



# Research Excellence Grant and Research Postgraduate Grant



Scottish Funding Council  
Comhairle Maoineachaidh na h-Alba

**SFC CONSULTATION**  
Issue Date: 11 November 2021  
Reference: SFC/CN/01/2021

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Summary: This consultation seeks views on proposals for changes to the Research Excellence Grant to take effect from Academic Year (AY) 2022-23. It will also inform our early thinking about the implementation of our Review recommendations relevant to the Research Postgraduate Grant.

FAO: Principals and Directors of Scotland's universities

Further information: **Contact:** Hazel McGraw  
**Job title:** Senior Policy/Analysis Officer  
**Directorate:** Research and Innovation  
**Tel:** 0131 313 6657  
**Email:** [hmcgraw@sfc.ac.uk](mailto:hmcgraw@sfc.ac.uk)

Scottish Funding Council  
Apex 2  
97 Haymarket Terrace  
Edinburgh  
EH12 5HD  
T 0131 313 6500  
[www.sfc.ac.uk](http://www.sfc.ac.uk)

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## Consultation: Research Excellence Grant and Research Postgraduate Grant

### Purpose

1. This is the first of a suite of consultations we will be undertaking following our [Review of Coherent Provision and Sustainability](#). It sets out proposals for changes to the Research Excellence Grant to take effect from Academic Year 2022-23. It will also inform our early thinking about the implementation of our Review recommendations relevant to the Research Postgraduate Grant.
2. We are committed to consulting widely on our proposals and welcome comments from our stakeholders and anyone with an interest in the issues raised in this document. We particularly encourage responses from individual universities<sup>1</sup>. The consultation will run from 11 November 2021 to noon on 12 January 2022. Details of the issues under consideration are set out below.

### Context

#### *Review of Coherent Provision and Sustainability*

3. The events of recent years, including the COVID pandemic and the UK's departure from the European Union, have changed the context in which we all work. Recognising this, the Scottish Government commissioned SFC to review how we could best fulfil our mission of securing coherent tertiary provision and excellent research in these changing times. In that Review of Coherent Provision and Sustainability, we sought a balance between ambition and pragmatism and set out the case for continued, evolutionary, whole-system change that builds from existing strengths, while sustaining research and knowledge exchange for the future.
4. The Scottish Government accepted our Review recommendations. This marks an important point in the future development of tertiary education and research in Scotland. Our Review recommendations aim to:
  - a) Improve the way the education and skills system responds to the current and future needs of students, employers and local communities, including our need to keep learning and reskilling throughout life.
  - b) Nurture excellent discovery research and create knowledge that translates into immense social, economic and cultural value and impact.
  - c) Secure the resilience and international reputation and sustainability of colleges and universities for future generations.

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<sup>1</sup> In this document we use the term 'universities' to include all higher education institutions

- d) Enhance the contribution of colleges and universities to our economic and social prosperity and wellbeing, including tackling the pressing issues of our time, such as a just transition to a net zero carbon future, tackling persistent inequalities, anticipating future skills needs, and promoting innovation and entrepreneurship.
5. Our Review recommendations reflect a year-long engagement with many stakeholders and that spirit of partnership, engagement and consultation will underpin the implementation of these recommendations. The Scottish Government's response has identified some clear early priorities, including reviewing the way we distribute research resources. This consultation responds to our Review and addresses the need to consider the principles of a refreshed Research Excellence Grant distribution methodology for implementation in AY 2022-23 and to develop better ways to support the postgraduate research student experience.

