



**Research  
England**

**RE-P-2021-01**

1 August 2021

# **Terms and conditions of Research England Grant**

**Terms and conditions of UK Research and Innovation  
funding administered through Research England**

This document sets out the terms and conditions for payment of UK Research and Innovation grants to higher education providers administered through Research England, for the period to 31 July 2022, and describes the broad accountability framework that exists between Research England and the higher education providers that Research England funds.

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# Terms and conditions of Research England grant

To	Heads of Research England-funded higher education providers
Of interest to those responsible for	Finance, Governance
Reference	RE-P-2021-01
Publication date	1 August 2021

## Purpose of this document

1. The terms and conditions of Research England grant (the ‘terms and conditions’) set out the formal relationship, in the form of terms and conditions made under section 97 of the Higher Education and Research Act 2017, between UK Research and Innovation (UKRI) and the higher education providers that it funds, and their governing bodies and accountable officers. References to Research England (and ‘we’, ‘us’, ‘our’) in these terms and conditions relate to UKRI functions that are to be exercised by its Research England council<sup>1</sup>, under the Section 97 of the 2017 Act.
2. These terms and conditions underpin the funding we provide to higher education providers and describes the assurance we rely on in discharging our funding responsibilities. These terms and conditions also reflect UKRI’s responsibility to provide annual assurances to Parliament that:
  - funds provided to us are being used for the purposes for which they were given (regularity)

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<sup>1</sup> Research England is established as a committee in law.



- risk management, control and governance in the higher education (HE) sector are effective (propriety)
  - economy, efficiency and effectiveness are being achieved (value for money).
3. These terms and conditions apply from 1 August 2021. Until that date, the terms and conditions of Research England grant published in August 2020 (RE-P-2020-04) continue to apply. If you have received an award under the old terms and conditions but not yet received all payments due under that award, those terms and conditions continue to apply in respect of that award unless you agreed to abide by updated terms and conditions when you accepted that award, in which case these terms and conditions replace their predecessors. We do not envisage that the approach set out in this document will have any material impact on holders of existing awards.
  4. In this document, and elsewhere in Research England documentation, the term higher education provider is used to refer to
    - a. higher education providers receiving funding from Research England in line with regulatory arrangements in the transitional period;
    - b. Higher education providers that are registered with the Office for Students (OfS) and receive Research England funding from 1 August 2021.
  5. The terms and conditions set out the mandatory requirements placed on higher education providers as conditions of grant.
  6. These terms and conditions are intended to work alongside and complement any additional terms and conditions that may be issued in relation to separate Research England or UKRI administered grants or discrete funding streams<sup>2</sup>.
  7. Higher education providers are bound by the requirements of their charter and statutes (or equivalent) and by the law relating to their charitable status. This document does not supersede those requirements but is intended to complement and reinforce them.

## **Eligibility for funding**

8. For a provider to be eligible for grant funding from Research England, it must meet the following criteria:

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<sup>2</sup> <https://www.ukri.org/funding/information-for-award-holders/grant-terms-and-conditions/>



- a. The provider must be registered with the OfS in the Approved (fee cap) category of the OfS's register. This includes continuing to meet the OfS's ongoing conditions of registration.
  - b. The provider must be undertaking research and related activities<sup>3</sup>
  - c. The principal – though not necessarily exclusive - aim of the provider's research activity should be the creation of new knowledge which is made freely available to all.
9. If a provider ceases to meet these criteria, then Research England reserves the right to terminate any funding arrangements and may require repayment of funds disbursed (see paragraph 70).

## **Requirements of other bodies**

10. Higher education providers must ensure that their use of funding is compliant with any legislation applicable in the United Kingdom on or after 1 January 2021 that regulates the granting by a public sector body of any advantage which threatens to or actually distorts competition in the United Kingdom and/or any other country or countries ("UK Subsidy Control Framework"). Providers must inform Research England of any breach as soon as this becomes known to them. Providers acknowledge that if they breach any applicable legislation, UKRI may be required to recover some or all grant funding, together with interest.

## **Our responsibilities**

11. Research England provides grant funding for the undertaking of research and related activities (as defined in paragraph 12), by those higher education providers eligible to receive Research England grant funding. The eligibility criteria are set out in paragraph 8 above.
12. Our grants to higher education providers are to fund certain activities defined by the Higher Education and Research Act 2017, 97(2). These are:
- a. the undertaking of research into, or knowledge exchange in relation to, science, technology, humanities or new ideas by the provider;

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<sup>3</sup> Including knowledge exchange.



- b. the provision of facilities, or the carrying out of other activities, by the provider which its governing body considers it is necessary or desirable to provide or carry out for the purposes of, or in connection with, research into, or knowledge exchange in relation to, science, technology, humanities or new ideas.
13. We will endeavour to work with higher education providers and others in the higher education sector to the highest standards of openness, integrity and consistency expected of public sector bodies. We recognise that higher education providers are autonomous bodies and acknowledge that they accept that they are accountable for the funding they receive. We will not ask for information that we already have, and as far as possible we will rely on data and information that higher education providers have produced to meet their own needs. We will make regulation efficient and effective and seek to ensure that its benefits outweigh the costs to higher providers, ourselves and other parties.
14. We will work with the OfS and others as appropriate to minimise where possible duplication of regulatory activity. Where we place reliance on information provided to the OfS or others in ensuring accountability for our funding, we will make our own regulatory judgements. These may differ from those of the OfS for reasons including:
  - The nature of the information means that it affects the integrity of Research England funding or processes to a different extent to OfS funding and processes
  - The nature and characteristics of the provider's activity mean that the impact of any action on research and knowledge exchange activities in English higher education is different to its impact on matters of concern to OfS.
15. We will respect commercial confidentiality within the constraints of the Freedom of Information Act 2000 and our own obligations to Parliament and under the framework document with our sponsor department.
16. Under the Higher Education and Research Act 2017, Research England has assumed certain responsibilities from the former Higher Education Funding Council for England (HEFCE). The OfS has assumed other responsibilities from HEFCE (relating to teaching and related activities) and those of the Director of Fair Access to Higher Education. Research England and the OfS will, individually or together as they consider appropriate, continue to monitor compliance with the former HEFCE terms and conditions of grant and take action against providers that are found to be in breach of them. This includes (but is not limited to) recalculating and adjusting grants previously announced where these are found to have been informed by incorrect data from providers.



