

Specific guidance to UKRI, from BEIS, regarding the operation of Research England for 2021-2022

1. Science and Research - Funding and priorities

The excellence of the UK's research base is internationally recognised and is crucial in supporting sustainable economic growth and enhanced productivity. This is especially important in the context of the coronavirus pandemic, both dealing with the immediate aftermath and in contributing to economic recovery thereafter. In this context, the Government has affirmed its continuing commitment to the Dual Support system, and Quality-related Research (QR) funding remains important to our research success within this system. QR's un-hypothecated nature allows universities to deploy it strategically and to respond to challenges and opportunities to satisfy the broad range of research partners and funders including business, charities, public sector and government departments.

In order to ensure that the best research is supported funding allocations should continue to be made on the basis of academic excellence and impact wherever it is found; to provide selective support for the next generation of researchers; and to support research funding leveraged from external sources such as the charitable and business sectors. 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 for Research England for research, knowledge exchange and research capital for 2021-22 are set out in the table below and will enable you to deliver our agenda for research, economic growth and levelling up, including supporting the higher education contribution to responding to the COVID-19 recovery. This allocation ensures that the balance of dual support (*ie the balance of research funding between Research England and the Research Councils*) will be around 64p to the pound for 2021-22. We recognise Research England's role in working with other Councils within UKRI to deliver the Government's priorities for UK science and research but also their distinctive role in supporting government priorities for universities in England.

Covid-19 has significantly impacted university research; however, universities have made substantial contributions to the national effort around the pandemic including pivoting research projects; improving technology to support virus testing; deploying staff, resources and laboratories; developing further specialist equipment. We welcome the support from Research England in engaging with the sector to establish the extent and scale of issues, and in delivering additional funding allocated to help manage the impacts/implications. These additional funding allocations included bringing forward £100m in accelerated QR funding to address immediate pressures faced by universities early in the pandemic: a further £12.5m to address differences in regional research capacity through infrastructure; £10m to specialist research institutions to address a reduction in charity funding caused by the pandemic; and the allocation of £11.57m intended to supplement support to PGR students from universities.

Joined up working between Research England (on behalf of UKRI) and the Office for Students (OfS) will continue to be essential to ensure a co-ordinated and strategic approach to the funding and regulation of the Higher Education (HE) system in England, including addressing issues around sustainability of the sector and of appropriate burden of accountability. Research England (UKRI) and the OfS should prioritise collaboration with the OfS on areas of shared interest, including skills; capability and progression; support to Post Graduate Research Students; knowledge exchange; the ongoing financial sustainability of HE providers including working with UKRI on financial sustainability of the research sector, accountability and assurance; infrastructure funding; and building robust evidence and intelligence.

We welcome the final submissions to Research Excellence Framework (REF2021) by universities, and acknowledge the considerable effort needed to achieve this milestone in the context of the COVID-19 pandemic. We also recognise the considerable investment made in undertaking the current REF exercise. Research England should continue to work with the HE funding bodies across the UK to conclude the current assessment and provide robust assessment of UK HE research and its considerable impact.

We are encouraged to see the progress that you are making, working with the HE funding bodies in the devolved administrations, through the “Future Research Assessment Programme”, to review how research assessment could evolve after the conclusion of REF 2021. This activity 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, recognising all contributions to research including attention to the assessment of local impacts. The Programme, which should continue to motivate high quality, diverse, creative and risk-taking work, will contribute to positive economic and social impacts and preserve the UK’s reputation for research as world leading. Clear accountability for public funding must be maintained but without unnecessary bureaucracy. You should continue to progress this work through 2021-22.

Progress towards Open Access is a key feature of REF2021. Noting that universities are the primary customer of publishers and essential actors in delivering the Government’s priorities for full and immediate open access, Research England continues to work with the other Councils within UKRI to complete the implementation of full and immediate open access, in line with global efforts in this area. Acknowledging the implications for Learned Societies, you should continue to support mechanisms which will support in transitioning through implementation.

Budget 2020 announced £80m funding in recognition of the “excellence and global reach” of our leading research specialist institutions over the next five years. We are grateful for your immediate action in repurposing funding to support those Specialist Institutions particularly impacted by the loss of charity research income and we ask you to update the figures used this year to repurpose funding to assess whether this remains a priority.

