



12th April 2021

Dear Colleagues,

I am writing again following my recent letter of 11 March 2021 that outlined the requirement for UKRI to find substantial savings in the next financial year across our large portfolio of Official Development Assistance (ODA) research and innovation. In that letter, I set out our aim to work closely with you to try to maximise the benefits from the £125m of ODA funding that we have been allocated for the 2021/22 financial year, which represents about a £120m gap between allocations and commitments.

This letter details how we intend to manage the reduction in spend that we have been asked to deliver within the Newton Fund (Newton). UKRI is allocated its Newton budget independently of the Global Challenges Research Fund (GCRF) and the saving is required to be made separately. Through UK Embassy Teams, our funding partners have been informed of the need for these budget reductions.

We would like to work with you in determining the next steps for the Newton grant or portfolio of grants that you hold within your institution. The attachment sets out the level of commitment prior to the reductions as well as a new reduced indicative cap on the funding available for the affected grants. This represents a 24% reduction on the total value of UKRI payments due on your grant(s) from 1 April 2021 – 31 March 2022. Due to funding restrictions, this allocation can only be used to support Newton grants. Please refer to the attachment for full details on the profile and payments.

We want you to consider one of three options for each Newton grant and encourage the relevant Principle Investigators to discuss this with their Newton partners as needed:

1. Termination of those grants which become inviable on this reduced level of funding. For example, a grant may no longer be able to contribute to realising the development impact of the bi-lateral project. UKRI only expects this option to be selected in a small number of cases;
2. Acceptance of the reduced funding that we can offer;
3. Make a case on an exceptional basis for a small amount of additional funding for a particular element or activity within a Newton grant.

Agreement on termination (Option 1), can only be provided after UKRI has held funder-funder conversations following your template submission. Termination would be from 30 September 2021.

Option 3 is intended to recognise that in exceptional cases some aspects of a grant may require special consideration and a different approach. For example, we envisage that a case for special consideration could be made where the Newton grant includes activities governed by specific ethical or legal frameworks – e.g. research involving human participants such as clinical trials or



research including the use of animals – and in those circumstances, a proposal for additional support may be appropriate.

Through Newton, UKRI is committed to both the principles of equality diversity and inclusion and to equitable partnerships¹. You should also be mindful of these principles when developing your proposals. On the template, you will be required to confirm that you have given these principles appropriate consideration and you may be required to provide written evidence to support your proposals. In particular, you should review Gender Equality Statements to ensure their continued validity and consider policies and guidance relating to safeguarding, preventing harm and bullying and harassment.

We will of course make the case for substantial investments in ODA research and innovation as part of the next Spending Review, expected in autumn 2021. We note that the Integrated Review, published on 16 March 2021, reaffirmed the role of ODA research and innovation in Britain's global partnerships. However, at this time, we simply do not know how much ODA funding will be allocated to UKRI for the financial year 2022/23. In a small number of cases, the grant(s) held by your institution may include a profile of expected funding for future years. On balance of risks our preferred approach is to offer you the opportunity to find a way to maintain the capabilities and partnerships established through your Newton award(s) in a reduced form during the next financial year, to keep open the chance that these grants might continue to operate in the future.

The enclosed template sets out the possible options and we would like to work with you to understand which of these options might be the most appropriate for your portfolio of Newton awards. Whilst we do not know what our allocation will be in 2022/23, we are working to the scenario that the maximum level would be that of our current legal commitments, subject to the SR settlement. Please could you indicate in the attached template what actions you would propose for each Newton grant.

Your research management offices have been invited to participate in webinar/drop-in sessions recently. Although focused on GCRF, much of the detail provided in these briefings will also be relevant for Newton decision making.

We will try our utmost to work through these difficult decisions and processes in as fair and transparent way as possible, working with you and our Newton partners. In order to ensure that proposals are affordable within our allocation, we will need to have received your proposal for managing your Newton grant(s) no later than 30 April 2021. UKRI will review all Newton submissions received and engage with you and our funding partners as necessary for clarification. UKRI will aim to apply financial adjustments to continuing projects and issue any required formal termination notices by Monday 31 May 2021.

¹ UKCDR guidance on equitable partnerships <https://www.ukri.org/about-us/policies-standards-and-data/good-research-resource-hub/equitable-partnerships/>



**UK Research
and Innovation**

We are committed to working closely with you, your partners and stakeholders, and our Newton partners as we seek to maximise the impacts of the UKRI Newton investments that we have been allocated and the capability and partnerships for international development research and innovation that have been established through Newton funding to date.

Yours sincerely

A handwritten signature in black ink, appearing to read 'C. J. Smith'.

Professor Christopher Smith

UKRI International Champion

Executive Chair, Arts and Humanities Research Council