### ***Support for research capacity in Scotland's universities***

6. Scotland's universities consistently deliver cutting-edge research that creates knowledge of immense social, economic and cultural value. Work in collaboration within and beyond our university sector has delivered flexible and creative partnerships, and insights that change our lives. As a nation, we are genuine world leaders across key areas of research. We want Scotland to continue to be world leading in research, to be attractive to partners, nationally and internationally, and to be enriched by the perspectives and participation of diverse researchers. We must be ambitious and seek constant improvement because, in the world of research, to stand still is to fall behind. SFC significantly contributes to the foundation and infrastructure that make this research possible, and we want to continue to work closely with Scotland's universities to best deliver sustainable research excellence.
7. SFC allocates Research Excellence Grant (REG) and Research Postgraduate Grant (RPG) to Scottish universities to recognise and reward their achievement of excellent research; contribute to the full economic costs of research they undertake as part of the UK dual support system; and support their stewardship of the environment needed to deliver high quality training of the next generation of researchers.
8. Although support for research was discussed during our Review, we last consulted on these funds in detail in 2014 (SFC/CN/04/2014) and the results of that consultation have informed funding since AY 2015-16. The allocation of REG funding over that period has largely been driven by data and quality assessment from the Research Excellence Framework (REF) 2014. REF 2021 is now nearing completion, rather later than originally planned as a result of delays due to the COVID pandemic. With the imminent availability of new data

and quality assessments, this is an appropriate point to revisit the funding models we use and the principles that should underpin them. Similar exercises are being undertaken by other funding bodies elsewhere in the UK.

## **Consultation**

9. The world is facing era-defining challenges. We will shortly have a new assessment of research quality that can help us address these challenges, with the results of REF 2021 due to be known in May 2022.
10. Changes in the design of REF 2021 from that used for REF 2014 – including, for example, the inclusion in 2021 of all research active staff – would be expected to lead to changes in the REF results which inform the allocation of REG funds to individual universities, even if no changes were to be made to the REG funding mechanism.
11. We are consulting on potential changes to REG before we know the actual REF results. We are keen to explore the principles behind each issue, and the potential impacts on the Scottish system as a whole.
12. In summary, this consultation will inform adjustments we are considering making in the detail of the allocation methodology for REG. It will also inform our early thinking about the implementation of our Review recommendations relevant to the RPG, in the context of the policy developments influencing UK funders of research training, including the UK R&D People and Culture Strategy.

## **Overarching issues**

### ***Timing***

13. We intend to use the results of REF 2021 to inform allocations of REG from AY 2022-23 onwards.
14. Due to the pandemic, REF 2021 results will now be published on 12 May 2022, five months later than originally planned. This means that there will be no announcement of indicative REG allocations in early 2022 and final REG allocations for AY 2022-23 will not be announced until after mid-May 2022.
15. We are conscious that this timing will affect universities' ability to plan for the next academic year. We are also conscious that any further delay to the REF process could delay REG allocations further.
16. **We are seeking views** on the implications, should it become necessary, of a delay until AY 2023-24 in the implementation of the REF 2021 results and changes to the REG as proposed in this document.

**Question 1: If it were necessary, what would be the implications of delaying implementation of REF 2021 results and changes to REG until AY 2023-24?**

***Funding volatility***

17. A number of design changes were implemented in REF 2021 in response to the [Stern review](#). These could potentially lead to substantial volatility within REF results and consequently to REG allocations. SFC is committed to implementing REF 2021 results and rewarding the excellence it reveals but would expect to take action to avoid any destabilisation if necessary.
18. **Views are sought** on the tolerance within the sector for volatility in REG allocations on an institutional level and on potential SFC mitigation of any unmanageable reductions in institutional income. These should be based on the assumption, for the purpose of this question, that the total available REG funding will not change.

**Question 2: Should SFC seek to limit downward changes in REG experienced by individual universities post REF2021 and, if so, what should be the scope of any adjustments made?**

***Public Sector Equality Duty***

19. In responses on the detailed changes proposed, **we seek views** on the likely impacts – positive and negative – these may have on SFC and the universities meeting their public sector equality duty to: eliminate unlawful discrimination, harassment and victimisation; advance equality of opportunity between different groups; and foster good relations between different groups.

**Question 3: You are invited to comment in your answers throughout the document on opportunities for and barriers to advancing equality and achieving inclusion. Overarching comments related to the aims of the public sector duty in the context of this review should be made here.**

***Alignment with rUK***

20. SFC is responsible for underpinning research funding only within the Scottish university sector and is driven by Scottish policy priorities, including that of having a competitive research base. The dual support system operates across the UK, and Scottish universities compete (for UKRI and EU funding, for example) directly with universities in other parts of the UK.