2. Impact, Research Commercialisation and Collaboration with Business

The research base has a critical role in supporting our economy and future prosperity, highlighted further by the important contributions that universities have made during the Covid crisis and will make through the recovery. Effective university collaboration with industry and the application of research has always provided a notable competitive advantage for the UK, and most recently a means to secure safety and security of our people and communities.

Working with the other Councils within UKRI and with key stakeholders, Research England should continue to support university engagement with the Trusted Research agenda and embedding of related activity to strengthen and increase positive impacts on international collaboration and bilateral relationships.

The UK Research Partnership Investment Fund (UKRPIF) has proved highly effective in developing collaborative research programmes at scale between universities and the private sector. You should continue to monitor effective delivery and leverage of committed private co-investment (at least £2 for every £1 from the £900m allocated through to 2022).

We have confirmed a long-term commitment to Higher Education Innovation Funding (HEIF), which reached £250m a year in 2020. HEIF should support delivery of key Government priorities from the R&D roadmap and Building Back Better, and complement investments made through other Councils in UKRI. The OfS will be responsible for the teaching and student elements of HEIF via the £47m Strategic Priorities Grant contribution to HEIF. Research England should work with the OfS to support their evaluation of the teaching and student elements of HEIF and ensure joint agreement of the approach to allocating and accounting for HEIF funding, reflecting the teaching elements of knowledge exchange (KE) and continuing to develop the important student benefits dimension to KE.

We welcome the long-term, comprehensive review of your approaches to knowledge exchange funding, including the HEIF formula, which you are launching this year, in consultation with the OfS. This will need to take account of key government priorities emerging out of delivery of the R&D Roadmap and Plan for Growth, including R&D, innovation and levelling up agendas. An important element to the review will be taking forward the Knowledge Exchange Framework (KEF) and putting it at the heart of your approaches, including funding, accountability and continuous improvement methodologies (alongside the KE Concordat). We would like you to continue to pursue a robust outcome-based funding approach

demonstrating value for money, balancing predictability in funding with more regular rewards for dynamism and having due regard to burden. Support of HEIF projects through the RED Fund has also been particularly valuable to stimulate innovations in KE and commercialisation that can generate greater value for money for longer run, and its contribution should be considered further in your KE review.

Ministers have welcomed publication of results of the first KEF 2021, bringing together a comparable range of measures of effective collaboration and knowledge exchange to assess how well universities in England are doing at fostering knowledge exchange and research commercialisation. It is important that Research England proceed to develop long-term plans for the KEF, including as a basis within the reformed KE funding approaches. Alongside the HEBCI review being conducted by HESA, the evidence collected in KEF narratives on "local growth" and "public and community engagement" may be particularly valuable to ensure any future method addresses all the important aspects of the contribution of universities to economic recovery, such as place and civic contributions. This should complement the sector led KE Concordat. We welcome the cross UK working of the HE sector with the HE funding bodies in implementation of the KE Concordat, as well as ways for the KE Concordat to address broader UKRI agendas. These include addressing important good practice issues, such as in handling Intellectual Property, as well as seeking ways to embed the Concordat in funding and overall to minimise burden for universities through streamlined accountability.

The "Connecting Capability Fund" (CCF) has made great strides in supporting universities across England to work together to pool their capability, ideas and resources and scale their collective offer, making it easier for business and investors to access opportunities. CCF has shown promise as a critical means to deliver key government priorities from the R&D Roadmap, and you should consider further how CCF can deliver long-term ambitions such as from the recent Innovation Strategy and the Government's levelling up objectives.

We are keen to ensure that entrepreneurial researchers with exciting new business ideas are supported to make their journey from the lab to the market. The work that you have already undertaken to explore issues around university IP commercialisation will be instrumental in this. This includes the advice from Mike Rees into "University-Investor Links" published in July 2019, your support for engagement between leading UK university Tech Transfer experts and their counterparts in the US from MIT, Stanford and Colombia, and the work you are supporting through the new University Commercialisation and Innovation Policy Evidence Unit (UCI) at Cambridge. Building on this and latest evidence and insights from international comparisons work, we would welcome further advice from Research England, working with devolved HE funding bodies as appropriate, on how best to ensure that our university IP environment can continue to evolve, and that good practice is identified and adopted beneficially across the sector. In particular we would welcome your comment on the balance of risks and benefits between: institutions that invest in supporting the research towards commercialisation; the researchers who help in the delivery of that research; those who become spin-out founders; and external investors in these companies.