17. Research England and the OfS will agree which of them will take such action for breaches of HEFCE terms and conditions according to the following general principles:
- a. Research England will take action in relation to recurrent and capital grants that relate primarily to research and knowledge exchange activities and research students.
  - b. The OfS will take action in relation to recurrent and capital grants that relate primarily to teaching activities and taught students.

## **Responsibilities of higher education providers**

18. Research England will seek assurance from information provided to and by the OfS in ensuring that higher education providers have continued eligibility for funding. Providers may also need to provide some information directly to Research England to enable it to carry out effective oversight of the regulatory, propriety and value for money in the use of its funding. This is because we have a responsibility to protect the public interest and collective student interest in relation to a provider' research and knowledge exchange activities and their use of Research England funding.
19. Research England will make its own judgement as to the seriousness of any regulatory conditions imposed by the OfS, and the impact on both the eligibility for Research England's funding and the amount of that funding.

## **Regularity and propriety**

20. Higher education providers must use Research England funds only for activities that are eligible for funding under the Higher Education and Research Act 2017 (paragraph 12), as this is the intended purpose for which the funds have been provided by Parliament. When using these grants higher education providers should ensure they apply proper processes that ensure effective accountability.
21. This requirement also applies where the higher education provider passes on part of its Research England grant to another legally distinct entity for the provision of research or knowledge exchange facilities or for research or knowledge exchange to be undertaken. In such cases, as set down in Section 97(2) of the Higher Education and Research Act 2017, the higher education provider must obtain our consent before passing Research England funds to the connected institution. In these circumstances the higher education provider awarded the funding by Research England will be held accountable for those funds; and the higher education provider should therefore ensure adequate





accountability arrangements are in place when it passes on such funding to another entity.

22. Governing bodies<sup>4</sup> and accountable officers are accountable for their decisions and actions, and must submit themselves to whatever scrutiny is appropriate to their office. They should also be as open as possible about all the decisions and actions that they take that may affect funding provided by Research England and report these to Research England without delay.

## **Governing bodies**

23. Members of governing bodies of higher education providers have a set of legal responsibilities and other duties. Taken together, the responsibilities of members of a governing body and of the governing body as a whole are considerable, and must be met. The governing body of a higher education provider is collectively responsible and has ultimate responsibility that cannot be delegated for overseeing the higher education provider's activities, to determine its future direction, and to foster an environment in which the higher education provider's mission is achieved.
24. Higher education providers must comply with any conditions of registration applied by the OfS, including specific ongoing conditions.
25. They must also send Research England:
- a. Information we may reasonably request
  - b. Any data requested on our behalf by the designated data body.
26. Research England reserves the right to use and publish its own estimates of data, where we are not satisfied that the higher education provider's data are fit for purpose. Research England also reserves the right not to publish data. Responsibility for the quality of data used for internal decision-making and external reporting, which must be fit for purpose, rests with the higher education provider itself. Data submitted for Research England's funding purposes must comply with directions published by Research England; if in doubt about the reporting of research or knowledge exchange data, a higher education provider should ask Research England to provide an authoritative, written ruling.

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<sup>4</sup> 'Governing bodies' is defined as per section 85(1) of the Higher Education and Research Act 2017.



## **Accountable officer**

27. The head of a higher education provider is first and foremost responsible for leadership of the academic affairs and executive management of the higher education provider. The appointment (or dismissal) of the head of a higher education provider is governed by employment law, and this is clearly the responsibility of the governing body. Research England has no role, rights or responsibilities in relation to the appointment (or dismissal) of the head of a higher education provider. We expect that in a case where a head of a higher education provider does not discharge his or her duties or acts improperly the governing body will take appropriate action.
28. Under these terms and conditions, the governing body is responsible for the use of public funds. To assist and enable it to discharge this responsibility and to provide clear accountability, the governing body will designate a senior officer, normally the head of the higher education provider, as the 'accountable officer': that is, the officer who reports to Research England on behalf of the higher education provider. The accountable officer for Research England purposes must be the same person as the accountable officer for the OfS's purposes.
29. The accountable officer is personally responsible to the governing body for ensuring compliance with the terms and conditions in this document and for providing Research England with such assurances of this as it may require.
30. The accountable officer is also required to report to Research England as the case may be on behalf of the higher education provider in relation to the requirements set out in paragraph 23.
31. The higher education provider's accountable officer, the chair of the governing body or both may be required to appear before the Public Accounts Committee alongside the executive chair of Research England and the UKRI chief executive in his or her role as accounting officer, on matters relating to grants to the higher education provider.
32. In the event of a prolonged absence from work or a sudden departure by the accountable officer, the clerk to the higher education provider's governing body must ensure that Research England is made aware immediately of the identity of the interim accountable officer.

## **Provision of information to Research England**

33. Our information requirements are set out in these terms and conditions and in guidance on returns. It is a condition of grant that higher education providers provide the requested



accountability or other information. We keep these information requirements under review to ensure we only ask for the information we need.

