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[Name]
[Address]

Nicholson House
Lime Kiln Close
Stoke Gifford
BRISTOL
BS34 8SR

Telephone 0117 905 7600
<http://re.ukri.org>
annualfunding@re.ukri.org

Dear [Name]

Research and knowledge exchange funding 2019-20

1. I am writing to provide details of your provider's recurrent grants and formula capital allocations for 2019-20. **Please note that all information in this letter and associated documents is subject to embargo until 0001 on Friday 26 July 2019.**
2. This letter explains in broad terms the main changes to the Research England recurrent grant for research and knowledge exchange funding for 2019-20 compared to 2018-19. It is part of a suite of documents which set out information relating to your provider and to the sector more widely. A full list of all documents to be released as part of this grant announcement is described in **Annex A**. In addition, **Annex B** contains further information for those institutions eligible to receive an allocation from the Global Challenges Research Fund. We do not require a reply to this letter.

Introduction

3. The guidance letter to Research England (Annex D of the allocations letter to UK Research and Innovation (UKRI)) from the Department for Business, Energy and Industrial Strategy (BEIS)¹ confirmed the funding available for the 2019-20 financial year (April to March).

¹ See <https://re.ukri.org/finance/guidance-from-beis-to-re-for-2019-20/>

The letter also identified the policies and priorities that should underpin our approach to funding.

4. In the light of that allocations letter, and with endorsement of the Research England Council, we have set the academic year 2019-20 budgets for research and knowledge exchange. As usual, any future changes to the grant made available by Government could affect the funding we are able to distribute to providers in the 2019-20 academic year, and this may include revising allocations after they have already been announced.

5. 'Funding for higher education providers for 2019-20' (Research England Circular letter RE-CL-2019-03)² set out developments to our funding methods and budgets for 2019-20. This confirmed that:

a. We will be increasing the budget for mainstream quality-related research (QR) together with its London weighting element in 2019-20 by £45 million to a total of £1,095 million. There will be no change to the funding allocation method for QR, except for an adjustment to the subject cost weighting for UOA 4: Psychology, psychiatry and neuroscience from 1.42 to 1.6. The revised weighting will be applied within the mainstream QR funding method and QR RDP supervision funding.

b. We will be increasing the budget for the Global Challenges Research Fund (GCRF) by £10 million to a total of £68 million. GCRF allocations are for investment in cutting-edge research that addresses the challenges of economic development and wellbeing faced by developing countries (as listed on the Organisation for Economic Co-operation and Development's Development Assistance Committee's list of eligible countries). Funding is subject to individual HEI-level strategies having been approved in 2018.

c. We will be maintaining the budgets for other separate streams within recurrent research funding. These are:

- i. £260 million for QR research degree programme (RDP) supervision funding
- ii. £204 million for QR charities research
- iii. £64 million for QR business research
- iv. £7 million for national research libraries.

d. The overall budget for knowledge exchange, allocated through the Higher Education Innovation Fund (HEIF), will be £213 million. This includes £47 million provided from the Office for Students' teaching budget. As part of the funding method:

² See <https://re.ukri.org/news-events-publications/publications/circular-letter-funding-for-higher-education-institutions-2019-20/>

- i. We are maintaining the top cap on main allocations at £3.895 million (this was increased in the 2018-19 allocations from the previous level of £3.325 million)
 - ii. The annual modifier limit for providers is returning to a maximum +10 percent year-on-year increase (this was temporarily +30 per cent for 2018-19).
- e. We will be maintaining the overall budget for formula-based research capital in cash terms, at a total of £183 million. This comprises:
- i. £96 million for 'HEI Research Capital England'
 - ii. £87 million for Higher Education Research Capital England.

6. Looking forward to the UKRI Open Access review we note that the Research Councils have confirmed their £24 million block grant allocation for 2019-20 and that the QR increase provides an additional mechanism to support any attribution across the sector of the costs of open access, including transformational open access agreements proposed by Jisc Collections as the university negotiator. Such arrangements are a key element in developing a cost-effective publications system for the English higher education sector as a whole.