**Question 4: How important (or otherwise) is it that the Scottish approach to underpinning research funding is in step with the rest of the UK? What elements of consistency (or distinctiveness) in SFC's approach influence Scottish HEIs' research competitiveness?**

## ***Balance of funding***

21. The proposed development of a more distinct presence for Research Postgraduate Grant provides the opportunity to consider the balance between SFC's core research grants – REG and RPG. In AY 21/22 SFC is investing £242.9M through REG and £36M through RPG.

**Question 5: In the changing research landscape, is the balance of funding between SFC's underpinning support for research and underpinning support for PGR training & environment optimal?**

### **Research Excellence Grant**

The REG has a dual purpose:

- To recognise and reward research excellence wherever it is found and in whatever discipline.
- To uphold the principles of the dual support system, through making a contribution toward the full economic costs of research.

REG provides a long-term, stable source of research funding which institutions can use flexibly to develop and support excellent research as best fits their individual circumstances thereby supporting the diversity of the sector and their ability to respond to challenges.

Excellent research demonstrates originality and rigour in its approach and significance in its advancement of understanding and in the reach of its impact.

By supporting universities in Scotland to explore and improve the world by doing excellent research, they develop the knowledge and techniques which: deal with current challenges; address future challenges; and create future opportunities.

REG supports institutions to:

- Sustain an excellent research environment and a thriving research culture.
- Consolidate and/or expand existing excellence to attract global investment and talent to Scotland.
- Respond flexibly to changing priorities and invest in new and emerging areas of research ensuring that the research base is in a position to respond to the challenges of the future.
- Support researchers in their early career stages.



- Help meet the full economic costs of research work contributing a public good, supported by for example Research Councils and charities.

The allocation method reflects the dual purpose of REG: REGa is based on a measure of research quality as assessed by the REF; and REGb and REGc are allocated in proportion to research income in order to provide a contribution toward the full economic costs (fEC) of that research. Universities are not restricted in which element of their REG allocation they use for which purpose.

### ***Principles of REG***

22. SFC supports the Scottish university research base in our shared aims: to enhance Scotland's international reputation as a world leader across key areas of research; to be attractive to partners nationally and internationally; and to make a significant contribution to the world around us by delivering economic and societal value. We do this through investing in the Scottish research base,
23. The Research Excellence Grant (REG) provides the majority of SFC's funding for research and provides a sustainable framework which supports the ambitious plans of Scottish universities.
24. We propose the following statement of the principles behind the Research Excellence Grant. The REG should provide :
  - A sustainable framework to support ambitious and excellent research across the Scottish higher education institutions.
  - A robust and transparent allocation method based on clearly defined criteria and avoiding unnecessary complexity.

**Question 6: Views are sought on the principles proposed for REG and on whether the proposals within this paper are consistent with the principles.**

### ***REG Allocation method***

25. Recognising potential volatility as a result of changes to REF, it is not SFC's intention to introduce further fluctuations through large-scale change to the REG allocation model. The proposed general form of REG will remain the same:
  - A quality-driven element, REGa (Quality x Volume x Weight).
  - Income-driven elements, REGb and REGc.
26. SFC's contribution to dual support draws from REG as a whole, as does the contribution to research excellence. Universities are not restricted in which

element of their REG allocation they use for which purpose.

### **Quality-driven element: REGa**

#### *Quality weighting*

27. The SFC Review of Coherent Provision and Sustainability set out: our intention to continue to support excellent research wherever it is found, informed by the results of the most recent evaluation (i.e. REF2021); and our recommendation not to concentrate funding further. We intend to continue to base our funding allocations on demonstrated ability to deliver excellent research wherever it is found and in whatever discipline. This is consistent with both the Review's findings and the purposes of REG.