34. Compliance with the code of practice for higher education data collections<sup>5</sup> is a condition of grant for all providers.
35. The provider agrees that non-statutory bodies which perform a function for the higher education sector, specifically the Student Loans Company, may provide to Research England such information (including financial information) relating to students at the provider as Research England may require for the purposes of the exercise of any of its functions under the Education Acts. These functions include the allocation and monitoring of funding and student numbers and the provision of advice to the Secretary of State. Research England will notify the provider in advance of any data request it may make to such bodies.

## **Research integrity**

36. In line with UKRI's terms and conditions for funding, it is a condition of grant for all higher education providers eligible to receive research funding administered through Research England to have in place procedures for governing good research practice, and for investigating and reporting unacceptable research conduct, that meet the requirements set out in the Concordat to Support Research Integrity (2019) <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2019/the-concordat-to-support-research-integrity.pdf> and the <https://www.ukri.org/about-us/policies-and-standards/research-integrity/>, and any subsequent iterations of those documents. UKRI will assess compliance with this condition on an ongoing basis.
37. We expect higher education providers to notify us promptly of research misconduct which could reasonably be considered as supported by our funding. Higher education providers are expected to notify Research England when an allegation is referred for formal investigation, and the outcome of any formal investigations of research misconduct<sup>6</sup>. Higher education providers are not expected to report cases to Research England where funding from other councils of UKRI supports the activity, and which are already reported by higher education providers to the appropriate Research Council. Notifications should be sent to [researchintegrity@re.ukri.org](mailto:researchintegrity@re.ukri.org).

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<sup>5</sup> Available at [www.hesa.ac.uk/content/view/3685](http://www.hesa.ac.uk/content/view/3685)

<sup>6</sup> Full details of the information required in any notification, including the type of information, how the information will be handled, stored and used, and how this requirement to report misconduct to Research England relates to other reporting mechanisms can be seen at <https://re.ukri.org/research/supporting-research-integrity/>.



## **Preventing and addressing exploitation, abuse and harm**

38. Protecting people from exploitation, abuse and harm should be a priority for all higher education providers. We expect higher education providers to promote a culture in which exploitation, harm and abuse is less likely to happen, and to act swiftly to respond to cases that do emerge. Preventing and addressing bullying, sexual harassment and other forms of exploitation, abuse and harm requires an institution wide, multi-pronged approach, focusing on governance, human resources, whistle-blowing and risk management policies. Providers must have systems and policies which support everyone, integrating clear codes of conduct into processes of recruitment, professional development and promotion, and ensuring that timely, transparent, robust and fair processes are in place and accessible by all.
39. It is expected that higher education providers will take all reasonable steps to protect people who come into contact with their organisation from exploitation, abuse and harm. This includes staff, students, volunteers, participants in research and direct and indirect research beneficiaries. It may also include other people who come into contact with the work of higher education providers. We expect all researchers from funded higher education providers undertaking research to exercise good conduct.
40. UKRI and Research England believes that everyone has the right to be treated fairly and with dignity and respect. We are committed to promoting safe and inclusive environments, free from exploitation, abuse and harm, for all individuals that are employed on, participate in or otherwise come into contact with the research and innovation activities that we fund. Research England will seek to align with UKRI policies on the prevention of harm in research and on bullying and harassment as they are developed.
41. Our expectation is that providers must have clear, well-publicised policies, processes and training in place consistent with good practice. Where relevant you should take into account regulatory guidance e.g. from the Office for Students, on handling harassment and sexual misconduct in higher education and other prevailing good practice. We expect you to take an organisation-wide approach to prevention and responding to disclosures and reports of bullying and harassment, including appropriate leadership and management training and dedicated support on bullying and harassment.
42. Research England may update its expectations in line with national policy development, UKRI policy development, employment and sector good practice or legislative change, or as may be notified separately by Research England.



## **Career development**

43. Providers are expected to adopt the principles, standards and good practice for the management of research staff set out in the 2019 Concordat to Support the Career Development of Researchers<sup>7</sup>, including any subsequent amendments.

## **Research outputs and open access**

44. Research England encourages providers to support the principles of open research in their research environment. Most Research England funding is deployed by universities at their discretion and is not intended to lead to specified outputs. In such cases, outputs cannot be attributed directly to Research England funding and no acknowledgement of Research England funding is expected or necessary. Such outputs are therefore out of scope of the UKRI Open Access policy. Where funding is given for particular purposes, and where that funding leads directly to particular research outputs, those outputs will be subject to the UKRI Open Access policy and providers will be required to include acknowledgement of Research England's funding.

## **Responsible research assessment**

45. Our expectation is the providers we fund will comply with the principles of the San Francisco Declaration on Research Assessment (DORA)<sup>8</sup>, Leiden Manifesto<sup>9</sup> or equivalent. Research England commits to assessing the intrinsic merit of research and will not consider the publication channel, its impact factor (or other journal metrics), or the publisher when assessing quality.

## **Equality, diversity and inclusion**

46. We expect higher education providers to ensure that equality, diversity and inclusion is considered and supported in the use of our funding, taking into account UK Research and Innovation policies and principles<sup>10</sup> for equality, diversity and inclusion. Providers' approaches to supporting equality, diversity and inclusion are expected to exceed all relevant legal obligations, including but not limited to those of the Equality Act 2010.

