



## **Contents**

Foreword	3
What we will achieve	5
Annex A: What we will deliver in 2025-2026 10	C
Annex B: Budget 2025-2026	7

Cover image: Centre for Medicines Manufacturing Research, Skills, Technology and Translation, University of Strathclyde

This page: Boosting B12 in pea shoots in an aeroponic vertical farming system through research collaboration between the John Innes Centre LettUs Grow and the Quadram Institute Credit: LettUs Grow

## **Foreword**

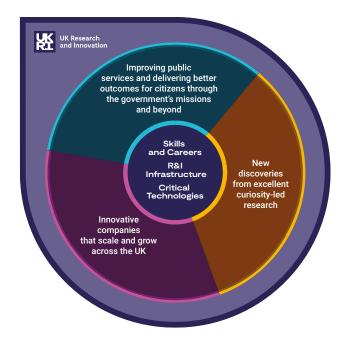
Investing in research and innovation (R&I) is an investment in the UK's future. A strong R&I sector underpins national resilience, prosperity and agility to respond to a rapidly changing world. It enables breakthroughs and innovations that drive growth, enhance public services, and improve lives and livelihoods across the UK.

The UK's R&I sector is a national asset with world-leading research organisations, the strongest business start-up culture in Europe, and strengths in strategically critical technologies for global competitive advantage. Every £1 of public R&I investment generates £2 in private investment¹ and £7 in economic benefits through advancements in skills, goods and services.²

The UK government's 2024 Budget emphasised R&I as a key pillar of economic growth and its role in delivering public benefits across its <u>five missions</u>. In a tough fiscal environment, a record £20.4 billion in public sector R&I investment is planned across government in 2025-26. Of this, £8.8 billion is allocated from the Department for Science, Innovation and Technology (DSIT) to UK Research and Innovation (UKRI) to safeguard UK R&I capability and enable investment to support the government's priorities in this transitional year. We will further develop our strategy and plans once we have our 2025 Budget settlement.

As the largest public R&I funder spanning all disciplines and sectors, UKRI convenes and catalyses coordinated strategic intervention and investment across the R&I system, and across government, to maximise outcomes and make the most effective use of public money. <u>UKRI consists of nine councils</u> shaping a coherent investment portfolio to deliver multiple, aligned objectives.

As we move into the penultimate year of our <u>five-year strategy</u>, <u>Transforming Tomorrow Together</u>, we are evolving our focus to respond to new UKRI objectives and government priorities agreed with DSIT to maximise outcomes from this public investment. We remain committed to advancing curiosity-led



research and will further refine our efforts to harness UK R&I strengths in order to drive UK innovation-led growth and support delivery of wider government priorities to enhance public services and achieve wider benefits for citizens. This refinement of focus is underpinned by our strategic investment in R&I system capabilities, including talented people and teams and cutting-edge infrastructure across the UK, and by our organisational transformation to enhance our operational effectiveness.

Our portfolio constantly evolves as projects end and new ones start, responding to new knowledge, priorities and opportunities. We are exploring ways to identify and exploit even greater flexibility in our budgets and funding mechanisms to respond to government priorities and new opportunities.

While we develop our new strategy and plans, we will deliver with this refined focus across our current six strategy pillars (ideas, innovation, places, impact, people and careers, and organisation).

<sup>1.</sup> Oxford Economics (2020) 'The relationship between public and private R&D funding', BEIS Research Paper Number 2020/010

<sup>2.</sup> Frontier Economics (2014) 'Rates of return to investment in science and innovation'

UKRI plays a unique role in supporting excellent curiosity-led R&I, offering applicant-led funding opportunities and strategic investment to nurture novel **ideas**, providing 84% of public investment<sup>3</sup> in this foundational component of the UK R&I system. This support enables researchers, innovators and institutions to take risks, generating new knowledge and technologies with potentially far-reaching and often unforeseen benefits for the economy and society. It is the bedrock of everything we do.

We are reinforcing our commitment to strategically directing public investment to drive **innovation**-led growth, catalysing the full innovation cycle from discovery to business growth, and public service improvement. University spin-outs from UKRI research grants (2010 and 2014) that secured further Innovate UK or British Business Bank funding were twice as likely to achieve strong business and employment outcomes.<sup>4</sup> We will work across the R&I system to bridge skills gaps, leverage private investment to accelerate research commercialisation, and drive business growth through support for start-ups and scale-ups to become global market leaders.

We will further strengthen partnerships across sectors and **places** (locally, regionally and internationally) to align investment and leverage UK R&I strengths, infrastructure, facilities and estates. This will unlock public service productivity and innovation-led growth, and support delivery of the Industrial Strategy.

We will strengthen our role as a key partner with government in accelerating pathways to beneficial economic and societal **impacts** from public R&I investment. We will target support to address specific R&I challenges central to delivering the government's missions, underpinned by investment in our <u>strategic themes</u>. We will nurture the development, adoption and diffusion of critical technologies to drive economic growth, support transition to net zero, and improve the health, security and lives of citizens. We will continue to foster public engagement, involvement and trust in R&I to ensure that everyone can contribute and benefit.

