

Specific guidance to UKRI, from DSIT, regarding the operation of Research England (RE) for 2026-2027

Funding allocations for research, knowledge exchange (KE) and research capital for the financial year 2026-27 are set out in the table at the end of this annex. This allocation maintains the broad balance of dual support across the SR period. The priorities for research and knowledge exchange are as below.

1. Research

Progress the Strategic Institutional Research Funding (SIRF) review to build the evidence base on the effectiveness of Research England's funding approach.

Deliver the transparency programme pilot which will provide data and evidence on how formula-based research funding is used in practice by research institutions.

Ensure Research England's funding and policies, **including research assessment**, support the ambitions set out in the **Post-16 Education and Skills white paper, including specialisation, collaboration and sustainable research practice**. RE should continue to work with OfS and funding bodies to understand how sustainability challenges are impacting research capabilities.

Research Capital Investment Fund (RCIF) allocations should complement the wider UKRI infrastructure portfolio and prioritise the maintenance and upkeep of existing infrastructure.

2. Knowledge Exchange (KE)

Higher Education Innovation Funding funded activity should have a clear theory of how it contributes to national or regional economic growth.

In the next phase of the knowledge exchange metrics programme, RE should continue to work with partners to develop the Higher Education Business and Community Interaction (HE-BCI) survey to build the evidence base on how this funding could better drive local growth and commercialisation.

The table below shows allocations for Research and Knowledge Exchange for 2026-27. Changes in strategic direction from government means that future investment through Research England may change.

	Final FY 2025-26 (£m)	FY 2026-27 Budget (£m)
Recurrent grants for Research and KE	2,389.3	2,255.5
Total Programme ESA10 CDEL	2,389.3	2,255.5
HEI Research Capital England	91.6	90.0
HE Research Capital HERC	82.9	84.7
UK-RPIF	15.2	-
Total Capital CDEL	189.7	174.7
DfE contribution		
Recurrent Teaching contribution to HEIF – attrib. to OfS	48.2	48.2

The table reflects Financial Years (April to March). The 2025-26 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