### **Question 7: What are your views on whether the current quality weightings for 3\* and 4\* REF scores are fit for purpose?**

#### *Quality profile*

28. Currently we use the overall REF quality profile in allocating REGa. It has been argued that, due to the balance of scores which make up the overall profile, the proportions of REGa funding that are driven by each of the sub-elements are not the same as the proportions making up the REF profile. **We are seeking views** on whether, in order to give appropriate weight to the elements assessed in REF, REGa funds should be allocated in proportion to the elements which make up the REF profile (60% Outputs, 25% Impact and 15% Environment).

### **Question 8: What are your views on aligning the proportions of REGa allocated and the proportions of REF score elements?**

#### *Volume*

29. We propose to continue to use the volume measures derived from the most recent UK-wide assessment of research quality, REF 2021.

#### *Subject weighting*

30. SFC will consider the outcomes of the work on different costs of research in disciplines that is currently being undertaken on behalf of the four UK funding bodies by Research England.
31. Our Research and Knowledge Exchange Committee, in 2019, made [recommendations](#) on the subject weightings to be associated with selected disciplines. We will implement these recommendations, taking into account developing practice across the UK.

### *STEMM premium*

32. We propose to remove the STEMM premium weighting (currently informing the allocation of £6M of REG).

### ***Income-driven element: REGb and REGc***

33. Currently 72% of available REG funds are allocated primarily on the basis of staff volume and quality (see above); with the remainder driven by information on the share of research funding won (REGb 17% and REGc 11%).
34. Currently REGb is based upon non-charity research income won and REGc upon competitively won income from charities. These elements of REG recognise the role of SFC funding in the UK dual support system and represent both recognition of quality assessments made by other funders and a contribution to the full economic costs of research.
35. We continue to recognise the position of Research Council and competitive charity funding within the UK dual support system and our role in contributing to the full economic costs of research supported by these bodies. We recognise that it is for institutions to make decisions on which projects they wish to contribute to and at what level, from REG, and from their own resources.
36. We will explore the relative weighting of REGa, REGb and REGc.
- We are considering an increase to the share of REG funding allocated by reference to competitive charity income (REGc) from 11% to 15%.
  - We are considering whether the proportion allocated by reference to other competitive research income (REGb) should also increase.
37. We are **seeking views** on whether:
- The income which is taken into account in REGb should continue to recognise funders from outwith the dual support system i.e. those other than UK research councils and charities.
  - The proportions of the total budget driven by quality and by income won should be adjusted.

**Question 9: We would welcome your views on the balance between the elements of the REG formula. Within the income-driven elements, we welcome your views on whether we have included the correct income sources.**

### **Research Postgraduate Grant**

38. The Research Postgraduate Grant (RPG) provides block grant funding to universities based on postgraduate research student (PGR) enrolment numbers.

It is a long-term, stable source of funding which provides underpinning support for institutions to sustainably develop the next generation of world-class research talent in Scotland.

39. The current allocation method is based on the formula: *number of student enrolments x subject weighting*. However, RPG is not intended to directly support individual PGR students; the use of eligible enrolments is a volume measure only and a means to determine the allocation of available funding by formula. Given the current stage of development, and to avoid undue volatility, we are not currently proposing to change the allocation method.
40. Within our broad expectation “that RPG invests in the environment needed for high quality research training and supports postgraduate research students to contribute to research in Scotland”, institutions use RPG funding flexibly to develop and support PGR training as best fits their individual circumstances. RPG has historically received less policy focus than other aspects of SFC’s research funding. Our Review of Coherent Provision and Sustainability recommended the development of a National Impact Framework and that greater accountability is introduced for RPG. We intend to explore how RPG can better support institutions to respond to the changing landscape and foster increased cross-institutional collaboration and coordination around PGR training and support in Scotland.
41. The PGR experience in Scotland has been shaped by the impact of SFC’s Research Pooling Initiative, the development of national and cross-institutional graduate schools and the advent of UKRI’s Centres for Doctoral Training and Doctoral Training Partnerships. The UK R&D People & Culture Strategy, including UKRI’s New Deal for PGRs, will shape some of the changes to come.
42. There is an opportunity for Scotland to collectively excel in the provision and support for postgraduate researchers. This is the frame within which we intend to work collaboratively with the sector to develop our approach to RPG.