Underpinning all of this, we continue to play a crucial role in supporting R&I capability and financial resilience across the UK, investing in people through postgraduate training, fellowships and grant funding. A successful R&I system is fundamentally about enabling a wide range of **people** to build fulfilling **careers** and realise their ambitions to generate new knowledge and harness the power of R&I to improve lives and livelihoods. We will continue to promote an inclusive system in which people and teams can thrive, bringing together the diverse expertise needed to tackle complex challenges and seize emerging opportunities.

Operationally, this year also marks a transitional year with a number of crucial milestones in realising the benefits of UKRI as one **organisation**. We are implementing the rollout of our new integrated platforms and data resources to enhance efficiency

and effectiveness, and reduce unnecessary bureaucracy, moving forward from delivering the UKRI recommendations from the Tickell and Grant reviews. These upgrades will empower our talented teams continuously to improve our operational effectiveness and provide the evidence to maximise outcomes from our investment. UKRI's success depends on the expertise, creativity and wellbeing of our skilled and knowledgeable staff, who are key to the delivery of our ambitious strategy.

This corporate plan annual update sets out our ambitions following the 2025-26 spending review, with an annex of key deliverables aligned with an indicative selection of key results that we will report against through our Annual Report and Accounts. Our funding finder provides more depth and detail on further opportunities, investments, advice, and collaborative work.

We will update our plans and key results in Spring 2026, setting out the vision of our incoming Chief Executive (Professor Sir Ian Chapman) and our focus following the 2025 Spending Review. This will include our role in supporting delivery of the Industrial Strategy, and how we will deliver against new objectives and priorities for UKRI to be agreed with government.

<sup>3.</sup> Office for National statistics (2025) Research and development expenditure by the UK government 2023 dataset. This is an underestimate as these figures do not include quality-related research funding through Research England

<sup>4.</sup> British Business Bank, UKRI (2022) 'Backing innovation-led businesses: the role of public investment'

Women In Innovation winner Sheana Yu, creator of Aergo Health

## What we will achieve

## People and careers: investing in talent and skills to build the R&I workforce the UK need

We are committed to attracting, retaining and developing talented people and teams from the UK and internationally, to build national capability across the breadth of disciplines, and the workforce needed for innovative business growth, high productivity public services, and excellent curiosity-led R&I.

To do this we will work with government, industry, universities, research organisations, and charities to identify and address R&I skills gaps, and foster greater diversity and porosity in R&I careers. This will drive knowledge exchange across sectors, nationally and internationally, attract private investment and shape innovative solutions to economic and societal challenges.

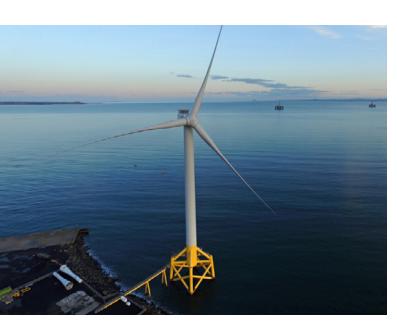
We have transformed our approach to investing in people and teams through our collective talent fund, enabling us to simplify and harmonise our <u>doctoral training</u> offer. We will build on this work, further reducing unnecessary bureaucracy, addressing systemic barriers to opportunity, and bridging key skills gaps.

As the UK's largest funder of doctoral training, funding 20% of all UK PhD studentships, we play an important role in shaping doctoral training. Through our <u>New Deal for Postgraduate Research</u>, we are convening and catalysing cross sector standards for postgraduate training, ensuring it is attractive and sustainable.

Across the workforce we support over 56,000 people through our studentships, fellowships and grants.<sup>5</sup> We will further incentivise workforce development and stimulate research culture change to enable people and teams to thrive through our investment, policy development and by sharing good practice.

We will highlight the diverse roles in R&I, providing attractive and achievable careers for a wide range of people. We will support diverse entry routes and career paths across the R&I system through internships, apprenticeships and industrial placement opportunities.

We will increase public engagement and influence over R&I, ensuring that the research we fund is freely accessed, relevant, trusted and useful, and that R&I is for everyone, by everyone, everywhere.



Places: driving local innovation-led growth and benefits for citizens by empowering the UK's globally leading R&I organisations, infrastructures, sectors and clusters, and ensuring their resilience

To support innovation-led growth and productivity, and to enhance the UK's global competitive advantage, we take a collaborative and strategic approach to investment and partnership. We foster a resilient, regionally diverse, nationally integrated, and internationally connected R&I system.

A diverse ecosystem of research-conducting organisations forms the bedrock of the UK R&I community, attracting global talent, partnerships, and investment to local clusters of R&I strength.

To enhance the regional benefits from R&I we will strengthen connections within and between clusters. We will maximise use of existing R&I infrastructure capabilities and complementarity between our investments to foster public service innovation, drive sustainable growth, and create high-quality jobs.

We will deepen strategic partnerships with local and regional authorities, leveraging strategic intelligence to drive local innovation-led growth through co-created local action plans and tailored business support, aligned with Local Growth Plans.

Levenmouth Demonstration Wind Turbine, Offshore Renewable Energy Catapult Credit: Levenmouth Demonstration Turbine Building on prior successes, we will refine and develop our place-focused programmes to accelerate locally led innovation and co-investment.

