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Office of Science and Technology

The Sustainability of University Research: Consultation on Dual Support Reform

Presentation to Professors and Heads of Electrical
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Office of Science and Technology

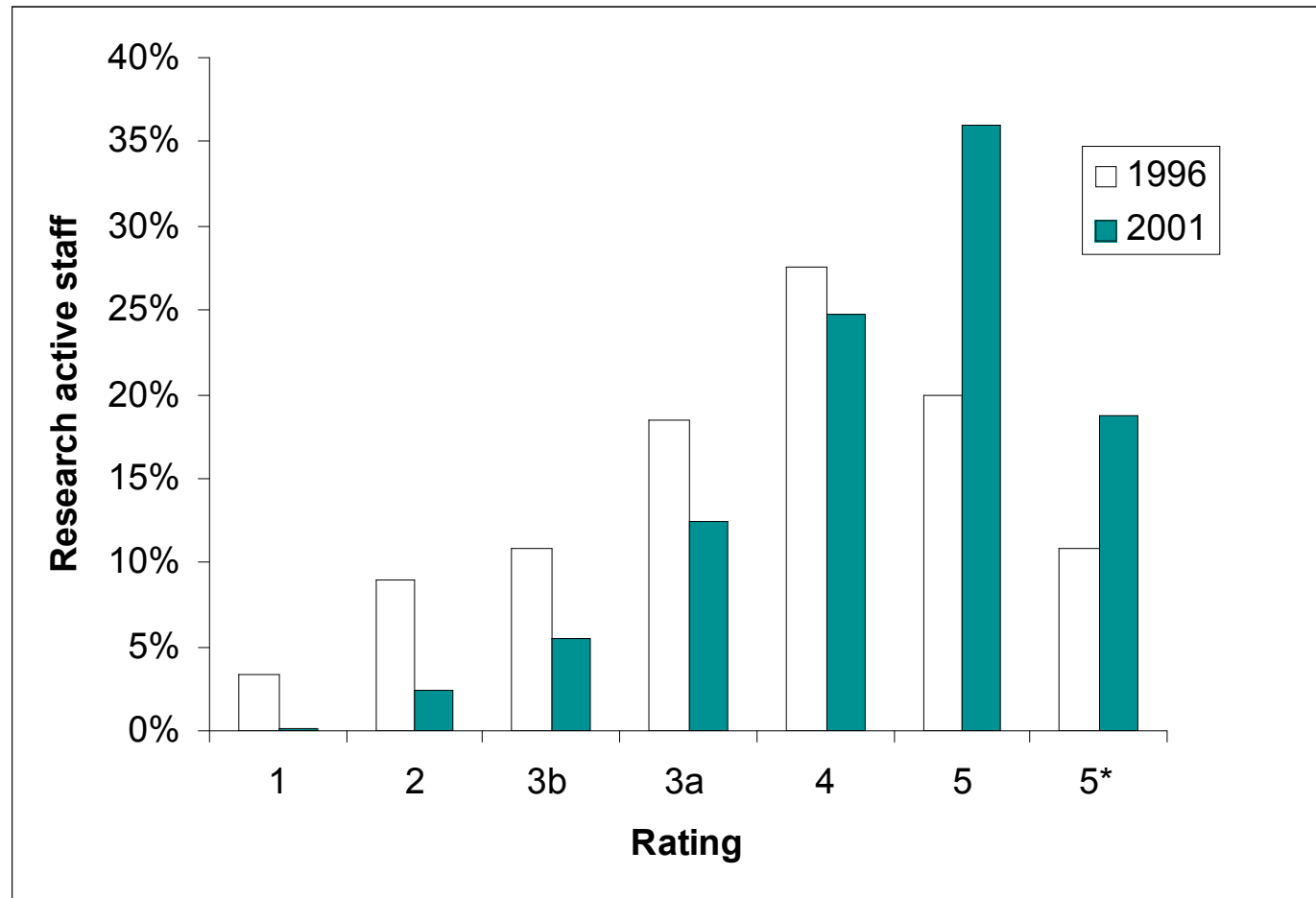
Overview

- The problem
- The Government response
- *Investing in Innovation*
- *The Future of Higher Education*
- Dual Support Reform proposals
- Concluding remarks

