

ODA review Questions and Answers – 15 April 2021

Overall position

Q: What's the overall reduction in UKRI spend on ODA activities this year? i.e what is your allocation from government against what you expected?

A: The Department for Business, Energy and Industrial Strategy's ODA allocation to UKRI has reduced significantly in planned ODA expenditure for FY21/22, leading to a £125m budget and a £120m gap between allocations and commitments to grant holders.

Q: What was UKRI's allocation last year?

A: Our allocation for the FY20/21 as of June 2020 was £422m (£367m for GCRF, £55m for Newton)

Q. What programmes will be impacted?

A: The reduction in our allocation means that savings will need to be realised from both the GCRF and Newton Fund, as well as wider ODA funded programmes and activities within our councils including Innovate UK.

Q: How many grants will be affected?

A: There are more than 800 live projects affected and we are working to establish the options across this diverse portfolio to support detailed discussions with stakeholders about the best way forward. It is therefore too early to detail the final impact of this review on individual grants funded by the Global Challenge Research Fund (GCRF), Newton Fund and other ODA funds within our councils including Innovate UK.

Q: What is happening with Newton grants?

A: While these FAQ'S are specifically focused on GCRF, the template process and rules will be broadly the same for Newton (managed separately due to ring fence and co-funders). UKRI is managing discussions with funding partners but PIs should discuss any required changes with their partner PIs.

Letters were issued on 12 April and the return date of 30 April ensures ROs have comparable time to respond.

Q. Why did UKRI launch a funding programme without having a confirmed budget?

A: Our official development assistance programmes involve multi-year commitments in common with most UKRI funding programmes. Our commitments coming into this financial year were proportionate to the recent trend of our ODA allocations. No one could have foreseen the economic impact of an extended global pandemic when we entered into these longer-term programmes.

Q: Why can't UKRI use money from its core budget to support ODA programmes?

A: Our ODA allocation from BEIS is capped meaning UKRI is not allowed to seek alternative UKRI budget sources to support GCRF and Newton activities. Non-ODA activities will be supported as part of UKRI's wider settlement.

Q: Does this mean that UKRI is in effect withdrawing from ODA work?

A: No. Over the past year we have seen just how important it is to share knowledge across borders. ODA funding remains a high priority for UKRI and we will continue working collaboratively to tackle many of the pressing challenges facing the UK and the rest of the world in the months and years ahead.

Q: How do the cuts sit with the Government's recently announced international ambitions in the Integrated Review?

A: The government's Integrated Review recognises the importance of research and innovation to tackling global challenges and delivering prosperity. We welcome the government's continued commitment to increase research and innovation funding as a percentage of GDP and to spend 0.7% of gross national income on development when the financial situation allows. But this will clearly not alleviate the immediate pressures we face in our ODA portfolio.

Q: Will UKRI be making a case to Government for future ODA funding?

A: 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.

Q: What is UKRI's financial year?

A: All references to financial year refer to the period 1st April – 31st March. For 21/22:

- Q1 is 1st April 21 – 30th June 21
- Q2 is 1st July 21 – 30th September 21
- Q3 is 1st October 21 – 31st December 21
- Q4 is 1st January 22 – 31st March 22

Q: When will UKRI know what the funding envelope for the 22/23 financial year will be?

A: We don't currently have a confirmed timeline for this. We are working hard to make a clear case to BEIS around the need to have stability of funding in 22/23. Conversations with BEIS colleagues are currently on-going.

QR Funding

Q: What is the position with QR GCRF funding?

A: Research England Executive Chair David Sweeney has written to vice chancellors to inform them that as part of wider measures to implement a reduction in Government spend on International Development, BEIS have instructed UKRI and Research England that there will be no QR GCRF available for 2021-2022.

Q: How much was the QR GCRF allocation for the AY20/21?

A: The allocation was £63m for AY20/21.

Q. Can Higher Education Providers (HEPs) use QR GCRF provided by Research England to cover costs for ODA projects affected by loss of funding from other funders?

A: HEPs may use their RE QR GCRF funding flexibly as long as it is spent on ODA eligible research and is within the scope of their QR GCRF strategy. It is at HEPs' discretion whether QR GCRF funding is used to cover ODA costs from other funders. Any spend will be subject to the annual monitoring exercise.

Q: Will Research England extend the spending period for this year's QR GCRF?