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<sup>7</sup> <https://www.vitae.ac.uk/policy/concordat>

<sup>8</sup> <https://sfdora.org/>

<sup>9</sup> <http://www.leidenmanifesto.org/>

<sup>10</sup> <https://www.ukri.org/about-us/policies-and-standards/equality-diversity-and-inclusion/>



## **Sustainability of universities and colleges**

47. Higher education providers must continue to meet the OfS's condition of registration related to financial viability and sustainability (condition D).
48. Higher education providers must also submit the Transparent Approach to Costing (TRAC) returns as required<sup>11</sup>. Where these are submitted to the OfS, the OfS will share the TRAC returns with UKRI.
49. The primary responsibility for assessing the affordability of, and risks around, financial commitments rests with higher education providers' governing bodies. A provider should determine the level of its financial commitments that are both affordable and consistent with its financial strategy. As part of ensuring its long-term viability, a higher education provider should know the full cost of its activities and use this information in making decisions. If it does not seek to recover the full cost, this should be the result of a clear policy set by the governing body and included in the financial strategy and should not put the higher education provider in financial difficulty. We do not expect public funds to subsidise non-public activities.
50. Higher education providers should manage their estate in a sustainable way, in line with an estates strategy.

## **Significant events**

51. The higher education provider's accountable officer must inform Research England about major changes in research and knowledge exchange strategies. Where it is deemed appropriate, Research England will share any such information with UKRI.

## **Contributing to meeting policy objectives**

52. Knowledge exchange, as defined by the Higher Education and Research Act 2017, 93(4), means "knowledge exchange", in relation to science, technology, humanities or new ideas, means a process or other activity by which knowledge is exchanged where:
  - a the knowledge is in, or in connection with, science, technology, humanities or new ideas (as the case may be)
  - b the exchange contributes, or is likely to contribute, (whether directly or indirectly) to an economic or social benefit in the United Kingdom or elsewhere.

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<sup>11</sup> <http://www.trac.ac.uk/tracguidance/>



53. Providers receiving recurrent funding for knowledge exchange[1] are required to comply with annual monitoring arrangements described in 'HEIF policies and priorities: Accountability Statements 2020-21 and 2021-22 to 2024-25' (RE-P-2020-03), or as may be notified separately by Research England. Providers may be notified separately of a requirement to provide additional information related to the Knowledge Exchange Framework (KEF).
54. These monitoring arrangements are to report on the progress of the provider in the delivery of institutional Knowledge Exchange strategic objectives and Government priorities through their HEIF-funded activities as described in its accountability statement. Research England can withhold funding from the provider if it does not produce an accountability statement, comply with monitoring arrangements, or if monitoring reveals that the provider is not achieving sufficient progress against its objectives and goals in delivery of Government priorities.
55. Higher education providers are obliged to consider how Intellectual Property arising from publicly funded research may be optimally exploited, taking account particularly of guidance from the Intellectual Property Office, including its 'Intellectual Asset Management for Universities'<sup>12</sup>.
56. Where Research England allocates funding to higher education providers from the Global Challenges Research Fund (GCRF), these funds must be used to support Official Development Assistance (ODA) eligible activity and is subject to additional conditions. This means it must be used to support cutting edge research that addresses the challenges of economic development and well-being faced by developing countries on the Organisation for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) list. It is also a condition of funding that higher education providers in receipt of GCRF allocations comply with annual monitoring exercises of the fund conducted by Research England.

## **Other requirements**

57. Higher education providers are required to subscribe to Jisc's core network package from August 2021 – to July 2024.
58. Higher education providers must ensure that their use of JANET and SuperJANET networks conform to acceptable practice and current legislation.

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<sup>12</sup>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/308072/ipasset-management.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/308072/ipasset-management.pdf)



59. Table D of the 2021-22 grant tables and the equivalent table in future grant tables identify any allocation of funds for research degree programme (RDP) supervision. We require that the arrangements for assuring and maintaining the academic standards and enhancing the quality of these programmes are compliant with the expectations and core practices, of the 'UK Quality Code for Higher Education'.<sup>13</sup>
60. Providers' approach to maintaining the academic standards and enhancing the quality of these programmes should also be informed by good practice including the 'UK Quality Code for Higher Education' common practices and advice and guidance.
61. There is an Exchequer interest that has built up over time in higher education providers in receipt of Research England capital funding and some previous HEFCE capital funding.
62. If either of the following remote events occurs, they will trigger immediate liability for the provider to repay the full amount of the Exchequer interest (as shown in the Exchequer interest register at that date). The proportion of the total liability to be repaid will be subject to any agreements made between UK Research and Innovation and other public bodies in respect of the ownership of the Exchequer Interest. The provider will recognise UK Research and Innovation as unsecured creditors until such repayment is made. If a liability to make repayment arises, Research England may agree to accept repayment of some other sum, or to delay repayment, at their absolute discretion, and such agreement may be on terms and conditions as Research England think fit.
- The first trigger event will be if the provider becomes insolvent, including going into liquidation or administration, or if it dissolves or transfers its undertaking to some other body (for example, by the exercise of the Secretary of State's powers under the Education Reform Act 1988), or if it experiences any analogous event.
  - The second trigger event is if the provider ceases to be eligible for Research England funding, as set out in paragraph 8.
63. If either of the triggers is activated, Research England have the right, but not the obligation, to request repayment. Research England has discretion to waive the requirement for repayment, and the discretion to waive the proportion of the total repayment that is liable to Research England. In making these decisions, Research England will consider the extent of any continuing public benefit arising from the use of previous HEFCE, OfS and Research England capital grants.