Our competitiveness in attracting talented people and teams, and investment to UK R&I clusters is underpinned by our investment in national and international R&I infrastructure, from laboratory and computing facilities to national collections, data, and digital resources.

Over the last spending review period we invested in R&I infrastructure through our <u>UKRI Infrastructure</u> <u>Fund</u> and <u>Digital Research Infrastructure</u> <u>programme</u>. These investments will benefit researchers and innovators as improved capabilities come into use.

We will take a balanced approach to evolving our portfolio in response to changing R&I needs and priorities, and to maintain and optimise exploitation of existing R&I infrastructure, facilities, and estates. This will ensure the long-term productivity, and financial and environmental sustainability of the R&I system.

Amid evolving institutional challenges, the dual support system for higher education providers remains a cornerstone of system stability, providing flexible strategic funding, complemented by grant funding for specific purposes. This enables institutions to plan strategically and adapt to shifting priorities.

Through continued commitment to dual support, and specific grant funding policy changes to support sustainable cost recovery, we aim to support stable conditions for R&I partners to work together towards long-term financial resilience.

## Ideas: delivering new discoveries from excellent curiosity-led research

We are committed to investing in excellent curiosity-led research, which is key to the resilience and global competitiveness of the UK R&I system in a rapidly changing social, economic, geopolitical and technological landscape.

We nurture and empower people, teams and partnerships to pursue their ideas through our council and cross-council applicant-led competitive funding opportunities, strategic funding for our institutes, and institutional quality-related research funding allocation mechanisms.

Our commitment to supporting excellent research has positioned the UK as a globally recognised R&I leader and an international R&I partner of choice for equitable and secure collaboration.

This investment provides the freedom and stability for researchers, innovators and institutions to take risks and develop new and unanticipated knowledge and technologies. It is fundamental to our long-term national resilience in enabling us to benefit from breakthroughs and respond to unforeseen needs and challenges, and to fuel a thriving innovation-led economy.

We will continue innovating in the way we support the creation of new knowledge that spans, combines and transcends disciplines. This includes supporting the development of new methods, techniques and technologies, such as the role of artificial intelligence (AI) in transforming the conduct of research to enable more rapid discovery.

The outcomes from investment in curiosity-led research are uncertain. They can also be highly disruptive and transformative, driving significant economic growth and social benefits.

These investments are the foundation on which we build our targeted investments to drive forward government priorities, creating the knowledge and skills base needed for an innovation-led economy and public services.

# Innovation: driving economic growth and creating high-quality jobs through catalysing knowledge exchange and commercialisation, and supporting innovation-led businesses to start, grow and scale in the UK

We support knowledge exchange, research commercialisation and business innovation to foster a globally leading <u>responsible innovation</u> ecosystem that drives economic growth, boosts productivity across all sectors, and translates the UK's world-leading R&I into tangible benefits for citizens across the UK and beyond.

We will nurture spin-out creation to commercialise cutting-edge R&I, using evidence to identify and

mitigate barriers to scale-up for small and mediumsized enterprises (SMEs).

We enable business access to R&I facilities and knowhow, support technology adoption, and incentivise collaboration and long-term partnerships between businesses, researchers and third and public sectors. We provide this support through targeted council-led programmes, such as our prosperity partnerships, cross-sector engagement through our institutes, Catapults, Investor Partnerships and Business Connect schemes, and Higher Education Innovation Funding. We are improving monitoring of impacts from these to design and refine future approaches.

We will support the UK government's economic growth mission and Industrial Strategy, by fostering growth pathways in key sectors and technologies.

We will leverage our investments and advice for businesses, including through our new <u>UK Growth Catalyst programme</u>, to overcome innovation barriers, accelerate technology diffusion and adoption, attract private investment and drive growth at a business and sector level.

We will work across the innovation ecosystem with other public funding institutions, such as British Business Bank and National Wealth Fund, to address market gaps and systemic challenges to create a coherent support and funding landscape. This will enable us to help UK businesses start, grow and scale regionally, nationally and internationally, aligning our support with Local Growth Plans.

### Impacts: harnessing the UK's worldclass R&I to tackle national and global challenges, improve public services, drive growth and deliver better outcomes for citizens

We will connect public policy decision-makers and growth-driving sectors with leading-edge R&I, through national and international partnerships, to support the defence and security of the UK, drive economic growth, and improve citizen outcomes across the UK and beyond.

We will work across government to strengthen UK global leadership in critical technologies and contribute to delivery of the Industrial Strategy and five missions.

We will launch our new <u>R&D Missions Accelerator Programme</u>, building on the success of past challenge-led programmes in catalysing R&I and crowding-in investment to address clearly defined user needs, with a clear path to adoption.

We will continue maximising the impact of our wider portfolio to support the missions and exploit future opportunities for partnership with government, third sector and industry. Our aligned, broader strategic themes and other programmes provide underpinning R&I capability, coordinated across our portfolio, to address challenges, such as accelerating the transition to net zero, improving health outcomes and strengthening the defence, security and resilience of the UK.

Working across all sectors, technologies and disciplines we are uniquely placed to work with the Department of Business and Trade (DBT) to identify R&I needs and future opportunities for aligned activity to ensure the Industrial Strategy captures the benefits of UK R&I strengths.