A: Research England will not be extending the spending period this year. The annual monitoring exercise will begin shortly after the end of the 2020-21 academic year.

Communication and next steps

Q: When will you be communicating these expected reductions to grant holders and partner organisations?

A: From Tuesday March 23rd, we have begun writing to partners to set out what options are available and ask for their input in seeing how far we can work together to manage within the budgetary limit we have been set. We will discuss their individual portfolio of ODA grants and any possible mitigating actions.

Q: What will be the timeframe after this?

A: We will need to come to a better understanding of the options by mid-April so that any decisions can be taken, and if required any final notice to terminate grants can be issued, by the end of April at the latest.

Q: Who in the research community is being consulted? And potentially as a follow up how can I get involved in the conversation?

A: UKRI is working with a range of stakeholders including through the Russell Group, Universities UK and our international networks as well as directly with grant holders and funding partners. UKRI expects to be making some very difficult decisions – including issuing grant termination notices. As far as possible we want to work with the research and innovation community to mitigate these cuts.

Impact on grants

Q: Should we stop recruitment/pause work/avoid starting anything new until we know more about the implications?

A: As our letter to HEIs, institutes and businesses stated on 11th March: UKRI will continue to support all ODA grants and contracts, including those issued by Innovate UK, according to their usual arrangements for Quarter 1 2021/22, but will not be liable for the cost of new activities entered into after receipt of this letter. The terms and conditions of individual grants and contracts provide more detail of the arrangements that apply should a termination notice be issued. If you have enquiries on this please email odaenquiries@ukri.org or for enquiries relating to Innovate UK to support@innovateuk.ukri.org.

Q: In the letter of 11th March ‘new activities’ were referred to – what is meant by this?

A: In light of the current financial constraints, our expectation is that grant holders should not take on any new commitments which would result in additional financial liability which would exacerbate the challenge of managing within the limited funding that can be made available.

Q: Can any underspends be used?

A: No underspends, declared through formal financial reporting (for example - Interim Expenditure Statements), can be utilised against grants in 2021/22 or 2022/23 if this then takes the total spend in those years over the given target.

Q: What happens to those who had already applied for new grants but not reached award stage?

A: The reduction in ODA spend means that we are unable to initiate new awards where proposals have been submitted but have not reached the grant award stage.

Q: What happens to those who have been through an assessment panel but not yet received a form of grant funding agreement?

A: We have been unable to progress most awards which had been through our assessment panels but not yet been formalised into grant funding agreements. We understand that this is deeply disappointing for those who had met the criteria for award but will not now be able to commence their projects.

Q: Have any specific grants yet been cut? Was the letter of 11th March a notice of termination?

A: We have not yet issued any formal notices of termination in respect of any grants. Our letter of 11th March was intended to notify HEIs, institutes and businesses about the potential consequences of the severe reductions to UKRI's ODA allocation and to invite them to engage with us to identify opportunities to make best use of the limited available funding ahead of any final decisions to terminate. If it is not possible to reach agreement on use of the remaining funding, we will issue formal notices of termination by no later than the end of April, providing three months' notice.

Q: My programme involves clinical trials/animal research/other issues which might require special consideration, is there any more information?

A: We are sensitive to the ethical, regulatory and legal considerations that apply to research involving human participants, including clinical trials. We will endeavour to work with grant holders and other partners, to mitigate any risks linked to reductions in funding. In our new letter to vice chancellors of 23 March we are asking them to identify these grants that may require special consideration.

Q: What will happen to overseas research grant holders and partners?

A: Equitable partnership has been a core value of the GCRF and Newton Funds and we will consider impacts on partners as part of UKRI's response to this settlement.

Q: How many new calls did you have planned that are now postponed or cancelled?

A: We are still determining the impact on individual programmes and will be working with stakeholders to determine the best way forward.

Q: Won't these cuts to grants severely limit the impact of these projects and therefore overall value for money?

A: UKRI fully expects these cuts to have an impact on what can be achieved through our ODA projects in the year ahead but we will work, wherever possible, with the community in the UK and internationally to mitigate this impact as far as possible.

Q: Is it possible to use the University's CoA funding to support projects affected by these reductions in funding?

