (HESA) and Jisc with which it has recently merged, to ensure that we achieve the optimum data landscape to meet all government priorities whilst minimising burden on the HE sector. DSIT and DfE will support the development of a renewed agreement on data acquisition, sharing and oversight in 2023-24.

The Future Research Assessment Programme (FRAP)

We are encouraged to see the progress being made on the FRAP. Working with the HE funding bodies in the devolved administrations this has reviewed and set out plans for how research assessment should evolve following the 2021 Research Excellence Framework (REF). This should ensure the right incentives and rewards for research and for researchers are in place. These should stimulate and foster a diverse, open and productive research culture, which recognises all contributions to research including attention to the assessment of local impacts.

The FRAP should encourage high quality research, with positive economic and social impacts. It should maintain the UK's reputation for world-leading research across disciplines while enabling new disciplines to emerge and incentivising interdisciplinary and institutional collaboration. The assessment should also incentivise open access to research outputs in alignment with Government policy. Clear accountability for public funding must be maintained but without unnecessary bureaucracy. We look forward to

seeing the outputs of this programme when the initial decisions are published on 15 June.

Funding for Specialist Institutions

Budget 2020 announced £80m funding in recognition of the “excellence and global reach” of our leading research specialist institutions over the five financial years to 2024-25. We appreciate your actions to continue to support Specialist Institutions.

2. Impact, Knowledge Exchange and Research Commercialisation, and Collaboration with Business

The research base has a critical role in supporting our economy and future prosperity. This was highlighted by the important contributions that universities made during the Covid crisis and continue to make through the post-pandemic recovery. Effective research collaboration between universities and industry remains critical to this and to facing the challenges of the future.

Research England should continue to support university/business collaboration by increasing funding for this over the SR21 period, including through Business QR and Higher Education Innovation Funding (HEIF). We welcome progress made by Research England in meeting these priorities.

Your support of museums and galleries has been important to unlocking university resources to gain additional cultural impact. We look forward to the progress made in reviewing HE museums, galleries and collections through 2023-24.

Knowledge Exchange Funding

We have confirmed a long-term commitment to HEIF, which reached £280m a year in 2022-23, including £20m a year specifically for commercialisation activity. HEIF should support delivery of key government priorities from the UK Science and Technology Framework, the Innovation Strategy and the Levelling Up White Paper, and complement investments made through other Councils in UKRI. The OfS will be responsible for the teaching and student elements of HEIF via the £48m Strategic Priorities Grant contribution for the financial year 2023-24. Research England should continue to work with the OfS on programme management including evaluation and review.

Since its inception in 2020 the Research England Development (RED) Fund has been particularly valuable in spurring innovation in knowledge exchange and commercialisation and improving value for money. We welcome your work on innovative models to support entrepreneurial talent and improve the flow of researchers between academia and business. Similarly, the Connecting Capability Fund (CCF) has supported innovative projects and has shown itself to be a significant tool for delivering key government priorities, particularly on sharing and improving good practice in commercialisation.

These funds have incentivised universities across England to work together to pool their expertise, ideas and resources making it easier for business, investors and other partners to access opportunities and Research England is rightly streamlining the

governance and monitoring across both. Good practice from these projects should be shared across the sector to support the Government's wider ambitions for research and innovation.

We look forward to the completion of the review of knowledge exchange funding you launched in 2022. We are particularly interested to see emerging options for future knowledge exchange formula and project funding, and the Knowledge Exchange Framework (KEF). These options should take account of government priorities as well as stakeholder feedback.

The review has provided useful insights into what is working on the ground. We welcome the initial decisions informed by the review, particularly those clarifying eligibility for KE funding which recognise the dynamic nature of the HE sector.

We would like you to continue pursuing a funding approach for knowledge exchange which demonstrates value for money, balancing predictability in funding with rewarding dynamism while having due regard to burden. We note that you are considering latest evidence on ensuring that only effective performers should be funded through HEIF and look forward to your advice on this.

Implementation of the Knowledge Exchange Concordat has also been useful and we look forward to the review of the pilot exercise and decisions by the sector bodies on its long-term direction.

University-Business Collaboration and Commercialisation

The UK Research Partnership Investment Fund (UKRPIF) has proved effective in developing collaborative research programmes at scale between universities and the private sector. We have provided an additional £100m for a seventh round of UKRPIF and look forward to the outcomes of this to be communicated to all applicants by November 2023. Research England should ensure that all research projects supported by UKRPIF lever private co-investment equal to at least £2 for every £1 committed from the Fund. You should continue to monitor effective delivery and leverage of committed private co-investment from the £900m allocated through to 2022. Following the success of the Net Zero UKRPIF programme, we ask that you continue to embed the demonstration of achieving Net Zero in UKRPIF facilities as demonstrator projects.