We will also continue to work closely with DSIT to target investment through our <u>Technology Missions</u> <u>Fund</u>, and the International Strategic Partnerships Fund, to strengthen the development, adoption and diffusion of critical technologies, including artificial intelligence (AI), quantum technologies, engineering biology, semiconductors and advanced communications technologies. We are investing to stimulate new ideas for rapid commercialisation in these emerging sectors, and the skilled people to make them happen.

We are supporting delivery of the <u>AI Opportunities</u> <u>Action Plan</u> and aligning our investments with the modern Industrial Strategy to drive sector growth, maximising the economic and societal benefits and the creation of high-skilled jobs across the UK.

## Organisation: making UKRI the most efficient and effective organisation we can be, to maximise the benefits of our work for the UK

Working efficiently, effectively, sustainably and cohesively is crucial to achieving our objectives. As one of the most efficient funders globally, we maintain lower operating expenditure than many counterparts.<sup>6</sup>

Recent operating expenditure reductions, in anticipation of completing our major technology transformations, have created workload challenges in the short term which will ease as these new systems embed.

We will consult widely to shape the renewal of our <u>UKRI Environmental Sustainability Strategy</u> for 2025-30 to achieve net zero by 2050.

Operationally, we will achieve key milestones in our transformation journey with the introduction of a new back-office platform, alongside further development of the UKRI Funding Service to enhance workflow efficiency and user experience. We are also improving our data quality and governance for analysis and reporting.

<sup>6.</sup> UKRI spent a lower percentage of budget on Operational Expenditure in 2023/24 (3.3%) than many major comparable global organisation – compared to the French National Research Agency (4.1%) and the Canadian Natural Sciences and Engineering Research Council (4.7%) with a UKRI target OpEx closer to 3.1% for 2025 to 2026

These new capabilities will enable us to consolidate progress in streamlining our operations and policies and make the most of a more harmonised operating environment. This will allow us to manage change steadily as daily business improvement.

These changes will ensure a more consistent experience for our communities and enable colleagues to collaborate and work across the organisation more easily. This will help us manage resource pressures, reduce application to award time, and deliver on priority outcomes efficiently and effectively.

These improvements will also enhance our ability to make strategic, evidence-led and robust investment decisions, and innovate in the way we fund to maximise the impact of investment and resources.

As these systems continue to improve the quality and utility of our data, previously held across multiple systems, they will enable us to test new approaches to reduce the burden on our communities of reporting and peer review and drive productivity gains.

These advances complement our wider work to improve R&I sector data, build the evidence base around funding practices, supported by our Metascience Unit in collaboration with DSIT, and evaluate outcomes from our investments. These strengthen our role as a smart investor across the R&I system.

We will continue to foster a culture of inclusion, dignity and respect where colleagues are empowered to innovate, collaborate and challenge in a safe environment, including through our staff networks.

We will encourage colleagues to share their diverse skills and expertise across UKRI communities of practice, to enhance our capability and productivity and build a UKRI-wide collaborative ethos.

The wellbeing, resilience and professional growth of our people is key to delivering our ambitions to maximise, and to communicate the benefits of R&I for the UK.

Testing the use of quantum sensors for improved navigation, in partnership with Transport for London, Imperial College London Credit: TfL



## Annex A: What we will deliver in 2025-2026

### Objectives and key results for 2025-2026

We will deliver our new UKRI objectives and key results for 2025-2026 through key deliverables outlined in the deliverables section. Our key results include a mix of strategic cross-organisational measures and sector-specific measures supporting delivery of the Industrial Strategy. They are not comprehensive, nor indicative of priority. They allow us to track progress and effectiveness of our work in specific areas.

## Protect and promote basic curiosity-driven research through a long-term, sustainable funding model that underpins the UK research ecosystem

- 1. We will support curiosity-driven research, including by distributing £1.7 billion in quality-related research funding to higher education providers in England to invest strategically in R&I excellence by April 2026, and by maintaining a mean Field Citation Ratio of UKRI grant funded publications of 3.5 to 4.
- **2.** We will develop options, during a brief pause, to ensure that the next Research Excellence Framework is aligned to achieving the outcomes for the Vision for Higher Education, within the existing 2029 timeframe,

including supporting government priorities for R&I expressed in the Industrial Strategy and the Post-sixteen Skills White Paper, testing more proportionate approaches, and minimising bureaucracy for the sector.

