Written evidence submitted by the Association of Medical Research Charities (AMRC) (HERB 12)

Summary

The health of the UK’s higher education and research sector is vital in order that investment by medical research charities can have maximum impact. The Higher Education and Research Bill 2016 heralds significant changes to this landscape.

In line with the activities and concerns of our members, AMRC are largely focused on part 3 (research) of the Bill. Our key areas of focus are:

1. Ensuring charity sector representation on the board of UK Research and Innovation;
2. Clarifying the impact on the ability of the Research Councils to collaborate and form partnerships with medical research charities and other organisations;
3. Seeking to ensure that there are no negative effects on research as a result of a potential disconnect between teaching and research within UK higher education institutions;
4. Ensuring that the ‘balanced funding principle’, as currently defined in the Bill, includes sufficient content to fully embody the dual support system including the Charity Research Support Fund; and
5. Obtaining clarification on the mix of UK and England-only functions within UK Research and Innovation.

About AMRC

AMRC represents 133 of the leading medical research charities funding research in the UK. In 2014, our members invested over £1.28 billion of research funding in the UK; more than either the Medical Research Council or National Institute for Health Research. Medical research charities also funded around a third of non-commercial research in the NHS and the salaries of over 12,000 researchers in the UK in 2014.

The Bill

The Higher Education (HE) and Research Bill followed the publication of the Government White Paper Success as a Knowledge Economy: Teaching Excellence, Social Mobility and Student Choice on 16 May. The preceding Green paper Fulfilling our Potential: Teaching Excellence, Social Mobility and Student Choice, published in November 2015, and subsequent consultation informed these developments. The research aspects of the White Paper and Bill reflect the Government’s manifesto commitment to take forward the recommendations of the Nurse Review of the Research Councils: AMRC were supportive of these recommendations.

Part 3: research

The Bill is split into four parts: the Office for Students, other education measures, research and general. Part 3 sets out the legal establishment of UK Research and Innovation (UKRI) and its nine autonomous councils with the dissolving of the current seven Research Councils, the Higher Education Funding Council for England (HEFCE) and Innovate UK. It also outlines statutory protection for the dual support system, collaborative working between the Office for Students and UKRI, re-establishment of the HEFCE research and knowledge exchange function as Research England and outlines the make-up and function of the Board of UKRI.
The National Academies have produced a useful summary of the proposals for UK research within the Bill. This includes a useful infographic that highlights how the current and prospective landscapes differ.

AMRC’s key issues

1. There should be representation from the charitable research sector on the board of UKRI.

Our case
The Government’s White paper suggests that non-Executive board members of UK Research and Innovation (UKRI) will have “significant expertise in research or business”; the Bill enshrines this intention. There is no mention of the inclusion of expertise from the charitable sector despite the fact that charities, as well as businesses, play a significant role in the research landscape in the UK.

In 2014, AMRC member charities invested over £1.28 billion of research funding in the UK; more than either the Medical Research Council or National Institute for Health Research. Medical research charities also funded around a third of non-commercial research in the NHS.

The Nurse Review, the document that the White paper and Bill were developed in response to and whose recommendations the Government made a manifesto commitment to take forward, states that it is vital that the Research Councils have strong links and means of interaction with the charitable research sector. The review states:

“To facilitate such interactions and to ensure that proper knowledge and understanding of the entire UK research endeavour is maintained, I recommend particular care is paid to ensuring there are strong interactions between the charitable research sector and the Research Councils.”

Ensuring charitable sector representation on the board of UKRI would facilitate strong links and means of interaction between the charity research sector and the Research Councils.

Key section of the Bill
Schedule 9, subsection 2, paragraph (5) states the experience that UKRI board members must have.

2. Clarification is needed regarding the potential impact on the ability of the Research Councils to enter into strategic partnerships with organisations such as charities and industry bodies.