It is also vital that entrepreneurial researchers with exciting new business ideas are supported to make their journey from the lab to the market. The current review of the spin-out landscape led by Professor Irene Tracey CBE and Dr Andrew Williamson will identify best practice to promote innovation and grow businesses of the future supporting the Chancellor's vision to nurture the world's next Silicon Valley. Your continuing work around university IP commercialisation will also be instrumental in ensuring support for research entrepreneurs. This includes actions taken forward from the advice from Mike Rees on University-Investor Links, your support for engagement between leading UK university Tech Transfer experts and their counterparts in the US from MIT, Stanford and Colombia.

Good progress has been made already, for example, TenU's development and publication of the USIT guide and the University Commercialisation and Innovation

Policy Evidence Unit (UCI) at Cambridge robust evidence on university equity positions. Closer working with investors through the CCF_RED expert group and the successful Northern Gritstone university venture fund has also been helpful. Building on this, and the latest evidence and insights from international comparisons, you should continue to review and enhance incentives for research commercialisation, and the development and adoption of good practice.

Support for the National Centre for Universities and Business (NCUB) remains important, bringing together university and business leaders to contribute to national policy agendas. NCUB and the UCI provide critical insights on university- business knowledge exchange both through their convening power and by contributing to delivery through tools such as the 'konfer' innovation brokerage platform.

Evidence and data to support Knowledge Exchange

We recognise the importance of your increased focus to improve evidence, metrics and data on knowledge exchange and impact through development of your capabilities toward a national centre for evidence on knowledge exchange. This builds on the work Research England supports through the UCI at Cambridge. The partnership with UCI to develop this national centre will support our priorities on improving commercialisation and should strengthen the KEF – to capture the breadth of knowledge exchange activity. We endorse your long-term plans for the KEF, including the consideration of its relationship to funding being scoped in the KE Review, and medium term work to deliver the third KEF exercise planned for the summer. We welcome the more focused objectives of the KEF that you are taking forward.

Additionally further development of the HE Business and Community Interaction (HEBCI) data remains vital to realising the potential of the national centre and ensuring it is able to develop a rounded picture of knowledge exchange across the UK. We therefore welcome your work with HESA, to build upon the HEBCI review, which should be supported through close working of OfS, RE and Jisc-HESA.

3. Efficiency & Effectiveness

Efficiency

We must continue to ensure the HE sector uses resources for research and knowledge exchange efficiently and effectively, and that any unnecessary bureaucratic burden is avoided or removed. As well as continuing to work with the OfS and sector bodies we welcome your contribution, as part of UKRI, to the independent Review of Research Bureaucracy led by Professor Adam Tickell. We anticipate you will seek to minimise unnecessary bureaucracy throughout your activities and we look forward to your active participation in the implementation of the Government response to the review in due course.

As a major funder of Jisc, Research England should continue to ensure that Jisc delivers positive impact and value for money for the research community by providing digital services and solutions which deliver efficiencies and effectiveness in the sector. We encourage you to support Jisc in continuing to maintain and enhance the Janet Network. This remains essential for research and innovation, connecting UK

universities and research establishments to the rest of the digital research world providing the high-speed digital foundation for secure research, and connected high-capacity and collaborative research infrastructure.

Cybersecurity and Trusted Research

Research England should continue working with the rest of UKRI and with key stakeholders to support university engagement with the Trusted Research agenda. This should include working to strengthen and increase international collaboration on this agenda.

In the area of cybersecurity, we expect Jisc to maintain the resilience of the Janet Network, which is essential to research activity and integrity. In addition, Jisc must support effective cybersecurity within and across universities and research establishments in the context of the Trusted Research agenda through awareness raising, effective governance, capacity and resilience building from board level downward.

In addition to pursuing the Government’s objective of full and immediate open access referred to above, you should work with Jisc to deliver the broader benefits of open and trusted research, supporting research management and data, and reducing research bureaucracy. These benefits should include improvements in the integrity and reproducibility of research findings to supporting a more diverse, equitable and inclusive research system. This will provide the maximum social and economic benefit to all whilst remaining as secure as necessary in light of potential risks.

4. Table – Research England Budget Allocations

The table below shows allocations for Research and Knowledge Exchange for 2022-25

Research England Allocations (£m)	Final 2022-23	2023-24	2024-25
Recurrent grant for Research inc. contribution to core HEIF	2064.00	1982.60	2173.00
Strategic Programmes funding (previously National Productivity Investment Fund) inc. HEIF uplift	414.00	243.00	170.00
Specialist Institutions	15.00	20.00	25.00
Total Programme ESA10 CDEL	2493.00	2245.60	2368.00
HEI Research Capital England	122.90	118.12	124.95
HE Research Capital (HERC) England	97.00	106.88	113.05
UK-RPIF	25.00	29.00	75.00
Total Capital CDEL	244.90	254.00	313.00
DfE contribution			
Recurrent Teaching contribution to HEIF – attrib. to OfS	48.2	48.2	TBA

The table reflects Financial Years (April to March). The 2022-23 figures reflect any rephasing of payments across the academic year, which do not affect the overall academic year allocations.

In addition to the above, as delegated by UKRI, Research England will also be responsible for administering the budget for the Strength in Places Fund.