### Ensure UKRI's portfolio is aligned with delivering the government's priorities, including the five missions and Industrial Strategy and their ambition to deliver UK-wide impact

- **3.** We will successfully launch the first set of challenges in the £500 million R&D Missions Accelerator Programme to support the government's five missions and establish a second phase by April 2026.
- 4. We will demonstrate that we are on track for at least a three to one ratio in leveraged co-investment for programmes such as R&D MAP, Investor Partnerships, HEIF, the Biomedical Catalyst, and translational initiatives with high value commercial application. This is a fore-runner for achieving this over a wider defined part of UKRI's portfolio in future years, building on the methods developed through the Industrial Strategy Challenge Fund.
- **5.** We will publish, by spring 2026, how UKRI's R&I strategy and portfolio will deliver against the Industrial Strategy and government's wider objectives. We will undertake a zero-based review of future allocations in the spending period year 2026 to 2027, to year 2029 to

- 2030, securing Government approval for UKRI's four-year budget.
- 6. By March 2026 we will have completed the initial phases of proof-of-concept work for fleets of marine autonomous vehicles, using Al as an enabler, to assess the efficiencies and improved effectiveness of this approach for large fleets. Early outcomes will support engagement with operational partners in 2026-27 and generate data and insights to complement parallel developments in wider defence and commercial capabilities.
- 7. We will enable next-generation biotechnologies that deliver societal impact across health, food, environmental sustainability, and clean growth, by March 2026. This includes research underpinning the engineering of plant-based systems that demonstrate scalable production of products for use in human health and sustainable agriculture. Access to entrepreneurial support will catalyse business creation from these outputs, supported by strong talent pipelines and strategic international partnerships and reinforcing the UK's position as a global leader in Engineering Biology.
- **8.** We will support a dynamic portfolio of clinical translational projects in 2026, progressing technologies towards health benefit from the end of the discovery phase and through preclinical and early clinical research. These technologies will address multiple disease

- types, including neurodegeneration, oncology, respiratory, muscle disorders, haematology, dermatology, infectious diseases and mental health disorders.
- 9. We will support government departments to achieve their priorities, including the five missions, through placing 43 UKRI Policy Fellows across 25 government departments, arms-length bodies and the devolved administrations. We will increase the diversity of disciplines represented across all UKRI research council remits to ensure that the best evidence is available to support the delivery of government public policy objectives, delivering change that improves lives and livelihoods.
- **10.** By March 2026, we will equip over 50 places, across all UK nations and regions, with stepchange improvements in local capacity to deliver net zero projects and overcome nontechnical barriers. These include project and pipeline development, planning, regulation and business cases, understanding of cobenefits and collaborations with business and financiers. This will benefit residents, grow local and regional economies, and accelerate the nation's net zero trajectory.

## Provide targeted innovation, commercialisation and scale-up across the UK to drive economic growth

- **11.** We will increase the proportion of Innovate UKs funding targeted towards growing and scaling companies in key Industrial Strategy sub-sectors to at least 70%.
- 12. By March 2026, we will devolve strategic funding to anchor higher education providers to support place-based economic growth in the creative industries, directing funding to freelancers, micro-companies, and SMEs. New products, services, experiences, and content will be supported through increased co-investment in creative R&D, improved access to infra-structure, and upskilling on the use of creative technologies.

## Deliver local impact and enhance national and international collaboration, security and resilience

**13.** We will successfully complete the design of the £490 million Local Partnership Innovation Fund to unlock the potential of at least seven regional cluster economies, with the business case approved and the programme on track to commence in April 2026.

## Develop and sustain an R&D ecosystem that supports national science capability and attracts and nurtures the best research and innovation talent

- 14. We will invest in talent development to ensure national capability across the breadth of disciplines and address critical skills shortages and widening opportunities in the R&I workforce. We will support the recruitment of at least 5,000 doctoral students and 300 new fellows in 2025-26. This includes the launch of new doctoral training awards to target priority areas for the knowledge economy (engineering biology, planetary health, nuclear skills, mathematical sciences, and AI and data in the biosciences). We will remove barriers to accessing training and development by improving the terms and conditions for doctoral training grants.
- and improve access to clinical research capacity and improve access to clinical research careers through Future Leader Fellowship awards in 2025-26. These awards provide protected research time, leadership development, and help for clinicians to establish their own research teams. Fellows will pursue biomedical discovery and early translation research leading to new diagnostic and therapeutic healthcare technologies.

- 16. We will publish goals for further enhancing the efficiency, effectiveness, and coherence of UKRI by spring 2026, meeting the 2025-2026 Operational Expenditure cap and raising our employee engagement index score from 2024 levels. We will clarify UKRI and DSIT roles and responsibilities to maximise efficiency in R&D spending by March 2026.
- of engaging with UKRI by increasing the speed of grant processing and raising the external user satisfaction rate of both the Funding Service and the Innovation Funding Service. We will demonstrate, through experiments on UKRI funding opportunities, that twomonth reductions in grant processing times for research councils can be achieved using novel peer review processes that also improve assessment quality and reduce administrative resources.

### Deliverables for 2025-2026

## People and careers: investing in talent and skills to build the R&I workforce the UK needs

#### This year, we will:

- increase our student stipend by 8% to £20,780 from the 2025-26 academic year, without reductions in student recruitment, to align with the National Minimum Wage
- review our approach to setting student stipend rates for future years in light of the report on understanding the effect of UKRI stipend levels
- reform our <u>doctoral training grant terms and conditions</u> to enable research organisations to better support UKRI students' health and wellbeing and enable them to reach their full potential
- complete our review of the full economic cost of UKRI-funded doctoral training, including consultation on standard costs and implications of implementing the <u>statement of expectations</u> for doctoral training
- launch round 11 of our flagship <u>Future Leaders</u>
   <u>Fellowships</u> scheme, supporting fellows across
   all disciplines and business sectors
- launch a new harmonised fellowships investment framework
- launch a programme of <u>pilots that embed</u> incentives within our grant assessment and award processes to improve career