A: The UKRI Covid-19 Grant Extension Allocation (CoA) awards are funded through UKRI's core funding and not through ODA funds. Our ODA allocation from BEIS is capped meaning UKRI is not allowed to seek alternative UKRI budget sources to support GCRF and Newton activities. The CoA should only be used for its original intended purpose as outlined in the original terms and conditions. This means that we are not able to increase the flexibility to support ODA projects affected by the reductions that don't fall within the usual CoA eligibility requirements. The restriction, that support available from the CoA is limited to UK based organisations and their employees, will continue.

GCRF UK HEI Template Exercise

Q: Can the deadline for GCRF UK HEI templates be extended?

A: The deadline for returns of completed templates on GCRF UK HEI templates (not including the Interdisciplinary Research Hubs) is 17:00 on 16 April 2021. There will be no extension to this deadline. We cannot guarantee that we will consider returns received after this time.

The deadline to return the templates for the Interdisciplinary Research Hubs is the 23rd April 2021.

Q: Which grants are included and excluded from this GCRF exercise

A: Information shared in the letter/template and during the webinars only apply to:

- GCRF and grants administered through the Research Councils.
- All GCRF grants with payments due in Q2 21/22 and beyond are included.
- Grants finishing in Q1 this financial year, and those which have been awarded no cost extensions (with the final payment scheduled at Q1 this year) are excluded. These grants will not be subject to any reduction but any underspend will be reclaimed at the final reconciliation stage as usual.
- Apart from institutes which are being dealt with separately, letters and templates for all affected GCRF awards have now been issued.
- Innovate UK and Research England are managing their processes separately and we're not in a position to answer questions on these.
- Please contact UKRI if you are not clear why any project has been included or excluded from this exercise.

Templates for all GCRF grants have now been issued, with templates for Newton funded grants issued on 12th April. If you believe you should have received a template and haven't,

or think there are grants missing from your template please contact ODAenquiries@ukri.org to confirm.

Q. What is the guidance on virement for ODA award holders?

A: UKRI recognises the pressures placed on grant holders as a direct result of the challenges associated with the significant reduction in ODA allocations for the 21/22 financial year. In order to support our research community as best we can, all virement restrictions for grants funded through the Global Challenges Research Fund and Newton Fund are lifted. The intention is that this will allow grants the additional flexibility needed to, as far as possible, effectively engage their partners and deliver meaningful and valuable outcomes. In all cases all affected partners, including in-country partners, should be consulted before virements are made.

Please note this guidance refers to virements at the grant level and that the greater flexibility only applies to:

- grants administered by AHRC, BBSRC, EPSRC, ESRC, NERC, MRC, STFC which are awarded under the [Standard FEC Grants Terms and Conditions](#)
- grants which are part of the reduce and reprofile or terminate template-based exercise.

This does not represent a change in our Terms and Conditions and non-standard virements on any other grants other than those listed above will not be permitted. Further details on the approach and reporting requirements for standard and non-standard virements are outlined in the attached [guidance document](#) and, when reporting, a [supplementary template](#) must also be submitted, providing details of all non-standard virements.

Q: Can we waive overheads (estates and indirect costs) and then use the savings to fund DI costs?

A: Yes, if your organisation is happy to waive these costs you are welcome to. In line with the virement flexibility identified above these costs can be reallocated to other DI or DA fund headings.

Q: Are the UKRI spreadsheet documents 80 or 100% FEC?

A: The documents detail the contributions from UKRI. The majority of these will be at 80% FEC but for some headings such as exceptions will be at 100% FEC. Payments are 80% FEC on all DI, DA and Indirect Expenditure Type costs. 100% on all Exception Expenditure Type costs.

Q: What flexibility is there in terms of reprofiling?

A: We have aimed to provide the maximum flexibility possible. Providing none of the restrictions in relation to the envelopes for 21/22 and 22/23, and the total grant value are not exceeded, ROs are encouraged to allocate the funding available across eligible grants in line with what they believe is most appropriate, taking into account EDI, safeguarding and VfM considerations.

Whist you are able to stretch the funding over a longer period of time (providing this does not increase 21/22 and 22/23 liabilities, you do not have to change the end date of grants where option 2 is selected.

Where payment profiles are being revised, these will be updated on our systems.

Q: Will No Cost Extensions be granted?

A: Extensions will be dealt with in a separate exercise to the template.

