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Use of a policy factor in research funding

1. This response addresses the points raised in consultation 98/54 about whether and how HEFCE should take account of the Government's policy objectives when allocating its research funding (the R component of the block grant) between the various subject areas ('units of assessment'). It has been endorsed by the Council of the Royal Society.

2. It seems at first sight persuasive that the calculation of the subject quanta (the amount allocated to each unit of assessment) should take some account, not only of the amount of research going on in each subject and its broad cost, but also of the strategic importance of each subject. However, there are strong reasons for approaching this issue with great caution.

3. The main reason has to do with the nature of the dual support system. The two funding streams of the dual support system are complementary, but they have quite distinct aims. The Research Councils make their allocations on judgements about future performance and relevance to the broad aims of wealth creation and quality of life. Funding Councils R is allocated on judgements about past performance and serves to build up and support the human infrastructure of the Science Base. It buys time for exploratory research: flexibility and local discretion are its defining characteristics. One would therefore not expect the sort of policy factor that might be appropriate for the Funding Councils necessarily to mirror the thinking appropriate for the Research Councils.

4. The consultation paper suggests that the policy factor could be based in part on 'national need' and that this need could be identified with the decisions of the agencies that fund research projects in universities. This would be inappropriate: if Funding Council allocations simply parallel Research Council allocations, there is little point in maintaining two distinct funding streams.

5. As Professor Derek Burke's 1996 report showed, the Foresight exercise does not provide a practicable means for identifying national need and mapping it on to the existing decision structure of the Funding Councils based on the 69 units of assessment.

6. Individual subject interests will, no doubt, comment on whether they receive adequate funding in terms of the national need criterion. Insofar as the total amount of money available is constant, such an approach may not prove very fruitful. The Society's view is that, so far as the Funding Councils' role is concerned, the national need is to support the best researchers available and to give them maximum flexibility compatible with accountability. This means leaving detailed decisions to the local level, which is precisely the principle enshrined in the concept of the block

grant. HEFCE should be wary of appearing to manage the Science Base at a detailed level.

7. Analogous comments apply to the suggestion that the UK's international standing in each discipline, as measured bibliometrically (or, indeed, in any other way), could provide a practicable dimension of a policy factor. Up to a point, these measures are already taken into account in the Research Assessment Exercises, which inform the allocation of each quantum among institutions. It is not obvious how they might be used also to inform decisions about the size of each quantum. We strongly support the notion that research funding should be targeted on the best researchers.

8. We recognise the force of the argument that the current, largely historical, approach to calculating the quanta seems inadequate. However, the consultation document does not bring forward any evidence that the outcome is, in practice, seriously flawed. Before attempting any major revision of the current approach, HEFCE should consider whether the presumed gain in 'relevance' will bring enough benefit to the UK to offset the loss of local initiative in managing research. It should also consider whether it is possible to develop one approach that can be applied equally across all units of assessment, including social sciences and humanities; and, if that is not possible, whether it is worth the complexity of operating several different approaches simultaneously.