- development and build resilient technical and specialist capability
- expand the UKRI <u>Policy Fellowships scheme</u>, delivered through ESRC, to enable researchpolicy collaborations across all disciplines, addressing challenges aligned with the government missions, What Works Network policy areas, and natural hazards and resilience
- launch new doctoral awards to target priority areas, including engineering biology, planetary health (through UKRI Arts and Humanities Research Council (AHRC) and UKRI Natural Environment Research Council (NERC), £5 million in nuclear skills (through UKRI Engineering and Physical Sciences Research Council (EPSRC), Science and Technology Facilities Council (STFC and NERC), and £1 million in mathematical sciences (through EPSRC), AI and data in the biosciences (through Biotechnology and Biological Sciences Research Council (BBSRC)
- invest a further £1 million, through the Technology Missions Fund, to enhance existing UKRI postgraduate training to assist industrial adoption and diffusion of applied AI research
- develop initiatives to improve career progression and skills development for critical R&I workforce roles, such as clinical research, entrepreneurial skills and data science, including a <u>new £5 million</u> <u>ESRC Research Skills Leadership Hub</u> and UKRI digital research infrastructure skills hub
- deliver a new £54 million Global Talent Fund to attract teams of international researchers and

- support the government in expanding visas targeted at high skilled workers, as set out in the <u>Immigration White Paper</u>
- develop a delivery model for the Good Practice Exchange, to foster and support evidence-based practice in research culture
- develop our implementation of open access to research, to support more effectively all open access policy routes
- maximise the value of research data through delivery of an updated and streamlined <u>research</u> <u>data policy</u>, meeting requirements across disciplines and domains
- evolve our <u>UKRI Trusted R&I</u> arrangements, increase awareness and promote good practice across the sector, nationally and internationally, safeguarding researchers, innovators and their outputs
- work with other UK higher education funding bodies, through Research England, to continue preparations for REF 2029 in dialogue with the sector, including publishing the outcomes of the Research Excellence Framework People, Culture and Environment Pilot
- understand and stimulate public engagement with R&I through support for the <u>Public Attitudes</u> to <u>Science survey 2025</u>, delivered by Ipsos and the British Science Association, and a new national public engagement celebration of R&I

- engage the public in shaping future research through Sciencewise public dialogues on ultraprocessed foods, on a 14 day limit on human embryo research and on healthcare innovation in hearing loss
- further support public engagement and influence in shaping research agendas through councilled activity, such as the ESRC Festival of Social Sciences, consultation on the NERC Forward Look and an MRC medical research public advisory group

Places: driving local innovation-led growth and benefits for citizens by empowering the UK's globally leading R&I organisations, infrastructures, sectors and clusters, and ensuring their resilience

### This year, we will:

- develop proposals for a new <u>Local Innovation</u>
   <u>Partnerships Fund</u>, building on our Innovation

   Accelerators programme and our Strength in Places Fund
- strengthen innovation-led growth, aligned with Local Growth Plans, including through Innovate UK place-based action plans, <u>Innovate UK's</u> <u>Launchpad programme</u> and by investing a further £30 million to extend the <u>Innovation</u> <u>Accelerators programme</u>
- publish a refreshed <u>cross-government R&I</u> <u>Infrastructure Roadmap</u> reflecting on progress and opportunities to evolve UK R&I infrastructure
- support and maximise the impact of current R&I infrastructure projects funded through our

- Infrastructure Fund, and our <u>Digital Research</u> Infrastructure programme, such as developing regional champions to ensure benefits for local communities from the UKRI Floods and Droughts Research Infrastructure
- invest £24 million to support decarbonisation of our UKRI estate, generating savings in future running costs and improving the working environment
- work with DSIT to develop plans for future compute and AI priorities, including plans for the next generation of national supercomputer and delivering the AI Research Resource service
- contribute to the development of a National Data Library, building on our £5 million research data pilot programme with DSIT
- transforming access to increase the value of administrative and new forms of data for researchers, as we prepare for a second £168 million phase of <u>Administrative Data</u> <u>Research UK</u>, over five years from next year (2026 to 2031), and commission a Social Media Data Access Taskforce through UKRI <u>Smart Data</u> <u>Research UK</u>
- update our funding policy, informed by evidence in our Research Financial Sustainability insights report 2025 and publish further insights into university funding flows and research cost recovery
- support higher education providers to invest strategically in R&I, including through £1.7 billion in financial year 2025-26 in Research England quality-related research funding

- continue the <u>Strategic Institutional Research</u>
   <u>Funding Review</u> and publish outcomes of the <u>Condition of the Estate</u> survey on research infrastructure in English higher education providers to inform future investment in UK R&I capability
- work with international funders and DSIT to develop future bilateral and multilateral international collaboration in areas of common strategic interest through the <u>International</u> <u>Science Partnerships Fund</u>
- boost UK participation in Horizon Europe through the National Contact Points and the UK Research Office, and actively engaging with discussions on the future of EU R&I programmes through multilateral fora including Science Europe

## Ideas: delivering new discoveries from excellent curiosity-led research

This year, we will:

