



Research and knowledge exchange funding for 2019-20

Recurrent grants and formula capital allocations

This document summarises our main recurrent funding and formula capital to higher education institutions for 2019-20.

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Title of publication

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Of interest to those responsible for	Finance, planning.
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Summary

Research England is responsible for funding research and knowledge exchange in English universities. This document summarises our allocations to institutions in 2019-20. Recurrent funding is provided for the academic year (August 2019 to July 2020) and formula capital for the financial year (April 2019 to March 2020).

For 2019-20, the overall grant¹ we will be distributing is £2,190 million:

- £1,744 million for recurrent research grant, comprising:
 - £1,697 million allocated by formula
 - £46 million for national facilities and initiatives
- £29 million for the Strategic Priorities Fund
- £213 million for knowledge exchange²
- £204 million for capital funding
 - £183 million for formula-based research capital
 - £21 million for national facilities and initiatives

This publications sets out the formula driven elements of the above funding, amounting to £2,093 million, and excludes allocations for the Strategic Priorities Fund which will be announced at a later date.

¹ Figures exclude funding for the Connecting Capability Fund, the Research England Development Fund, and University Enterprise Zones.

² This incorporates an additional £3 million compared to the figure announced earlier this month in Circular Letter 'Funding for higher education institutions for 2019-20' (RE-CL-2019-03).

This publication sits alongside three others:

- A covering letter and grant tables for each institution
- '2019-20 Recurrent research and knowledge exchange funding: technical guidance', a technical document that explains in detail how the figures in the grant tables are derived.
- Our 'Guide to research and knowledge exchange funding 2019-20' (RE-P-2019-03), which explains the methods used to calculate our grant in more detail.

These documents are available on the Research England website³.

This publication is of interest to anybody who wants to know about the funding distributed by Research England, but as we will not go into the detail of our funding methods, it is recommended that you consult our other documents as necessary.

Institutions received details of their individual grant allocations on 24 July 2019.

³ See <https://re.ukri.org/>

Research and knowledge exchange funding for 2019-20

Introduction

1. This publication summarises our formula-based recurrent grant allocations for research, knowledge exchange, and research capital. Following the budgets we announced on 2 July 2019, we have confirmed the allocations for individual institutions, which are outlined in this document. Unless otherwise stated, all years in this document relate to academic years.

Research England budget for the 2019-20 academic year

2. The government's guidance to Research England confirmed the funding available to us for the 2019-20 financial year⁴. The letter also identified the policies and priorities that should underpin our approach to funding.
3. In the light of the guidance, we have agreed budgets for 2019-20. In doing so, we have made a modest assumption for the value of recurrent research funding for financial year 2020-21. This assumption is required due to overlap between the 2019-20 academic year and 2020-21 financial year. Any changes to the government funding available next year could affect the funding we are able to distribute to institutions in the 2019-20 academic year. This may mean we need to revise these allocations later.
4. The total grant we are distributing in 2019-20 is £2,157 million, and this is broken down as shown in Table A.

Table A: Research England grant to be distributed in 2019-20

Funding stream	Total (£M)
Allocations made by academic year	
Institutional recurrent funding, made up of:	
Quality-related research (QR) funding – excluding GCRF	1,630
QR – Global Challenges Research Fund (GCRF)	68

⁴ See <https://re.ukri.org/finance/guidance-from-beis-to-re-for-2019-20/>

Funding stream	Total (£M)
Higher Education Innovation Funding (HEIF)	213
Total institutional recurrent funding	1,910
National facilities and initiatives	46
Strategic Priorities Fund	29
Total allocations (academic year basis)	1,986
Allocations made by financial year	
Formula-based research capital	183
National facilities and initiatives	21
Total allocations (financial year basis)	204

Note: Figures may not sum due to rounding. Figures exclude funding for the Connecting Capability Fund, the Research England Development Fund, and University Enterprise Zones.

5. Table B shows how the above recurrent funding total is split between different elements of grant.

Table B: 2019-20 Budgets for elements of recurrent grant

Elements of grant	Total (£M)
Recurrent funding for research (excluding GCRF)	
Mainstream quality-related research (QR) funds including London weighting	1,095
QR research degree programme (RDP) supervision funds	260
QR charity support fund	204
QR business research element	64
QR funding for National Research Libraries	7
Total recurrent research (excluding GCRF)	1,630
QR Global Challenges Research Fund	68
Knowledge exchange (Higher Education Innovation Funding)	213
Total recurrent grant	1,910

6. Table 1 in Annex A summarises the recurrent research and knowledge exchange funding for each institution, and is available to download alongside this document as a separate file. For 2019-20 we are including allocations for the QR Global Challenges Research Fund in this grant announcement.

The funding method for research

7. The underlying policy intent for our research funding, as set out in government guidance, is unchanged from previous years:

‘to continue competitive allocations through the selective funding of world-leading and internationally excellent research with impact wherever it is found; to provide selective support for the next generation of researchers; and to recognise research funding leveraged from external sources such as the charitable and business sectors.’

8. Funding for research is informed by the results of the 2014 Research Excellence Framework.⁵ This demonstrated the world-leading quality of research conducted in UK higher education institutions and highlighted the wide-ranging and significant benefits that UK research brings to the economy and society.
9. For 2019-20 we are increasing the total funding for mainstream quality-related research (QR), including London weighting, by £45 million from £1,050 million to £1,095 million. Funding for the 2019-20 Global Challenges Research Fund is increased by £10 million from £58 million to £68 million.
10. Other elements of recurrent research funding will be maintained in cash terms for 2019-20, including: £260 million for QR research degree programme (RDP) supervision, £204 million for QR charities research, £64 million for QR business research, and £7 million for national research libraries.
11. There will be no change to the funding method for research, except for an adjustment to the subject cost weighting for Unit of Assessment 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.