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<sup>13</sup> <https://www.qaa.ac.uk/quality-code>





## **Payment of grant**

64. Each year we determine how much money to allocate to each higher education provider. Higher education providers should use this money only for the purposes we are empowered to fund, as defined in the Higher Education and Research Act 2017 or other relevant legislation.
65. All funding provided by Research England is subject to the terms and conditions set out in this document, and in accepting funding, the provider is agreeing to comply with those conditions.
66. The provider is free to distribute internally at its own discretion all funding from Research England which is not earmarked or provided for a specific purpose, subject to that funding being used for the activities eligible for funding under section 97 of the Higher Education and Research Act 2017, as amended. Any funds that have been earmarked or provided for a specific purpose must be used solely for the purpose for which those funds were earmarked or provided.
67. United Kingdom Shared Business Services (UKSBS) will normally pay recurrent funds to the provider on behalf of Research England in monthly instalments, in accordance with a funding profile for the whole academic year that will be notified separately. While Research England reserves the right to amend the UKSBS profile during the year, it will make adverse changes to the profile only in exceptional circumstances and following consultation with the provider.
68. Research England allocations may be amended in the light of any data assurance work carried out with individual providers or other data amendments that we agree to accept.
69. We reserve the right to revise any allocation to take account of changes to the grant available to us from Government, or where we believe the size of any allocation that we have announced has been affected by erroneous or incomplete data.
70. We will withhold or amend future payments, or require a higher education provider to repay part or all of a grant, whether through the non-compliance of current or former terms and conditions we attached to the grant, or if it has been found to have been incorrectly over-funded via information received from the provider itself or Research England. We reserve the right to charge interest, at 2 per cent above the Bank of England base rate.



## Changes to the grant available to us

71. The Department for Business, Energy and Industrial Strategy (BEIS) confirms the funding available for Research England for each financial year (April to March), with indicative funding advised for subsequent financial years. Research England confirms funding for the related academic year, assuming that any indicative funding available for the following financial year will be confirmed. Any future changes to the grant made available to us by BEIS could affect the funding we are able to distribute to providers in the relevant academic year, and this may include revising allocations after they have already been announced.

## Provider engagement, support and safeguarding actions

72. As a public sector funding body Research England must be confident that the bodies it funds have adequate and effective risk management, control and governance arrangements to protect the investment of Research England funding; and arrangements for delivering value for money (VFM) from public funds.

73. Research England will seek to secure this confidence through our accountability framework (see [annex B](#)). This includes:

- a. our reliance on the OfS' regulatory framework and providers' continuing compliance with the ongoing conditions of registration as a key source of assurance for Research England funding;
- b. Monitoring providers' activities and strategies relating to research and knowledge exchange, including through submissions by providers of such returns as we may require (including as described in paragraph 53) and the undertaking (or commissioning) of data assurance investigations.

74. The OfS' regulatory judgements in relation to a higher education provider's risk may be shared with Research England. Research England will determine what, if any, regulatory action it wishes to take in relation to such a breach as set out in paragraph 70.

75. The two safeguarding actions at the disposal of Research England, which could be deployed if other routes to secure compliance are not successful, are:

- a. **Financial** – through the recovery of grant funding or the denial of access to future grant funding, including access to specific grants or to discretionary funding. Ultimately Research England can withdraw funding entirely, should circumstances warrant such action.



- b. **Informational** – through making public our concerns about a higher education provider where there are strong grounds to do so and where this is in the public or collective student interest (both current and prospective students, and past students where relevant).

## **Data assurance**

- 76. Higher education providers are required to supply Research England with data to inform allocations of funding and for other purposes. The responsibility for the quality and accuracy of that data rests with the higher education provider. Research England relies on the provider's own data assurance processes where possible.
- 77. Research England monitors the reasonableness of data and undertakes verification, validation and reconciliation work between HESA data and other datasets. Research England may undertake (or commission) audits at a higher education provider if it deems this necessary. Data audits will assess the strength of the provider's systems and controls as well as assessing the accuracy of the data submissions.
- 78. We will audit data selectively in this and future funding exercises, through audit visits and other processes. We will also use data which providers provide to the designated data body, the OfS and other organisations to verify the data providers send directly to us. We will use the outcomes of these data audits and reconciliations to review funding allocations both for the year in question and all subsequent years.
- 79. If we find, either through reconciliations with the OfS, the OfS designated data body, or other organisations' data, or any data audit, that erroneous data has resulted in providers receiving incorrect funding allocations, then we will adjust these accordingly (subject to the availability of our funds). We will recover funding from a provider for all years informed by the audited or reconciled data (including any consequential effects on funding for subsequent years). If there is evidence that a provider has deliberately not complied with the funding rules or has ignored previous HEFCE, Research England or OfS advice/recommendations, then in these exceptional circumstances we may recover funding over a longer period, up to a maximum of seven years (including in relation to years when funding was provided by HEFCE).
- 80. Research England will place reliance on providers' compliance with the OfS's ongoing conditions of registration in relation to the provision of accurate data (conditions F3 and F4). This is imperative in order to improve the reliability of data which is crucial for the efficiency of our funding, the accuracy of public information and to reduce the number of significant funding allocation adjustments arising from data corrections.



## **Freedom of Information Act 2000 and Environmental Information Regulations 2004**

81. The Freedom of Information Act 2000 and Environmental Information Regulations 2004 give individuals rights to request and access recorded information held by UKRI, irrespective of its date, and subject to certain exemptions or exceptions.
82. Any requests for information received by Research England will, therefore, fall under the Act or the Regulations, and Research England will comply with such requests in accordance with the Act, Regulations and UKRI Freedom of Information Policy.
83. This may result in information received, or outputs from work undertaken, being subject to disclosure if a valid request is made to us.
84. Information providers can, if they wish, provide potentially sensitive information (such as information relating to commercial interests) in a separate annex attached to the information provided to Research England. This will highlight to us that there are concerns about disclosure. The provider should acknowledge that Research England may, nevertheless, be obliged to disclose this information.
85. The assumption will be that all information provided to Research England may be disclosed on request. Where a provider has determined that information is exempt from a Freedom of Information request, they must be prepared to evidence why it satisfies an exemption.
86. The assumption will also be that all information provided to Research England may be published at some stage in the future, whether or not it is subject to a request under the Freedom of Information Act 2000 or Environmental Information Regulations 2004.

