



Research  
England

<name>  
<JobTitle>  
<instname>  
<add1>  
<add2>  
<add3>  
<add4>  
<add5>  
<add6>

21 October 2021

Re: **Research and knowledge exchange funding for 2021-22**

Dear <Salutation>

I am writing to provide details of your provider's research and knowledge exchange grants and formula capital allocations for 2021-22.

This letter explains in broad terms the main changes to the Research England grant for research and knowledge exchange funding for 2021-22 compared to 2020-21. 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 2021-22 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 2021-22 budgets for recurrent funding streams for higher education providers, and additional single year grants and capital funding for the 2021-22 financial year. As usual, any significant future changes to our funding by government could affect the funding we are able to distribute to providers in the 2021-22 academic year, and this may include revising allocations after they have been announced.

'Funding for 2021-22' (Research England Circular letter RE-CL-2021-08)<sup>2</sup> set out developments to our funding methods and budgets for 2021-22. This confirmed that:

---

<sup>1</sup> See <https://re.ukri.org/documents/2021/guidance-from-beis-for-research-england-financial-year-2021-22/>

<sup>2</sup> See <https://re.ukri.org/sector-guidance/publications/circular-letter-funding-for-2021-22/>

- We will be maintaining the budgets for the separate elements of QR. These are:
  - i. £1,192 million for mainstream quality-related research (QR) funding together with its London weighting element, consisting of £1,095 million from recurrent funds and plus £97m from non-recurrent funds
  - ii. £272 million for QR research degree programme (RDP) supervision funding, consisting of £260 million from recurrent funds and £12 million from non-recurrent funds
  - iii. £204 million for QR charities research
  - iv. £74 million for QR business research, consisting of £64 million from recurrent funds and £10 million from non-recurrent funds
  - v. £7 million for national research libraries.
- We will be maintaining knowledge exchange funding at £250 million in AY 2021-22. The total recurrent formula allocations for knowledge exchange in 2021-22 allocated through the Higher Education Innovation Fund (HEIF) will be maintained at £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.
- We will be maintaining the Policy Support Fund (PSF), previously Strategic Priorities Fund (SPF), at £29 million.
- The following single-year funds will be allocated for the strengthening of university capacity in FY 2021-22:
  - i. £30 million for QR research degree programme recovery
  - ii. £10 million for rapid and agile knowledge exchange contributions through HEIF
  - iii. £10 million for incentives for HEIF top cap
  - iv. £10 million for specialist provider sustainability support
- As part of strengthening partnership working the following single-year funds will be allocated in FY 2021-22:
  - i. £10 million for business QR recovery
  - ii. £12 million for additional KE collaboration funding uplift through HEIF
  - iii. £6 million for new KE funding for smaller providers not in receipt of HEIF
  - iv. £6 million for RED fund: piloting new approaches to Government priorities
  - v. £1 million for museums, galleries and collections

Allocations for the specialist provider element of research funding, Enhancing Research Culture and the Participatory Research Programme funding streams will be announced at a later date.

## **Recurrent grant and formula capital funding payments, August-October 2021**

To provide continuity of funding to higher education providers payments for the recurrent grant and formula capital funding for August-October 2021 have been based on the amounts paid in 2020-21. This was announced in the Circular Letter 'Notice of recurrent grant and formula capital funding payments, August-October 2021' (RE-CL-2021-07)<sup>3</sup>. The August-October 2021 payment amounts will be taken into account within the monthly payment profiles for AY 2021-22.

## **2021-22 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 support 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 2021-22 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.

## **Additional conditions for knowledge exchange funding**

All providers in receipt of HEIF must pay regard to the HEIF policy & priorities publication<sup>4</sup> and comply with guidance related to eligible uses of HEIF, accountability and monitoring arrangements "(although note that new accountability statements are not required). This document also applies to any additional KE funding allocated on the basis of HEIF. For the avoidance of doubt, this includes:

---

<sup>3</sup> See <https://re.ukri.org/sector-guidance/publications/cl-notice-of-recurrent-grant-and-formula-capital-funding-payments-august-october-2021/>

<sup>4</sup> See <https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-HEIF-policies-and-priorities-PDF-for-webpage-Aug-correction.pdf>



**Research  
England**

- £10 million for rapid and agile knowledge exchange contributions through HEIF
- £10 million for incentives for HEIF top cap
- £12 million for additional KE collaboration funding uplift through HEIF

### **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 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).

Yours sincerely,

David Sweeney  
Executive Chair

## **Annex A: Documents and tables related to the 2021-22 grant announcement**

The following are available on the [Research England website](#):

- Circular Letter 'Funding for 2021-22' ([RE-CL-2021-08](#)) which set out our decisions on recurrent funding for higher education providers for academic year 2021-22, and on additional single year grants and capital funding for the 2021-22 financial year.
- Research and knowledge exchange funding for 2021-22 ([RE-P-2021-02](#)) which summarised our allocations to providers in 2021-22
- 2021-22 recurrent research and knowledge exchange grant tables for each provider. This shows the recurrent QR, HEIF and Museums, Galleries and Collections funding allocated for 2021-22, 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.

To access the above documents and further supporting information, see our [funding allocation pages for 2021-22](#).