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11 September 2020

Re: **Research and knowledge exchange funding for 2020-21**

Dear <Salutation>

I am writing to provide details of your provider's research and knowledge exchange grants and formula capital allocations for 2020-21.

This letter explains in broad terms the main changes to the Research England grant for research and knowledge exchange funding for 2020-21 compared to 2019-20. 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 these documents and tables is described in **Annex A**. We do not require a reply to this letter.

### Funding budgets

The guidance letter to UK Research and Innovation (UKRI) from the Department for Business, Energy and Industrial Strategy (BEIS)<sup>1</sup> confirmed the funding available for the 2020-21 financial year (April to March). The letter also identified the policies and priorities that should underpin our approach to funding.

In the light of that allocations letter, and following discussion with and endorsement by the Research England Council, we have set the academic year 2020-21 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 2020-21 academic year, and this may include revising allocations after they have already been announced.

'Funding for higher education providers for 2020-21' (Research England Circular letter RE-CL-2020-06)<sup>2</sup> set out developments to our funding methods and budgets for 2020-21. This confirmed that:

- We will be maintaining the budgets for the separate elements of QR. These are:
  - i. £1,095 million for mainstream quality-related research (QR) together with its London weighting element
  - ii. £260 million for QR research degree programme (RDP) supervision funding
  - iii. £204 million for QR charities research
  - iv. £64 million for QR business research
  - v. £7 million for national research libraries.

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<sup>1</sup> See <http://re.ukri.org/documents/2020/ukri-delegation-and-allocation-letter-2020-21/>

<sup>2</sup> See <http://re.ukri.org/documents/2020/circular-letter-funding-2020-21/>



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- We have been allocated a further £107 million from the National Productivity Investment Fund, a UKRI-wide funding budget. We will allocate £97 million of this in proportion to mainstream QR (including London weighting), and £10 million in proportion to QR business research funding.
- Last year Government announced its commitment to increase knowledge exchange funding to £250 million in AY 2020-21. The total recurrent formula allocations for knowledge exchange in 2020-21 allocated through the Higher Education Innovation Fund (HEIF) has increased to £230 million. This total includes £47 million which is provided from the Office for Students' (OfS) teaching grant to support student and teaching elements of knowledge exchange through HEIF.

Allocations for the Strategic Priorities Fund (SPF) and the Global Challenges Research Fund (GCRF) will be announced at a later date.

### **Accelerated QR Funding**

In May 2020, as part of a range of measures by the Government to protect the higher education sector from the impact of the current pandemic, Research England brought forward £100 million of quality-related research (QR) funding to eligible providers from AY 2020-21 into AY 2019-20. This was announced in the Circular Letter 'Notice of Accelerated Quality-related Research (QR) Funding - Confirmation of Allocation' (RE-CL-2020-05). For providers this represented an extra £100 million in AY 2019-20. Research England's grant allocation for FY 2020-21 has taken this into account and the Accelerated QR funding was therefore a one-off additional allocation of £100 million in AY 2019-20 in addition to the allocations announced in Research England Circular letter RE-CL-2020-06.

### **2020-21 Recurrent grant changes for providers**

Providers may have grant changes as a result of the developments described above. In addition, providers may also see changes because of:

- 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.
- 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.

We wish 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](mailto:annualfunding@re.ukri.org).

### **Terms and conditions of funding**

The terms and conditions of funding set out the formal relationship between UKRI and the providers that it funds in relation to funds administered through Research England. The final terms and conditions applicable to funding administered by Research England for the 2020-21 academic year are published on our website. The terms and conditions include those related to provision of data and compliance with governance and data assurance requirements.

### **Further information and requests for changes**

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



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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.

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](mailto:annualfunding@re.ukri.org).

**David Sweeney**

**Executive Chair, Research England**



## **Annex A: Documents and tables related to the 2020-21 grant announcement**

The following are available on the Research England website:

- Circular Letter 'Funding for higher education providers for 2020-21' (RE-CL-2020-06) which set out our decisions on recurrent funding for higher education providers for academic year 2020-21, and on capital funding for financial year 2020-21
- Research and knowledge exchange funding for 2020-21 (RE-P-2020-05) which summarised our allocations to providers in 2020-21
- 2020-21 recurrent research and knowledge exchange grant tables for each provider. This shows the funding allocated for 2020-21 under different funding streams and a breakdown of the data used to calculate the funding.
- 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.