The problem: trends

- Increased pressure on all HEI staff to conduct and publish research
- Increased proportion of research active staff in top rated departments

Change in research active staff

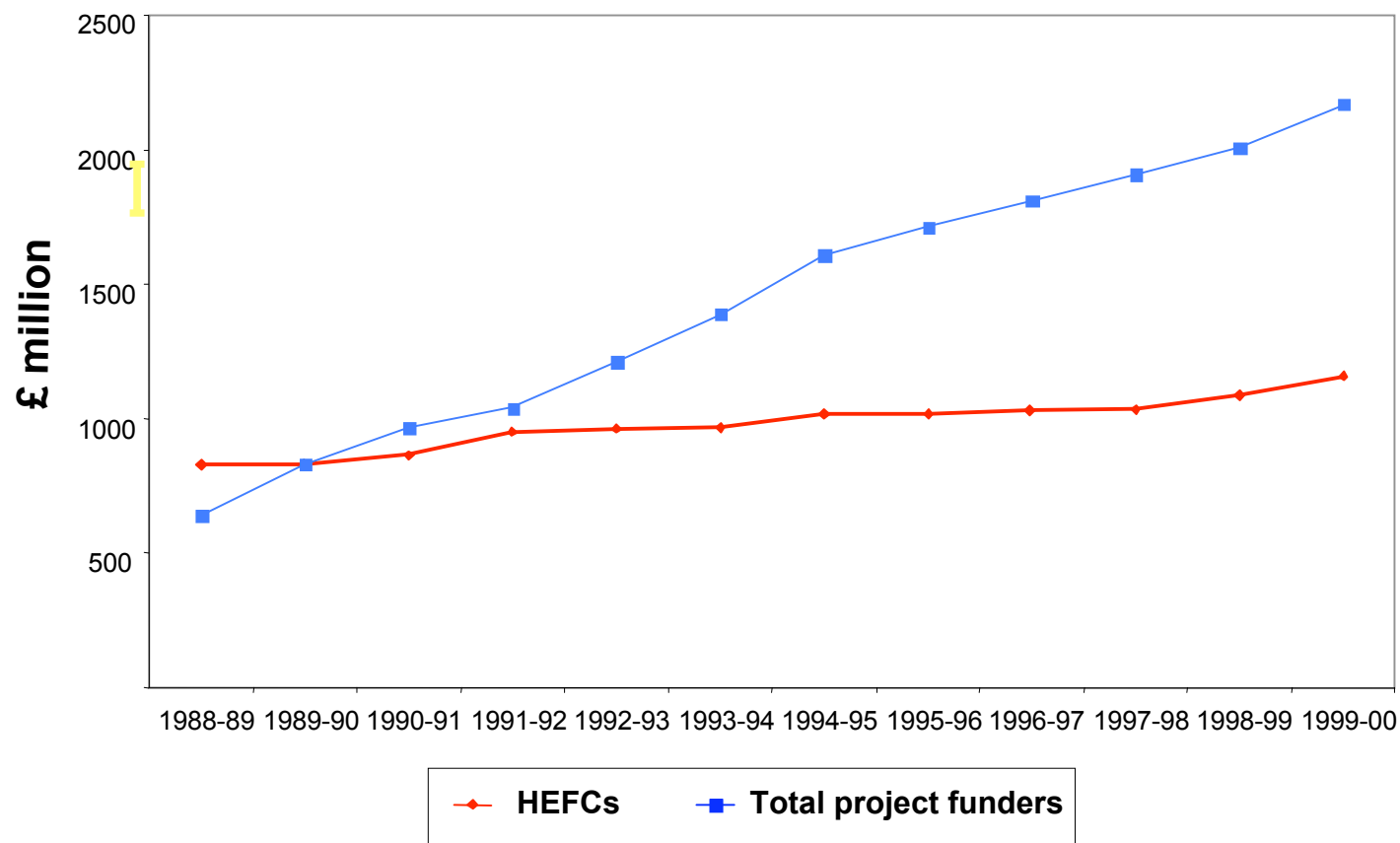


The problem: trends

- Increased pressure on all HEI staff to conduct and publish research
- Increased proportion of research active staff in top rated departments
- Stagnating QR alongside increased project funding