### ***RPG Principles***

43. We propose the following high-level statement of the principles behind the Research Postgraduate Grant.
44. The RPG exists to:
  - Invest in a collaborative environment for research training and development that values positive culture, inclusivity and exposure to high-quality research as central to the postgraduate research experience.
  - Secure a pipeline of skilled postgraduate researchers and support their career development in a way that meets the needs of academia, industry

and society.

**Question 10: Are the proposed principles for RPG appropriate and consistent with the purpose of the grant and the changing PGR landscape?**

***RPG Purpose and outcomes***

45. Our Review of Coherent Provision and Sustainability outlines the strategic importance of the RPG and commits to introducing greater accountability from institutions for the grant. As we develop our National Impact Framework, we are interested in the potential for RPG to be linked to shared national objectives and outcomes. We wish to explore how RPG could play a greater role in supporting the Scottish sector – both individually and collaboratively – to respond to the changing landscape for PGR training and support.

**Question 11: We are seeking views on:**

- **The purpose of RPG and its future role in supporting Scottish institutions to respond – individually and collaboratively – to the changing landscape.**
- **Taking forward increased accountability for RPG, for example by linking to shared objectives or outcomes, and how SFC and the sector could work in partnership to achieve this.**

***RPG: Supporting equality, diversity and inclusion***

46. HESA data<sup>2</sup> can be used to explore the current make-up of the Scottish PGR population on the basis of sex, disability status, ethnicity, age group and religious belief. As with undergraduate-level study, SFC is committed to supporting accessibility into postgraduate research study and enriching the diversity of Scotland's PGR community.
47. RPG has a potential role in ensuring that people who belong to underrepresented or marginalised groups have equal opportunity to join and enjoy success in the Scottish postgraduate community. There are also potential roles for SFC in supporting institutions to develop, collaborate and share best practice within this area, and in improving data collection in order to monitor the diversity of Scotland's PGR population and highlight areas of underrepresentation.

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<sup>2</sup> <https://www.hesa.ac.uk/data-and-analysis/sb258/figure-5>

## Question 12: We are seeking views on:

- **How the RPG could play an increased role in improving participation of underrepresented groups within Scotland's PGR community, particularly within specific research areas where under-representation is most extreme.**
- **How SFC's focus on widening access and participation could be supported by RPG in the postgraduate research student context.**

## Other comments

48. We would welcome any other comments you wish to make on issues raised by this consultation.

## Question 13: Please make any other comments relevant to this consultation.

## Conclusion

49. Responses to this consultation will help shape any changes to be adopted. We will assess fully the impact which changes under consideration might have on the sector population and the potential they offer to contribute to the achievement of our public sector equality duty. Decisions on which options to pursue will be informed by this assessment. We welcome comments which highlight issues for consideration in this process.
50. Responses should be made using the [online consultation form](#) by the deadline of noon on 12 January 2022. You should state clearly whether your response represents the views of a specific organisation or whether you are writing in an individual capacity.
51. We may publish a summary of the consultation responses and, in some cases, the responses themselves. Published responses may be attributed to an organisation where this information has been provided but will not contain personal data. If we publish a response submitted by someone in an individual capacity, we will ensure it is anonymised. When providing your response, you will be asked to confirm whether or not you agree to your response being included in any potential publication. For further information on how SFC uses personal information please see our [privacy notice](#).
52. Respondents should be aware that we are subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would, therefore, have to consider any request under the Act for information relating to responses made to this consultation exercise. You should mark clearly any parts of your response that you wish us to treat as confidential, subject to the Freedom of Information (Scotland) Act.

53. All responses will be taken into consideration. However, we anticipate giving greater weight to the strength of the arguments presented than to the number of times a point is made. We will engage with universities and other interested parties during the period of consultation.