- For grants not included in the template exercises please submit an extension request via JeS in line with the standard process.
- For grants currently ending on or after 1st April 2022 ROs can propose a revised profile with a date later than the current end date of the grant via the template exercise, providing that this does not mean that the 22/23 allocation is exceeded. This will be reviewed by UKRI when processing the returned templates and we will confirm whether this is possible. Funds have to be reprofiled to the new end date. The overall value of the grant will stay the same, but any extensions using the template must have accompanying reprofiles.
- UKRI will still commit to cover any additional payments and allow extensions necessary to cover statutory rights to maternity and parental leave. UKRI may need to take further action to minimise any impact of such additional costs that would affect spend in 2022/23 such as through reprofiling.
- Any other no cost extensions requests for grants will be considered in the usual way and not be included in this exercise.

Q: Will costed extensions be granted?

A: We are currently unable to consider any costed extension requests at this time

Q: How will cases for special consideration be assessed?

A: All cases for special consideration will be assessed on the basis of their fit against the key categories which UKRI has prioritised for the small amount of exceptional funding available. Cases will then be evaluated on the basis of the evidence provided and ranked according to the strength of the case for funding.

The categories which have been prioritised for exceptional funding are:

- Clinical trials or animal research currently underway - where there is a need to comply with specific ethical or legal frameworks or obligations which would not be possible in the event of termination/reprofiling;
- Interventions where curtailment/termination of funding could result in risk of serious harm to vulnerable individuals or groups.

Not all grants which can demonstrate any of the above will necessarily receive exceptional funding. The submissions which fall within one or both of the above key categories will be ranked according to the strength of their case based on evidence provided and the funds allocated to them until exhausted. That means that some grant submissions which arguably meet the above requirements may nonetheless not receive funding.

Where a case for special consideration is supported, this should result in a small amount of additional funding to allow a specific activity or intervention which is underway to conclude. No new activity can be funded via an exception unless its primary purpose is to draw the existing treatment / intervention to an ethical or safe closure.

Q: How are equality issues arising out of the cut to ODA funding taken into consideration?

A: HEIs and grant holders are reminded that they must take into consideration their public sector equality duty in implementing the ODA budget cuts to projects.

UKRI is mindful of its public sector equality duty and will maintain dynamic oversight of the assessment process and shall carry out an equality impact assessment in relation to the impact of the cut in ODA funding.

Q: What will happen about Parental and Maternity Leave as part of this review process?

A: UKRI will still commit to cover any additional payments necessary to cover maternity and parental leave whilst the grant is active that cannot be met within the grant limit.

Q: Will UKRI cover redundancy costs associated with the termination of grants?

A: Our standard terms and conditions apply, and we will not cover redundancy costs associated with termination of grants.

Q: What is happening regarding ongoing reporting and monitoring for projects?

A: UKRI is currently developing guidance on monitoring, evaluation, reporting and financial reporting for projects which are included in this exercise and will issue this as soon as possible.

For grants which choose the termination option, the FES will be issued in line with the revised grant end date and will have the standard three-month deadline.

Q: What happens if a grant is transferred to a new lead organisation?

A: Any instances where a grant is already in the process of being transferred between organisations will need to be discussed on a case-by-case basis as the situation depends on where they are in the transfer process.

Q: Who should make the final decision on whether a grant is terminated?

A: All relevant partners should be consulted in cases where termination is being proposed. UKRI issues the grant to the lead research organization, and as such it is this lead organisation which is ultimately responsible for the grant. UKRI, based on the proposals from research organisations, will then take the final decision on termination of grants.

Newton Fund

Q: Why are the Newton cuts less severe than the GCRF cuts?

A: Newton and GCRF have separate, ringfenced budget allocations. For UKRI Newton Fund we had £24m of legal commitments in 21/22 and have been allocated £19m. This leaves UKRI with shortfall of £5m at a time when the majority of Newton Fund projects are coming to an end. Because the Newton Fund allocation is provided to UKRI as a separate, ringfenced budget line from GCRF, one cannot be used to support the other.

Q: Can funding be moved between GCRF and Newton Fund projects?

A: Our GCRF and Newton Fund budgets are separately ring fenced by BEIS and funding cannot be moved between grants in different ODA Funds.

Q: If organisations/grant holders have questions, who should they contact?

A: We encourage everyone with questions to contact our ODA email address: ODAenquiries@ukri.org, or questions on Innovate UK grants to support@innovateuk.ukri.org.

For press enquiries please refer to UKRI press office at press@ukri.org