## **Revision to terms and conditions of Research England grant**

87. We will make material revisions to this document only after consulting the higher education sector or its representative bodies, as appropriate.
88. Future changes to the terms and conditions are highly likely given the need to minimise duplication with approaches taken by other bodies and to cross-refer to their processes as appropriate. In the light of the sensitivity of our approach to the approaches of others, we will not be able, on every occasion, to publish revised terms and conditions as early in the year preceding their adoption as we would like; nor will be able to ensure that all revisions are sufficiently material to justify a full open consultation.



89. We will, therefore, work with HE sector representative bodies to ensure:

- that representative bodies are consulted on any changes, however minor
- that they have the capacity to advise their members on the changes and take soundings on their response
- that a full open consultation is employed wherever it is both feasible (in terms of timing) and necessary (in terms of the materiality of the changes)
- that the interpretation of 'feasible and proportionate' for this purpose is the subject of discussion with the representative bodies
- that we offer the representative bodies an ongoing dialogue on the development of new iterations of the terms and conditions so that they are able to advise us both on issues raised by the T&Cs themselves and on the feasibility and necessity of full open consultation
- that we will consider changes less material and full open consultation less likely to be necessary where the changes represent the logical application of the following principles:
  - RE will try to minimise duplication with the regulatory practice of OfS or other parts of UKRI where the distinctive purpose of RE funding does not suggest a distinctive approach and where those other bodies are engaged in consultations of their own
  - RE will make necessary amendments to its terms and conditions where these are necessitated by changes in the practices of other bodies and will consider these changes less material if their sole purpose is to replicate the position in third-party approaches
  - RE reserves the right to consider changes where the sole purpose is to simplify and clarify the language of these terms and conditions to have a low level of materiality
  - Where, due to circumstances beyond our control, the time available for consultation is very short we reserve the right to employ whatever method of consultation is feasible under the circumstances. In the event that this limits the scope of consultation into highly material changes we may seek



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to reopen consultation on novel elements of the terms and conditions after they come into force.



## **Annex A:**

### **Terms and Conditions for Competitively Allocated Project Funding**

1. The following text describes standard conditions that relate to funding which is not allocated by formula. These conditions are applicable to all competitively won project funding, unless otherwise stated in the award letter issued to the lead provider (grant awardee) for that project. Where conditions have previously been applied to funded projects, those conditions will continue to apply unless otherwise stated. These conditions are addition to, and do not replace, the Research England Conditions of Grant set out in the main body of this document.
2. Award letters and any associated annexes sent to the grant awardee notifying that an award has been made, will:
  - a) Set out the amount of Research England grant being provided.
  - b) Set out the purposes of the grant.
  - c) Set out specific terms and conditions related to a grant award, or any additional terms and conditions that reflect Research England's view of the specific characteristics of the project being funded.
  - d) Set out the specific terms and conditions related to end of grant, final monitoring reporting and assurance arrangements.
  - e) Set out our potential requirements for project reviews and provision of information to inform periodic evaluations of the awarding fund.
  - f) Include requirements for payments and the payment profile.

### **Finance and risk**

3. The grant awardee is responsible for overall accountability for the funding and this cannot be delegated to another organisation without our written permission in advance. The grant awardee is also receiving funding from us on behalf of the project and is responsible for distributing and monitoring the funding among partners as well as supplying monitoring information on the progress of the project. The grant awardee must ensure that all payments made from the awarding fund comply with the general principle to not pay in advance of need.



4. We expect the terms of HM Treasury guidance 'Managing Public Money'<sup>14</sup> to be adhered to in respect of using Research England funding to support your project.
5. The grant awardee may not transfer or pay any part of the grant to any other person, except as expressly agreed as part of the bid submitted to Research England.
6. The grant awardee must inform us promptly in writing (that is, outside the agreed reporting timescale if appropriate) if:
  - a) there is a significant alteration to the project or a matter which is likely to significantly affect the intended aims, outcomes and/or outputs;
  - b) there are delays in starting or implementing the project or the project is put on hold for any reason;
  - c) there is a change in the total funding structure of the project, such that awarded monies come to support a larger proportion of the total cost of the project than originally agreed at approval;
  - d) there are any significant changes to risk status of the project achieving its intended outcome;
  - e) there are any awarded monies that have been, or are expected to be paid in advance of need.
7. We reserve the right to change monitoring arrangements if, in our judgement, any of the above matters mean that the project is unlikely to achieve the intended outcomes. We also reserve the right to take these courses of action if, in our judgement, the grant awardee fails to report any of the above issues to us in writing in a prompt manner.
8. We reserve the right to withhold or suspend payment of the grant and/or require repayment of all or part of the grant if:
  - a) the grant is used for purposes other than those for which they have been awarded;
  - b) the delivery of the project does not start within two months of the date of the award letter (unless otherwise stated in the letter) and the grant awardee fails to provide us with a reasonable explanation for the delay;
  - c) we consider that satisfactory progress has not been made with the delivery of the project;
  - d) we consider that the project is being delivered in a negligent manner;
  - e) duplicate funding for the project is obtained from a third party;

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<sup>14</sup> <https://www.gov.uk/government/publications/managing-public-money>





- f) funding is obtained from a third party which, in our reasonable opinion, undertakes activities that are likely to bring the project or Research England into disrepute;
- g) the grant awardee provides us with information which is materially misleading or inaccurate; or
- h) we consider that further payment would place public funds at risk;
- i) we consider further payments would not comply with the general principle that there is no payment in advance of need.