Knowledge exchange funding (Higher Education Innovation Funding, HEIF)

12. Our formula-based knowledge exchange funding (through HEIF) provides incentives for and supports institutions to work with business, public and third-sector organisations, community bodies and the wider public, with a view to exchanging knowledge and thereby increasing economic and social benefit.
13. Knowledge exchange totals £213 million, of which £166 million is taken from ring-fenced science and research funding, and £47 million transferred from the Office for Students (OfS)’s teaching budget. This total is divided into a main allocation of £203 million and a supplement of £10 million. Allocations for 2019-20 are calculated using Higher Education – Business and Community Interaction (HE-

⁵ See www.ref.ac.uk/2014/pubs/201401/.

BCI) survey data for 2015-16 to 2017-18, but also reflect decisions on the acceptability of institutions' five-year knowledge exchange strategies.

14. There will be no change to the funding method for knowledge exchange, except that the maximum year-on-year increase for institutions now returns to 10 per cent (compared to 30 per cent for the 2018-19 allocations).
15. A supplement is provided to institutions whose main allocation is capped at the maximum, to enable their knowledge exchange strategies to be enhanced where there is evidence that the cap on funding is a constraint on their support of economic growth.

Recurrent funding outcomes for institutions

16. As a result of the changes described above, most institutions will receive different amounts of grant in 2019-20 from what they received in 2018-19. Institutions may also see differences because of changes, relative to the sector as a whole, to their:
 - a. Postgraduate research student numbers and research income data. Such changes affect institutions' share of the RDP supervision funds, the charity support fund and the business research element.
 - b. HE-BCI survey data, Higher Education Statistics Agency (HESA) Finance record data and Knowledge Transfer Partnerships data. Such changes affect institutions' share of knowledge exchange funding.

Capital grants

17. The capital funding made available to us by Government for the financial year 2019-20 totals £204 million⁶. The total that we are distributing comprises:
 - £183 million for formula-based research capital.
 - £21 million for national facilities and initiatives.
18. Table 2 of Annex A shows the distribution between institutions of £183 million of formula-based research capital allocations, comprising:
 - a. 'HEI Research Capital England', totalling £96 million, will be allocated in proportion to 2017-18 and 2018-19 recurrent QR funding and research

⁶ This total excludes funding allocated through the UK Research Partnership Investment Fund, where awards are made through a competitive bidding process.

income (for 2016-17 and 2017-18) from other selected (non-Research Council) sources.

- b. 'Higher Education Research Capital (HERC) England', totalling £87 million, will continue to be allocated in proportion to research income from Research Councils, reflecting finance data for the most recent three years.

We are not providing allocations in 2019-20 to institutions whose share of the funds would be less than £10,000.

Funding for national facilities and initiatives

19. We aim to provide as much as possible of our funding for research and knowledge exchange through recurrent grant allocations to institutions. Further allocations, in the form of funding for national facilities and initiatives, are provided for specific purposes and to promote change that cannot easily be achieved through other routes. We are allocating £46 million from our recurrent research and knowledge exchange grant and £21 million from formula-based capital funding for these purposes. The distribution of this funding is not shown in this publication⁷.

2019-20 Terms and conditions of funding

20. 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.
21. Research England's funding powers under the Higher Education and Research Act 2017 are linked to the definition of eligible higher education providers as set by the Office for Students (OfS) and prescribed in detail by the OfS's regulatory framework, effective from 1 August 2019.

⁷ For more information, see '[Guide to Research and Knowledge Exchange Funding 2019-20](#)', pages 24 to 26

Use of formula-based research capital allocations

22. Capital funding is provided on a financial year basis and must be used for the purpose intended. Research England is not permitted to make payments to institutions in advance of need and thus require capital grants to be spent in full by March 2020. Research England funding should not be used for advance payments to contractors, or other financing arrangements (such as bonds) where payments precede production of goods or delivery of services.
23. Allocations of capital funding announced in this document are provided to sustain and strengthen the facilities and infrastructure that underpin research and enhance the research environment at institutions. The funds may:
- Contribute to the long-term financial sustainability of an institution's research and the supporting physical infrastructure
 - Contribute to replacement of premises or infrastructure, improved space utilisation, and increased sharing and utilisation of research equipment
 - Promote collaborative partnerships between institutions, industry, charities, Government and NHS Trusts
 - Promote world-leading research capability in all disciplines with the capacity to respond to developing national priorities.
24. Capital funding must be used for the purposes intended, though we recognise that it may be neither feasible nor desirable to create ring-fenced boundaries between research and teaching facilities. We look to institutions to adopt a pragmatic approach, whereby capital projects primarily focus on research activities.
25. In deciding how these funds are spent we expect institutions to take account of the need to reduce carbon emissions as well as securing value for money.
26. Institutions will be required to report in 2020 on their use of capital funding allocated during financial years 2018-19 and 2019-20 and these returns may be subject to audit. Further details will be published nearer the time. If we are not satisfied that institutions have used the funds for the purposes described in paragraphs 22 to 25, we may seek to reclaim some or all of the funding provided.

Further information

27. Institutions requiring further information should contact annualfunding@re.ukri.org.

Annex A: Institutional allocations

This is available to download as an Excel file alongside this document at <https://re.ukri.org/news-events-publications/publications/research-and-knowledge-exchange-funding-for-2019-20/>.

This consists of two tables:

1. Table 1: Recurrent research and knowledge exchange grants for academic year 2019-20
2. Table 2: Formula-based research capital allocations for financial year 2019-20