Our case
The UK medical research environment is a complex ecosystem; a mix of partners work together to ensure that maximum impact can be achieved. 25% of Medical Research Council (MRC) expenditure is committed in partnership with other funders, the result of strategic co-ordination across all sectors of research.1 Despite the importance of Research Council partnerships, it is unclear whether UKRI will have to delegate the power to contract, in which case collaborations/partnerships may be more complicated, difficult to establish and take longer to evolve. Formation and development of strategic collaborations and partnerships is not mentioned in the Bill.

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1 https://www.mrc.ac.uk/publications/browse/mrc-delivery-plan-2016-2020/
Key section of the Bill
Clause 85 subsection (1) outlines the functions of UKRI. Clause 87 allows UKRI to delegate pursuit of its functions to the Research Councils; clause 90 contains supplementary information on the exercise of UKRI functions by Research Councils.

3. Consideration of a potential disconnect between teaching and research is needed; changes must be implemented so that disruption to research is minimised.

Our case
HEFCE currently oversees function for both teaching and research. The Bill legislates for the splitting of these functions between UKRI (as Research England) and the Office for Students. The implications of splitting the research and teaching functions of HEFCE are unknown. Our members are concerned that this may result in a detrimental disconnect between teaching and research that could have a negative impact on research.

In addition, the implications for research on the implementation of the Teaching Excellence Framework (TEF) are unclear. It is important that teaching and research are complementary to each other and are not driven into competition due to separate TEF and REF processes.

Key section of the Bill
Chapter 34 in part 4 of the Bill (general) addresses cooperation and information sharing between the Office for Students (OfS) and UKRI.

4. Clarification is required that the “balanced funding principle”, as defined in the Bill, fully and appropriately embodies the dual support system including the Charity Research Support Fund.

Our case
Public funding for research in English higher education is administered under a ‘dual support’ system. Under this system, HEFCE provide annual funding for English institutions in the form of a ‘block grant’ (also known as quality-related funding, QR), and the UK Research Councils provide funding for specific research projects and programmes. Bodies in the devolved nations administer annual funding for Scottish, Welsh and Northern Irish Institutions (the Scottish Funding Council, the Higher Education Funding Council for Wales and Department for the Economy in Northern Ireland).

QR funding, as an un-hypothecated funding stream, complements funding allocated via the Research Councils. It allows universities to be strategic, forward-looking and pre-emptive in the funding of research activities. It provides them with essential flexibility and autonomy to use the funds to support a wide range of research activities in their institutions, depending on their own needs and strategic priorities. It also provides the stability of funding needed to ensure institutions are not wholly concentrating on shorter-term research needs. The Charity Research Support Fund (CRSF) is a vital charity support element of QR funding.

The dual support system is a vital and unique feature of the UK research landscape. AMRC welcome the protection of the dual support system in England in legislation for the first time.

However, our members seek clarification that the definition of the “balanced funding principle” in the Bill contains sufficient content to fully embody the dual support system, particularly the vital un-hypothecated nature of block grant funding.

Key section of the Bill
Clause 95, subsection (3) defines the “balanced funding principle”.
5. **Research England should be required to consult with counterparts in the Devolved Nations.**

**Our case**
In the UK, block grant funding for research in Higher Education Institutions is devolved and funding for research allocated via the Research Councils is reserved. In UKRI however, Research England (England only) will sit alongside the seven Research Councils and Innovate UK (UK wide).

The Bill does not make clear how this mix of regional and national functions will work. The White Paper notes that to ensure the collaboration that currently exists between HEFCE and Devolved Administrations continues, future legislation would give Research England the power to work jointly with its devolved counterparts. However, this interaction does not appear to be mentioned in the Bill, nor the interaction of UKRI with devolved higher education funding bodies (the Scottish Funding Council, the Higher Education Funding Council for Wales and Department for the Economy in Northern Ireland).

**Key section of the Bill**
Clause 89 details the functions of UKRI that Research England is responsible for; paragraph (4) outlines that Research England must consult with those it deems appropriate.