9. We will always consult with the grant awardee before taking any such action, unless immediate action is required in order to safeguard public funds.

10. Where any sum falls to be repaid to us in connection with the grant, we may recover that sum by way of set-off against any other sum payable by us to the grant awardee. Under no circumstances will the amount of the grant be increased in the event of any overspend in the delivery of the project.

11. Research England reserves the right to request that the grant awardee commission (or we will commission) an independent auditor to review progress of the project and compliance with the funding criteria and terms and conditions of grant at any stage in the project lifecycle. An appropriate notice period will be given of the intention to do this.

12. The following costs are not eligible expenditure: payments that support activity intended to influence or attempt to influence Parliament, Government or political parties, or attempting to influence the awarding or renewal of contracts and grants or attempting to influence legislative or regulatory action.

## **Complying with legislation**

13. The grant awardee should ensure that any funding provided is used in ways compatible with relevant legislation. This includes equality legislation and any legislation applicable in the United Kingdom on or after 1 January 2021 that regulates the granting by a public sector body of any advantage which threatens to or actually distorts competition in the United Kingdom and/or any other country or countries ("UK Subsidy Control Framework"). If necessary, providers should seek legal advice to inform their delivery of the project.

14. As stated at paragraph 10 of the Research England Terms and Conditions 2021-22, it is the responsibility of the provider to monitor the progress of the project



to ensure that it complies with applicable legislation. Providers must inform Research England in the first instance if they believe that any changes to the project proposal may impact on their compliance with applicable legislation.

## **Environmental Impact**

15. Providers in receipt of grant funding must give due consideration to the environmental impact of their activities with the aim to minimise and mitigate harm wherever possible. The grant awardee may be required to provide documentary evidence of the considerations and steps taken to minimise the environmental harm of their work and the effectiveness of any mitigating measures put in place.

## **Use and generation of big data**

16. Where facilities funded through the grant award use or generate data sets, providers should follow good governance practices to ensure security of data, and set work in a national context so that data generated can be of benefit to the economy and society more widely.

## **Monitoring**

17. The grant awardee is required to fulfil our monitoring requirements for the project. We will confirm these monitoring requirements at the outset of the project and the specific arrangements applying to the project will be set out in the grant letter to enable us to monitor project progress.

18. We will monitor projects against the success criteria and milestones set out in the award letter. We will also ask for reporting on:

- a) any new risks, or changes to risks already included, and how these will be managed. If new risks are identified, we may agree a revised reporting timetable, revised or additional success criteria and/or revised terms and conditions of grant specifically related to the project.
- b) any programme slippage or details of underspend. Where there is slippage or underspend against the agreed payment profile, the grant awardee should include a revised project timetable and agree with us a revised expenditure profile.

19. We reserve the right to suspend, terminate or recover the grant if our monitoring requirements are not met. Additionally, monitoring requirements agreed at the



outset of the project are subject to adjustment by us upon receipt of progress reports or for any other reasonable cause. We will consult with the grant awardee before changing any monitoring requirements.

20. It is the grant awardee's responsibility to closely monitor the delivery and success of the project to ensure that its aims and objectives are being met and that the terms and conditions attached to the grant are being met. The grant awardee and partner organisations will keep separate, accurate up-to-date accounts and records of the receipt and expenditure of the grant. We have the right to review these accounts and records and to make copies of them.

## **End of grant reporting and assurance**

21. The grant awardee is required to fulfil our end of grant final monitoring reporting and assurance requirements for the project, as set out at the outset of the project in the award letter.

22. As part of the final report, the grant awardee will be asked to provide financial assurance that the grant has been used in accordance with the terms and conditions set out and for the purposes intended. This should take the form of a self-certification by the provider. The certificate must be signed by the accountable officer (usually the head of provider).

23. The final report together with the assurance report must be received by us by the deadline set out in the award letter. If we fail to receive a final report and financial self-certification on time, we reserve the right to conduct an audit of the project directly and recover from the grant awardee the cost of that audit if we see fit. If we do not receive adequate final statements (for example, if the auditors are not satisfied that the grant has been used in accordance with any specific terms and conditions and/or for the purposes intended) we reserve the right to recover an amount up to the value of the entire grant.

24. As part of this assurance, grant awardees will also need to confirm that any leveraged funding contributions to the project have been maintained. Where the total spend on the project has been less than originally forecasted, any saving will need to be split equally between all funding parties.

25. Should any part of the grant monies remain unspent at the end of the project, these will be promptly reclaimed by deduction from the provider's main Research



England grant. Where the amount repayable exceeds the provider's main Research England grant, an invoice will be issued.

## **Project reviews and evaluation**

26. We may require the grant awardee to contribute to a future evaluation of the awarding fund, which may come to fruition sometime after the funding period ends.

## **Publicity and acknowledgement of funding**

27. We require providers to use the Research England logo on printed materials, signage and websites associated with specific projects that we have provided funding for. We expect Research England to be acknowledged in any promotion of the project and we may also wish to develop with providers joint press announcements of projects. We require providers to include acknowledgement of Research England's funding in any research outputs resulting directly from funding which is intended to produce those outputs. We suggest that providers use this standard text: 'This work was supported by Research England under the X funding stream'.



## **Annex B: Accountability framework**

### **Introduction**

1. This document describes the broad accountability framework that exists between Research England and the higher education providers that Research England funds, drawing on the authorities and legislative provisions that underpin Research England's funding role.
2. It is intended to provide contextual information for anyone seeking to understand how Research England's funding relationship with higher education providers works. It is not to be used as a substitute for legal advice.