HEI Research income

Expenditure by FCs and other funders



The problem: trends

- Increased pressure on all HEI staff to conduct and publish research
- Increased proportion of research active staff in top rated departments
- Stagnating QR alongside increased project funding
- Poor understanding of cost base
- Neglect of long-run costs
- Low price culture

The problem: present position

- Under-investment in university infrastructure highlighted in the Dearing Report in 1997
- Transparency Review detailed
 - Backlog
 - Recurrent gap
- *Investing in Innovation* confirmed a “persistent failure to invest in research infrastructure”

The Government response: money and modernisation

- CSR 1998 extra money for science
- Feb 1999 Transparency Review launched
- 1999-2000 TRAC piloted in 8 universities
- SR 2000 extra money for science
- 2000-01 TRAC implemented across university sector
- July 2001 sector reports on 1999-2000 activity using TRAC
- SR 2002 extra money for science
- 2003 review of dual support system policy
- 2003-04 TRAC methodology extended to project level
- SR 2004?

Investing in Innovation

- Research in HEIs must be sustainable
- HEIs must understand and recover FEC overall
- Government is contributing very significant amounts of money for sustainability:
 - SRIF increasing to a permanent stream of £500M per year
 - Extra QR (£244M)
 - Extra money for Research Councils (£120M)
- Better cost recovery from others eg Government Departments

The Future of Higher Education

- “The Government intends to improve the position of research further by focusing resources more effectively on the best research performers”
- “A further Research Assessment Exercise is not due until 2008, and we believe that there is a case for more discrimination between the best before then.”

Research Council selectivity

Research Council	Top 5 HEIs	Top 10 HEIs
EPSRC	25%	41%
MRC	48%	68%
BBSRC	32%	53%
ESRC	25%	40%
NERC	35%	55%
PPARC	42%	69%
AHRB	21%	35%

Dual Support Reform

Aims:

- Principles of Dual Support remain
- Remove incentives for over-trading
- Avoid another funding gap
- Change culture

Five work streams

- Full Economic Cost at project level
- Terms of trade between HEIs and RCs
- Terms of trade between HEIs and other funders – guidelines
- Whole system modelling
- Funders' Forum

Calculating FEC

- JM Consulting appointed
- Developing project costing methodology building on TRAC
- 9 pilot universities
- Announced: roll out by Jan 2005 (grant applications to RCs from Sep '05, money paid out from April 2006)

HEI Application Process

- Principal Investigator (PI) completes case for support
- Includes resources required (including an estimate of PI time)
- HEI admin costs resources (PI and other staff costs, equipment, consumables, T&S, indirect costs)
- HEI admin submits to Research Council, confirming that balance of FEC will be found, if awarded

Research Council process

- Peer review
 - Assesses research quality
 - Assesses appropriateness of resources requested (not costs)
 - Considers value for money
- Research Council administration
 - Checks that costings have been correctly completed (but does not question TRAC-based figures for an HEI)
 - Issues grant offer

Key issues

- Handling of PI salaries
- Transition to new system
- Incentives and gaming
- Monitoring and adjustments
- World-class researchers in departments with no QR

Consultation ended 30 September

Co-ordination Across Dual Support

- Ministerial Group
- Officials Group
- RAE and Dual Support Reform consultations co-ordinated
- Ministerial letter in November 2003
- Further announcements on RAE and DSR early 2004
- Continued discussions on funding formulae

Concluding remarks

- Status quo is not an option
- Government has committed major resources to address the problems
- Increased public resources will not alone be sufficient to ensure sustainability
- Success will depend upon changes in culture and behaviour throughout the system
- We believe the approach proposed will help us all to move to a sustainable, world class research base over the next few years

Contact details

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