- deliver the full application stage of round two of the <u>UKRI Cross Research Council Responsive</u> <u>mode scheme</u> and evaluate the outcomes to inform future rounds
- enhance the capabilities of UK researchers and innovators across disciplines to use AI for research through an additional £3 million uplift, through our <u>Technology Missions Fund</u> and EPSRC, for existing investments in AI for Science
- support higher education providers, through Research England, to integrate AI technologies while ensuring the integrity and safety of the research process

 provide a simpler process for applicants to include international project co-leads when applying to funding opportunities

Innovation: driving economic growth and creating high quality jobs through catalysing knowledge exchange and commercialisation, and supporting innovation-led businesses to start, grow and scale in the UK

### This year, we will:

- launch a <u>new £9 million proof-of-concept</u>
   fund to stimulate a step change in research
   commercialisation, delivering recommendations
   of the <u>Independent review of university spin-outs</u>,
   and addressing a gap in early-stage support
- drive innovation-led business growth and private sector investment, including launching a new Innovate UK Growth Catalyst programme, with our <u>first pilot for late stage start-ups</u>, £20 million in grant funding with follow-on advice for startup and scale-up, and £30 million investment to leverage private capital through <u>Investor</u> <u>Partnerships</u>
- target finance to support scale-up where there are clear routes to market, increasing our Innovate UK <u>Innovation Loans</u> commitments to £50 million, and partnering with British Business Bank to enhance the innovation finance ecosystem
- enhance our support for innovative businesses to access new markets, including a further £5 million seed funding to increase public sector market access through our Innovate UK Contracts for Innovation programme

- inform evidence-based, pro-innovation regulatory policy-making and a coordinated approach to standardisation, in partnership with the Regulatory Innovation Office and the British Standards Institution, building on our <u>Innovate</u> <u>UK Regulatory Science & Innovation Networks</u>
- stimulate further commercialisation and business-researcher collaborations through council-led initiatives, including the Innovation to commercialisation of university research programme, the Innovation and Science Seed Fund, the joint EPSRC-Innovate UK- Royce Institute programme and phase two of the AHRC Future Observatory: Design the Green Transition
- improve data to inform and support higher education providers' role in driving UK innovation, including delivering the <u>first public register of</u> <u>UK university spin-out companies</u> and further analysis, through Research England with the Higher Education Statistics Agency, to improve spin-out success measures
- drive focus on delivery of the government's economic growth mission by reviewing and making appropriate adjustments to formula funding for <u>Higher Education Innovation Funding</u> knowledge exchange

### Impacts: enhancing public services and wider citizen benefits

### This year, we will:

 launch over £25 million in activities through the new <u>Research & Development Missions</u>
 <u>Accelerator Programme</u> that will address specific R&I needs central to the success of each mission

- extending our <u>Technology Missions Fund</u>
   (<u>TMF</u>), including investing a further £6 million, delivered by Innovate UK, to support the UK semiconductor ecosystem and global collaborations, and a new <u>Innovation and Knowledge Centre</u> in semiconductors
- investing a further £4.4 million through TMF to expand existing engineering biology projects and a further £2.6 million through TMF in activities to accelerate engineering biology adoption, diffusion and business innovation, including a third round of our <u>Engineering Biology</u> <u>Accelerator programme</u> and a new <u>Engineering</u> <u>Biology Innovation Network</u>.
- invest a further £5 million through EPSRC and STFC to extend the quantum computing testbeds programme at the National Quantum Computing Centre
- deliver current, and review future plans across our strategic themes including £1.2 million to rethink economic (in)activity, £15 million in transdisciplinary research to tackle antimicrobial resistance and £20 million in interdisciplinary research to tackle epidemic threats in partnership with Department for Environment, Food and Rural Affairs and the Foreign, Commonwealth & Development Office
- develop a new cross-UKRI managed programme to invest £10 million in research to inform future policy and regulation around gambling, funded through the government levy on gambling operators

accelerating council-led partnership with growth-driving sectors, such as technologies to drive the transition to net zero, including investing £25 million through EPSRC in <u>critical mass</u> <u>programmes to drive a sustainable future</u>, and £19.7 million through EPSRC and NERC in Sustainable Industrial Futures

### Organisation: maximising our operational effectiveness

### This year, we will:

- deliver transition to a new integrated back-office platform for human resources, accounting, reporting and procurement and optimise functionality of our <u>Funding Service</u>
- enhance data integration, access and quality to enable further trials of AI and machine learning automation of repetitive tasks and predictive capability for demand management and financial forecasting
- deliver further funding policy and process harmonisation around organisation and individual eligibility, post-award and demand management, and develop a cross-UKRI professional career pathway for people working on funding to support skills development and workforce planning
- trial new approaches to the way we fund, including assessment process innovation, such as tiered decision-making, and develop a cross-UKRI assessor database