For further information on any of the points highlighted in this briefing, please contact us and see AMRC's previous consultation responses:

- [AMRC submission to the Higher Education Green Paper consultation – Fulfilling our potential: Teaching Excellence, Social Mobility and Student Choice](#)
- [AMRC submission to the Nurse Review of Research Councils](#)
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<thead>
<tr>
<th>AMRC concern</th>
<th>Means to address</th>
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<tr>
<td>1. Ensure charity sector representation on the board of UK Research and Innovation</td>
<td><strong>Purpose: AMENDMENT TO BILL</strong></td>
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<td><strong>Schedule 9, subsection 2, part (5) (c) reads:</strong></td>
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<td>(5) The Secretary of State must, in appointing the members of UKRI, have regard to the desirability of the members (between them) having experience of—</td>
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<td>(a) research into science, technology, humanities and new ideas,</td>
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<td>(b) the development and exploitation of science, technology and new ideas, and</td>
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<td>(c) industrial, commercial and financial matters and the practice of any profession.</td>
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<td></td>
<td><strong>Amendment: part (c) to read:</strong></td>
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<td>(c) industrial, commercial, <strong>charitable</strong> and financial matters and the practice of any profession.</td>
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<td>2. Clarify the impact on the ability of the Research Councils to collaborate and form partnerships with medical research charities and other organisations</td>
<td><strong>Purpose: SEEK CLARIFICATION ON PARLIAMENTARY RECORD</strong></td>
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<td>Gain clarification from Ministers on parliamentary record that the Bill will have no detrimental effect on the ability of medical research charities and others to form key partnerships and collaborations with Research Councils.</td>
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Key sections of the Bill are;

- Clause 85 subsection (1) outlines the functions of UKRI;
- Clause 87 allows UKRI to delegate pursuit of its functions to the Research Councils; and
- Clause 90 contains supplementary information on the exercise of UKRI functions by Research Councils.

The ability for UKRI/Research Councils to form strategic collaborations and partnerships is not mentioned in the Bill.

| 3. Seeking to ensure that there are no negative effects on research as a result of a potential disconnect between teaching and research within UK higher education institutions | Purpose: AMENDMENT TO BILL

Clause 103 reads:

103 Cooperation and information sharing between OfS and UKRI

(1) The OfS and UKRI may cooperate with one another in exercising any of their Functions.

Amendment: part (1) to read:

(1) The OfS and UKRI must cooperate with one another in exercising any of their functions.

| 4. Ensure that the ‘balanced funding principle’, as currently defined in the Bill, includes sufficient content to fully embody the dual support system | Purpose: TO SEEK CLARIFICATION ON PARLIAMENTARY RECORD

Gain clarification from Ministers that the “balanced funding principle” as defined in the Bill fully embodies and reflects our members view of the dual support system, including the allocation of funds to Research England as an unhypothecated block grant.

Key section of the Bill:
| Clause 95 part (3): |  
|---|---|
| (3) The “balanced funding principle” is the principle that it is necessary to ensure that a reasonable balance is achieved in the allocation of funding as between— |  
| (a) functions exercisable by the Councils mentioned in section 87(1) pursuant to arrangements under that section, and |  
| (b) functions exercisable by Research England pursuant to arrangements under section 89. |  

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<th>5. Obtaining clarification on the mix of UK and England-only functions within UK Research and Innovation.</th>
<th>Purpose: AMENDMENT TO BILL</th>
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<td><strong>Clause 89 (Exercise of functions by Research England), part (4) reads:</strong></td>
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<td>(4) Arrangements under this section must require Research England, when exercising a function for the purpose of giving financial support, to consult such persons as Research England considers appropriate before determining any terms and conditions to be imposed in relation to the financial support.</td>
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<td>Amendment: part (4) to read:</td>
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<td>(4) Arrangements under this section must require Research England, when exercising a function for the purpose of giving financial support, to consult such persons as Research England considers appropriate, <strong>including counterparts in devolved nations</strong>, before determining any terms and conditions to be imposed in relation to the financial support.</td>
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*August 2016*