Your continuing support of the National Centre for Universities and Business (NCUB) is vitally important, uniquely bringing together leaders of universities and businesses to contribute to national policy agendas. NCUB working with the University Commercialisation and Innovation (UCI) Policy Evidence Unit is providing critical evidence to inform recovery approaches, important insights for policy through convening its university-business stakeholders, most recently through the task force, and contributing to delivery such as through the konfer - innovation brokerage platform.

Place plays an important role in supporting innovation and productivity growth. As designated by UKRI, Research England, working closely with Innovate UK, and with the HE funding bodies, continues to lead development of the Strength in Places Fund, which has a separate, specific budget which you are administering as delegated by UKRI. We also welcome your increased attention to the contribution that Research England can make to our levelling up agenda throughout your funding and the development of university research and knowledge exchange, including through your leadership of UKRI's place strategy work.

Your support of museums and galleries has been important to unlocking university resources to gain additional cultural impact, we encourage you to work with AHRC on taking forward fruitful collaborations to make even more of university cultural assets.

3. Efficiency & Effectiveness

We must ensure the HE sector uses resources for research and knowledge exchange efficiently and effectively, and that unnecessary bureaucracy is addressed. As well as continuing to work with OfS and sector bodies on this, we welcome the contribution of Research England working within UKRI to the independent Review of Research Bureaucracy led by Professor Adam Tickell, announced in March, to help “*free up and support the best researchers to focus on ground-breaking, ambitious and meaningful research*” and the UKRI Reforming our Business Programme.

Digital technologies play a vital role in supporting an inclusive and collaborative research and innovation system. As a major funder of Jisc, you 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 which remains essential for research and innovation, connecting UK higher education institutions and research establishments to the rest of the digital research world, providing secure, high-capacity and collaborative research infrastructure and the high-speed digital foundation for collaborative research.

In the area of cybersecurity, we expect Jisc to not only maintain the resilience and integrity of the Janet Network, itself essential to research activity and integrity, but also support effective cybersecurity within and across universities and research establishments 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 deploy expertise in Jisc which complements UKRI activity to extend the boundaries of work to deliver broader benefits of open research. These benefits should include improvements in the integrity and reproducibility of research findings to supporting a more diverse, equitable and inclusive research system which provides the maximum social and economic benefit to all.

4. Table – Research England Budget Allocations

The table below shows allocations for Research and Knowledge Exchange for 2020-22.

Research England Allocations (£m)	Final 2020-21	2021-22
Recurrent grant for Research inc. contribution to core HEIF	1799.77	1761.87
Contribution from GCRF	71.42	0.00
Strategic Programmes funding (<i>previously National Productivity Investment Fund</i>) inc. HEIF uplift	329.22	272.85
Connecting Capability Fund	38.20	20.73
Additional funding to cover budget pressures/Covid	9.33	-
Specialist Institutions	10.00	10.00
Total Programme ESA10 CDEL	2257.95	2065.45
HEI Research Capital England	118.89	100.86
HE Research Capital (HERC) England	86.6	86.87
UK-RPIF	129.33	94.11
WCL Uplift	71.46	-
Total Capital CDEL	406.23	281.84
DfE contribution		
Recurrent Teaching contribution to HEIF – attrib. to OfS	47.00	47.00
Contribution to SAS and IoZ	10.14	-

The table reflects Financial Years (April to March). The figures reflect adjustments to budgets since June 2020 to take account of a move from National Productivity Investment Fund (NPIF) funding to Strategic Programmes funding, and reprofiling some payments scheduled for April/May 2021 into March 2021; this does not affect overall academic year allocations. The table does not include the reprofiling of £87m Strategic Programmes and £20m of capital infrastructure funding into financial year 2022-23 but is a forward commitment to 2021-22 academic year allocation.

In addition to the above, as delegated by UKRI, Research England will also be responsible for administering the budget for “Strength in Places Fund” (*now within Strategic Programmes*).