2019-20 Recurrent grant changes for providers

7. Most providers have grant changes as a result of the developments described above. In addition, providers may also see changes because of:
- a. Changes, relative to the sector as a whole, to providers' postgraduate research student numbers and research income data. Such changes affect providers' share of the QR allocations for RDP supervision funding and the charities and business elements.
 - b. Changes, relative to the sector as a whole, to providers' HE-BCI survey, HESA Finance record and Knowledge Transfer Partnerships data, which affects their share of knowledge exchange funding.
8. We are looking to provide as much help as we can for providers in understanding their funding outcomes and on the main factors that have led to funding changes. Providers should address any questions on this to annualfunding@re.ukri.org.

Terms and conditions of funding

9. The terms and conditions of funding set out the formal relationship between UK Research and Innovation and the providers that it funds in relation to funds administered through Research England. The final terms and conditions applicable to funding provided to higher education providers for the 2019-20 academic year will be published on our website by 1 August 2019. The terms and conditions include those related to provision of data and compliance with governance and data assurance requirements. Providers should read the terms and conditions in conjunction with this publication.

Further information and requests for changes

10. While we do not require a reply to this letter, there may be circumstances in which providers wish to request changes to allocations. We only expect to accept data amendments to correct errors that are widespread, substantial and have a material impact on Research England's use of the data. Providers that wish to request amendments should consult the technical guidance document accompanying this letter.

11. If you would like informal advice about the effects of any data changes or have any questions about your allocations, please contact annualfunding@re.ukri.org.

Yours sincerely

David Sweeney

Executive Chair, Research England

Annex A: Documents and tables accompanying this grant announcement

1. Your provider has at least one nominated portal User Administrator who will be able to give staff at your provider access to these documents. If you have queries on this, please email portal@officeforstudents.org.uk.
2. The following will be released alongside this letter, in the section '2019-20 Grant tables (Research England)' on the Office for Students' portal (<https://extranet.officeforstudents.org.uk/data>) **under embargo until 0001 on 26 July 2019:**
 - a. 2019-20 recurrent research and knowledge exchange grant tables for your provider. This shows the funding allocated for 2019-20 under different funding streams and a breakdown of the data used to calculate the funding.
 - b. A technical guidance document, which explains in detail how the figures in the grant tables have been derived. The guidance is aimed primarily at finance and planning officers.
 - c. 2019-20 recurrent research and knowledge exchange grant tables for the sector as a whole.

Research England Publications

3. The following will be available on the Research England website:
 - a. 'Guide to research and knowledge exchange funding 2019-20', RE-P-2019-03. This guide provides an overview of our recurrent research and knowledge exchange funding methods.
 - b. 'Research and knowledge exchange funding for 2019-20', RE-P-2019-05. This provides a summary report on the allocations, including totals for each provider and will be available from 26 July 2019.

Funding summary

4. In addition, we will be releasing a funding summary with supporting documents, to show how we have used HESA data to support our QR RDP supervision funding allocations. We will be writing separately to heads of providers on how to access this information.

Annex B: Confirmation of Global Challenges Research Fund allocations for AY 2019-20

1. Providers are only able to receive QR GCRF allocations for the three years from AY 2018-19 if they have submitted a QR GCRF strategy that was subsequently assessed and approved as ODA compliant, and subject to assurance of continued ODA compliance through GCRF monitoring exercises conducted by Research England.
2. Your QR GCRF allocation for academic year (AY) 2019-20 is stated in your grant tables.

Background

3. The GCRF is a £1.5 billion fund announced by the Government to support cutting-edge research that addresses the challenges faced by developing countries. QR GCRF allocations must be used according to ODA principles, which state that only research directly and primarily of benefit to the problems of developing countries may be counted as ODA eligible. The primary benefits of any activity undertaken using QR GCRF funding **must** be to developing countries; any benefits to the UK or other developed countries must be a secondary consideration. Additionally, GCRF activity must work with and support development in countries and territories on the Development Assistance Committee's (DAC) list of ODA recipients.
4. Use of QR GCRF funding must be in line with the terms and conditions of QR GCRF. The full QR GCRF terms and conditions will shortly be available on the Research England website (<https://re.ukri.org/research/global-challenges-research-fund/>).