### **Research England's statutory funding powers**

3. Research England was established as a Council of UK Research and Innovation (UKRI) in the Higher Education and Research Act 2017 ("the 2017 Act"). The 2017 Act, along with any related secondary legislation, provides the legal basis for Research England's funding role. Under the 2017 Act, Research England provides funding to registered higher education providers for:
  - a. The undertaking of research or knowledge exchange;
  - b. The provision of facilities for research or knowledge exchange.
4. Since August 2019, Research England provides funding to higher education providers in line with provisions under Section 97 of the 2017 Act, as above.
5. UKRI routinely delegates specific responsibilities to Research England. This is required by the 2017 Act and by the BEIS-UKRI framework<sup>15</sup> document. This is done through strategic delegations from the UKRI Board to the Research England Council, and through financial, policy and operational delegations from the UKRI CEO to the Research England Executive Chair. These delegations are set out in Research England's Strategic Delivery Plan, which is approved by the Research England Council and the UKRI Board.
6. The BEIS-UKRI framework document underpins the relationship between the government Department for Business, Energy and Industrial Strategy (BEIS) and

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<sup>15</sup> <https://www.ukri.org/wp-content/uploads/2020/10/UKRI-111020-UKRIFrameworkDocument.pdf>



UKRI. This includes a range of requirements and commitments on both bodies, helping to secure optimal outcomes for the public funding flowing through UKRI.

7. UKRI (and by extension Research England) is subject to the requirements of Managing Public Money.<sup>16</sup> That document sets out the main principles for dealing with resources in UK public sector. UKRI is also required to present to Parliament an annual report and accounts for each financial year, in line with requirements in the 2017 Act.

## **Terms and conditions of grant**

8. Higher education providers in receipt of Research England grant funding are required to comply with the Terms and Conditions of Research England Grant. These terms and conditions set out the formal relationship between UKRI and the higher education providers that it funds, and their governing bodies and accountable officers, in relation to UKRI funds administered through Research England.
9. Research England is required, under the 2017 Act, to consult such persons as Research England considers appropriate before determining any terms and conditions to be imposed on its funding. In practice, this means Research England will consult before changing its terms and conditions of grant.

## **Regulatory arrangements**

10. The OfS is the main regulator of higher education providers in England, and Research England will rely on OfS carrying out its regulatory role for assurance on its own funding. For instance, it is a condition of registration that a higher education provider be well-managed, well-governed and financially sustainable; compliance with such conditions, and the associated regulatory monitoring, remains a sensible and non-duplicative form of assurance for Research England.

## **Additional assurance**

11. In addition to provider-level assurance activity, Research England undertakes other specific audit and assurance activity from time to time, including routine assurance and audit of higher education providers' data that underpin its funding methods,

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<sup>16</sup> <https://www.gov.uk/government/publications/managing-public-money>



and assurance of capital funding provided through schemes such as the UK Research Partnership Investment Fund (UKRPIF).

12. Assurance is further derived from Research England's formula funding processes, which fund in line with performance (e.g. as measured through assessment in the Research Excellence Framework). Research England also draws additional assurance on with the HEIs that it funds through formal institutional engagement and dialogue.



## **Annex C: Definitions and abbreviations**

<b>Accountable officer</b>	A senior officer (normally the head) of a provider responsible and accountable to OfS and Research England (and ultimately to Parliament) for ensuring that the provider uses OfS and Research England funds in ways that are consistent with the purposes for which those funds were given, and complies with the conditions attached to them. These include the conditions set out in the Higher Education and Research Act 2017 and in these terms and conditions of Research England grant.
<b>Accounting officer (of UKRI)</b>	As accounting officer, the chief executive of UKRI has a personal responsibility to safeguard public funds and achieve value for money as set out in HM Treasury guidance, 'Managing Public Money' and any subsequent guidance. This includes responsibility for the public funds allocated by UKRI to higher and further education providers and other bodies for education, research and associated purposes.
<b>Accounts direction</b>	OfS publish an annual accounts direction, which states OfS's and Research England's financial reporting requirements. OfS registered providers and their external auditors must comply with it.
<b>ANOC</b>	Adjusted net operating cash flow.
<b>ASSUR</b>	Annual sustainability assurance reports.
<b>Governing body</b>	The university council, board of governors or other body ultimately responsible for the management and administration of the provider's revenue and property, and the conduct of its affairs.
<b>HE</b>	Higher education.
<b>HEFCE</b>	Higher Education Funding Council for England.
<b>HEP or 'Provider'</b>	Higher education provider. The use of this term refers to: (a) higher education providers receiving funding from Research England in line with regulatory arrangements in the transitional period; (b) registered higher education providers that receive Research England funding from 1 August 2019 under the OfS regulatory framework.
<b>HESA</b>	Higher Education Statistics Agency.
<b>JANET</b>	High-speed computer network supported by all the four higher and further education funding bodies, which links universities and colleges in the UK. SuperJANET is the enhanced network.





<b>OfS</b>	Office for Students
<b>Operating Framework</b>	The Operating Framework explains how higher education providers in England are held to account and regulated.
<b>Regularity</b>	Regularity is a public finance requirement for funds to be applied only to the extent and for the purposes authorised by Parliament.
<b>Research England</b>	The Research England committee of UKRI. References to Research England in this these terms and conditions relate to UKRI functions that are exercised by its Research England committee under Section 97 of the Higher Education and Research Act 2017, but should be read as including UKRI, which retains responsibility for those functions.
<b>Secretary of State</b>	Refers to the Secretary of State for Business, Energy and Industrial Strategy, but depending on context can refer to the Secretary of State for Education.
<b>SLC</b>	Student Loans Company Limited.
<b>UKRI</b>	United Kingdom Research and Innovation
<b>VFM</b>	Value for money.

**Shall** and **must** denote mandatory requirements, and **should** denotes our view of good practice.