



University and College Union

‘Further, higher, better’

**Submission to the government’s
second Comprehensive Spending
Review**

Section 11

11 Recurrent funding for research in UK higher education

There have been striking increases in public spending on recurrent funding for research. In 1997-8, higher education institutions in England were allocated £704m in recurrent funding for research.³² By 2006-7, that amount had grown to £1,342m³³ - an increase of 90.6% in nine years. HEIs in Wales were allocated £41.3m in recurrent funding for research³⁴; by 2006-7, that had grown to £65.0m – an increase of 57.4%.³⁵ HEIs in Scotland were allocated £106m in recurrent funding for research in 1997-8; by 2006-7, this had risen to £227.8m (this amount excludes the Knowledge Transfer Grant) – an increase of 114.9%.^{36 37}

The great majority of recurrent funding for research in UK higher education is called QR (quality-related) and is allocated on the basis of departments' results in the Research Assessment Exercise (RAE). Across the UK, university departments with an RAE rating of 1, 2 or 3 (the lowest) do not receive recurrent funding for research. There are some exceptions to this: in England, eligible departments with a 3a and 3b rating receive funding under the capability funding stream, worth £22m in 2005-6. Capability funding is intended to 'support research in emerging subject areas where the research base is currently not as strong as in more established subjects'.³⁸ The following subject areas are eligible: nursing; other studies and professions allied to medicine; social work; art and design; communication, cultural and media studies; dance, drama and performing arts; sports-related studies.

There is a similar system in Scotland, with no funding for departments getting less than a rating of 4, with the exception of departments termed 'rising' 3a. Likewise in Wales, from 2004-5 QR funding will only be allocated to departments achieving the highest ratings, of 4, 5 or 5*, in the 2001 RAE. In Wales, reductions in QR funding in 2004-5 are being compensated for to some extent by the introduction of the Research Investment Fund, which is to be allocated to departments with a rating of 3a in the 2001 RAE, or 3b if the latter represents an improvement on the 1996 RAE rating or a new rating in 2001.

Although in 2003 the Secretary of State for Education and Skills announced that funding for 4 rated departments in England would be 'held steady' in cash terms until the next research assessment exercise, that in effect means funding reductions in real terms over the next four or five years.

Between 1997-8 and 2005-6³⁹ the allocation of recurrent funding for research (mainly under the QR stream) generally became more concentrated in the hands of a small number of HEIs. In England, the research funding share for the highest 10% of research-earning HEIs rose from 56% to 59%; in Wales, the highest research earner, Cardiff University, increased its share of total funding from 39% to 57%; in Scotland, the funding share of the highest 10% of research-earning HEIs rose from 48% to 49%. Data for Northern Ireland's two research universities – Queen's University Belfast and University of Ulster

– in 2005-6 were unavailable at the time of writing.⁴⁰ In all three countries, the highest 50% of research earners accounted for almost 100% of allocated recurrent research funds.

Higher education institutions' share of QR research funding

	England		Wales		Scotland	
	1997-8	2005-6	1997-8	2005-6	1997-8	2005-6
Number of HE institutions	135	130	14	13	22	19
Highest 10% of research earners	55.8%	59.4%	39.4%*	57.0%*	47.6%	49.3%
Highest 25% of research earners	84.3%	78.1%	83.5%	82.7%	81.8%	75.7%
Highest 50% of research earners	95.1%	94.2%	97.5%	98.7%	97.1%	95.8%
% with no recurrent funding for research	10.4%	11.5%	14.3%	15.4%	13.6%	0.0%

* Cardiff University only

Source: data for 1997-8: HESA Finance Plus; data for 2005-6: England: HEFCE circular 2005/43 table 1; Wales: HEFCW circular 2006/06 table 3; Scotland: SHEFC circular HE/08/05 table B7 (excluding funding for Knowledge Transfer Grant, which for the purpose of this submission is seen more as funding related to university-business links than to research per se). Percentage calculations by UCU.

Full economic cost of research

Lord Sainsbury, Parliamentary Under-Secretary of State for Science and Innovation at the Department of Trade and Industry:

'If we are to put university finances on a sound basis ... it is vital both that universities know what is the full economic cost of their research and that funders accept an obligation to pay universities the full economic cost of the research they do.'⁴¹

From 1 September 2005, the UK Research Councils are funding the research that they support on the basis of paying 80% of the full costs of the research. As Lord Sainsbury has said: 'Universities need to recover FEC across the broad range of their activities ... the objective must be for all to pay a fair and proper value for the research they commission.'⁴²

The government's 10-year plan for science and innovation, published in July 2004, says the government will enable research councils to provide close to the full economic costs of their university-conducted research by early in the next decade. Funding bodies will be working with research charities, which are major funders of research in universities, to close the gap between current spending and the full cost of the research done for them.

Comment

We welcome the introduction of funding streams additional to QR funding which are intended to stimulate research potential, but we believe that research funding is already too concentrated and any additional selectivity risks undermining the intellectual culture across the national university system as research becomes unduly concentrated in very few institutions.

Research concentration will fail to sustain world-class research because it risks killing off the sources of academic creativity in departments rated 4 and below. This situation is putting much valuable research at risk, and undermining the government's policies of enhancing regional research collaboration between universities, and of developing links between universities and the businesses in their regions.

We call for the restoration of real terms funding increases to 4-rated departments in England – particularly to maintain regional research capacity – and for increased support for research funding in Northern Ireland.

We call for the 2008 RAE to be conducted in a fair and transparent manner and for the outcomes to be properly funded. In addition, the government and the funding councils should begin work with HE stakeholders to ensure sensible workable alternatives to the RAE beyond 2008.

We note the proposals in the 2006 Budget for a mainly metrics-based system for assessing research quality to replace the RAE either before or after 2008. This is a controversial proposal, and at this late stage we think it would cause chaos in the sector to replace the RAE before 2008 with a metrics-based system. Although many of our members would support an immediate end to the 2008 RAE, it is extremely unlikely that a 'simpler system' will end the publish or perish approach that has been adopted by most UK universities. In fact, a metrics-based system is likely to result in further negative consequences for UK research. For example, using research income as the measurement of quality is likely to disadvantage smaller, specialist departments and research teams. We will use the formal consultation period in May to October 2006 to gather members' views and make them widely known.

We welcome the government's drive towards full economic costing of research carried out in UK higher education. In particular, we recommend that the funding councils meet their commitment to fund projects at 100% of the full economic cost by the end of the decade. At the same time, full economic costing should ensure that bureaucratic burdens that arise from the process are kept to a minimum. Full economic costing should also support the move to permanent contracts as the norm for research staff.