Monitoring

5. The GCRF forms part of the UK's ODA commitment, which is monitored by the Organisation for Economic Co-operation and Development (OECD). In order to enable the UK government to meet its reporting commitments to the OECD on ODA funding, all HEIs in receipt of QR GCRF from AY 2018-19 are required to participate in annual monitoring exercises as a condition of grant.
6. Any part of an HEI's QR GCRF allocation where insufficient evidence of ODA compliance has been provided, and/or where there is unspent funding (underspend), will be recouped.
7. Research England reserve the right to require additional monitoring during the academic year; adjust future funding allocations to recoup your QR GCRF grant and/or refuse future

QR GCRF funding if your institution fails to participate satisfactorily in the monitoring process.

8. Annual monitoring exercises will be conducted at the end of each academic year, and you will be notified in advance of the requirements for completing your submissions. Broadly, monitoring exercises will require you to provide a detailed breakdown of the spending of your whole QR GCRF allocation – including detailed evidence on the types of activity funded, the DAC list countries and partners involved, and the impacts and outputs produced.
9. The annual monitoring exercises will measure your HEI's progress against the intentions outlined in your three-year institutional QR GCRF strategy. You will be expected to show how the activities undertaken align with your strategy, or why any activities have diverged from the strategy.
10. To meet ODA transparency requirements, your annual monitoring submissions will be published to the International Aid Transparency Initiative (IATI).

Best practice in assuring ODA compliance

11. We expect HEIs to provide specific and detailed information on the following in order to demonstrate best practice in assuring ODA compliance:
 - a. A clear and primary focus within your strategy (and all activity stemming from this) on addressing development challenges and creating impact in DAC list countries. Any aims to improve your HEI's status in development related research or other aims that benefit your institution **must** be secondary considerations.
 - b. DAC list countries partnered with – detailing the *specific* countries *directly* working on or benefiting from a project or activity, rather than providing a broad or generalised list of countries *potentially* involved or benefitting.
 - c. Specific development issues addressed – detailing the development challenges specific to the country or countries partnered with for any activity or project and evidencing how the activity or project addresses these.
 - d. Impacts on and benefits to DAC list countries – detailing the specific impacts and benefits and demonstrating how these address the specific development issues faced by the DAC list country. HEIs should also include detailed and robust

evidence to show that these benefits to DAC list countries are the primary outcomes of any QR GCRF activity.

- e. Financial information – providing detailed and specific breakdowns of the spending (or, in the case of forward looking strategies, expected spending) on each activity or project and on additional funding leveraged from other sources (both GCRF and non-GCRF). Where QR GCRF is used to meet the full economic cost (FEC) of another grant, HEIs should state the precise amount of funding received from other sources.
- f. Monitoring, due diligence and other internal processes – detailing the internal processes for allocating QR GCRF funds, conducting due diligence processes, monitoring and assuring ODA compliance, evaluating activity and managing the university's strategy for QR GCRF activity. Descriptions of these processes should be specific, rather than simply stating that appropriate processes and procedures are in place.

Safeguarding

- 12. Research activity funded through the GCRF may involve working with vulnerable beneficiaries. Improper safeguarding of beneficiaries is a reportable serious incident.
- 13. In the case of overseas research undertaken by a UK HEI, beneficiaries include all subjects of, participants in and direct and indirect beneficiaries of research. HEIs should take reasonable steps to ensure that those who come into contact with UK research overseas do not, as a result, come to harm. We expect all researchers from UK HEIs undertaking research overseas to exercise good conduct during their time overseas.
- 14. We expect HEIs to notify us if they become aware of any safeguarding issues or unlawful conduct related to research or researchers overseas in the context of either local or UK legislation. This applies to QR GCRF funded activity and other research activity. Abuse or improper safeguarding of beneficiaries and poor research conduct in overseas research could impact adversely upon both the research and reputation of an HEI. Please contact globalchallenges@re.ukri.org to report such incidents or for further information on safeguarding and serious incident reporting.

Contact information

15. For further information or queries concerning your QR GCRF strategy or your AY 2019-20 QR GCRF allocation please contact the RE GCRF Team at globalchallenges@re.ukri.org.