- trial innovation in our peer review processes through the <u>UK Metascience Unit</u> and investing £4 million in <u>AI early career fellowships</u>
- respond to the <u>National Audit Office report on UKRI value for money</u>
- implement our new <u>evaluation strategy</u> to deliver high quality evaluation, including of the UKRI Challenge Fund and Strategic Priorities Fund
- retender the Researchfish research grant outcomes collection system
- evolve our performance reporting framework to explore potential for greater automation for tracking outcomes and efficiency of delivery
- drive value for money through our procurement processes and the management of our administrative estate
- renew our UKRI Environmental Sustainability Strategy for 2025 to 2030 and action plans to achieve net zero by 2050, and align our operations, investments and funding mechanisms with the <u>Concordat for the</u> Environmental Sustainability of R&I Practice
- focus our engagement and communication through high-impact campaigns, and pilot approaches to raise awareness of the value of public R&I investment through UKRI in government, public services and the public

- continue to develop and implement our new UKRI people plan to empower staff to influence innovation and decision-making and engage with the organisation's strategic direction, supporting our staff and leadership team through a transitional period
- align action plans, including on wellbeing, dignity and respect, anti-bullying, harassment and discrimination, and drive further progress on disability inclusion

## Annex B: Budget 2025-2026

The following budget tables provide the budget details for 2025 to 2026. This budget includes UKRI delivery for DSIT and other government departments that are not detailed specifically in this allocation.

The figures provided in this document are, as far as possible, in line with the 2025-26 <u>budget allocations for UKRI</u> and are broken down by our budgeting and reporting categories.

The total allocation for UKRI in 2025 to 2026 is £8,761 million.

This total differs slightly from that included in the UKRI allocation explainer, reflecting the exclusion of the £50 million managed AI Research Resource programme as the final delivery partner is still to be confirmed (see Table 5). This does not represent a reduction in overall UKRI core budget.

Budget (to be confirmed)	2025/26
Core R&I Budgets, of which <sup>i</sup>	
AHRC	70
BBSRC	326
EPSRC	640
ESRC	123
Innovate UK	948
MRC	602
NERC <sup>II</sup>	327
Research England iii	2,359
STFC	618
R&I Budgets (existing time-limited commitments) iv	14
Collective Talent Funding	773
Infrastructure, of which	
Carbon Zero Fund	24
Digital Research Infrastructure	81
Infrastructure Fund	386
Existing infrastructure investments	146
UK Research Partnership Investment Fund	14

Budget (to be confirmed)	2025/26
World Class Labs, of which	
AHRC	8
BBSRC	65
EPSRC	40
ESRC	36
MRC	20
NERC	36
STFC	57
Capital for international subscriptions	48
Research capital investment fund (RCIF): Higher Education Research Capital (HERC) England and HEI Research Capital England <sup>v</sup>	174
New cross-UKRI Strategic Programmes, of which	
Technology Missions Programme	67
Proof of concept fund	6
R&D Missions Accelerator	25
Al Research Resource vi	30
Existing Cross UKRI Strategic Programmes, of which vii	
Strategic Priorities Fund	36
Strength in Places Fund	53
Creative Clusters	8
Strategic Themes	96
Open Access	40
Administrative Data Research Partnership	24
UKRI Cross Research Council Responsive Mode	18
Other cross UKRI strategic programmes	72
Dual support for existing strategic programmes (previously National Productivity Investment Fund) viii	170
Centrally managed funding, of which	
Administration ix	136
Transformation <sup>x</sup>	45
Tatalyi	0.761

Total >

8.761

## Annex B: Budget 2025-2026

- i Council core research and innovation budgets as shown do not include funding for existing time-limited commitments, infrastructure, strategic programmes and collective talent. Funding for these budgets will be delivered by councils but has been excluded in core council R&I figures within this document
- ii A proportion of the NERC core R&I budget includes resource funding for Antarctic Logistics and Infrastructure partition (ALI) and a proportion of the ALI capital funding sits within the NERC budget line for World Class Labs. Both support the UK's scientific operations in the Antarctic
- iii Research England figures are for the financial year 2025-26. Allocated budgets for academic years 2025-26 will vary and be announced separately.
- iv Existing time-limited commitments reflect funding for one-off committed project spend
- v Equivalent funding for the higher education funding bodies from the devolved nations is directly allocated by DSIT
- vi This programme is managed by UKRI on behalf of DSIT and delivered through STFC. A further £50 million is excluded from this budget line pending clarification of the delivery partner.
- vii UKRI will receive additional funding from Department for Business and Trade (DBT) and the Department for Transport for managing delivery of the Faraday Battery Challenge and Zero Emission HGV and Infrastructure Demonstration respectively for financial year 2025-26 which has been excluded. The allocation for Faraday will be transferred to UKRI from DBT and run as a managed programme.
- viii Dual support for existing strategic programmes was previously funded through the National Productivity Investment Fund
- ix Administration includes central running costs such as finance, HR, operations, strategic and analysis teams.
- x Transformation includes UKRI change and efficiency programmes, including our UKRI Funding Service and implementation of our new back-office system
- xi This total differs slightly from that included in the UKRI allocation explainer, reflecting the exclusion of the £50 million managed AIRR programme as the final delivery partner is still to be confirmed (see footnote vi). This does not represent a reduction in overall UKRI core budget.



UK Research and Innovation (UKRI)
Polaris House
North Star Avenue
Swindon SN2 1ET
T: 01793 444000

communications@ukri.org

www.ukri.org

