

PARLIAMENTARY BRIEFING

Westminster Hall - Research and development funding and Horizon Europe, 18 April 2023

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14 April 2023

1. On Tuesday 18 April, Paul Blomfield MP will introduce a debate on whether this House has considered research and development funding and Horizon Europe.
2. MillionPlus is the Association for Modern Universities in the UK, and the voice of 21st century higher education. We champion, promote and raise awareness of the essential role played by modern universities in the UK's world-leading university system. Modern universities make up 52% of all UK undergraduates and 37% of all postgraduates, with over one million students studying at modern institutions across the UK. They are major anchor institutions, generating £17bn in expenditure-related gross value add.
3. Modern universities are crucial regional anchors. Researchers and academics at these universities are vital in ensuring that businesses – especially the small and medium enterprises that are the lifeblood of the UK's towns, communities, regions and nations – can benefit from expertise in research and innovation. Modern universities are essential in bringing these experts closer to business, supporting them in providing solutions to major challenges and driving economic growth in all parts of the country.
4. In terms of impact, 63% of research carried out at modern universities in REF2021 was judged to be world-leading or internationally excellent.

LEVELLING UP

5. MillionPlus has long called for the government to go further and faster on investment in research and development, and equally to commit to invest across the whole of the research ecosystem not just a select few. MillionPlus universities are key hubs of internationally excellent research in every region, vital to building back better and levelling up.
6. MillionPlus universities are key anchors in the very regions that the government is rightly keen to level up. As such it is vital that these institutions receive sustainable levels of funding to support prosperity in their local communities. MillionPlus believes it is critical that modern universities have full access to the Shared Prosperity Fund and that investment is increased to make use of the Strength in Places & Higher Education Investment Fund (HEIF).
7. As our 2022 report [Staying Local to Go Far: Modern Universities as Placemakers](#) demonstrates, if the government wants to achieve its laudable aims in levelling up all regions across the UK, they must acknowledge and provide a central role for modern universities in their plans. It is equally important that the government supports universities, through both rhetoric and investment, in order to enable them to drive this forward.

REPLACEMENT OF EUROPEAN FUNDING SCHEMES

8. UK universities risk losing hundreds of millions in funding for Research and Innovation as a result of Brexit and losing association to major cross-continent collaborations. These were largely funded through Horizon Europe and European Structural and Investment Funds (ESIF).
9. In 2020–21 modern universities received £98 million from UK research councils for research contracts and £54 million from EU government bodies for research contracts.
10. MillionPlus are pleased the Windsor Framework has been adopted and that the UK Shared Prosperity Fund is to deliver much of the valuable funding universities previously received via the European Regional Development Fund.
11. However, 166 ERDF R&I projects across the UK are rapidly reaching the cliff edge this year, including many at modern universities, when EU funding ends very shortly and yet government has still not identified suitable alternatives. This is unacceptable.
12. The machinery of government changes has meant that funding that should be allocated to replace European Structural Funds is held in the Department for Levelling Up, Housing and Communities (DLUHC), who do not have the responsibility for Research and Innovation. This risks losing valuable jobs across the country as well as threatening innovation and discovery in priority areas for Government.
13. The Department for Levelling Up, Housing and Communities and the new Department for Science, Innovation and Technology (DSIT) must urgently come together and rectify this to enable these key programmes to continue. They must ensure that part of the UK Shared prosperity fund is urgently allocated to these projects, while discussing a more sustainable long-term solution. It is expected that the short-term funding required would only make up a small part of the overall UK Shared Prosperity Fund.
14. A key strength of European funding streams, repeatedly highlighted by modern universities, is the long funding cycles (seven years in the case of ERDF), which enabled organisations to employ a strategic approach. The Government should ensure that replacement funding streams replicate this.
15. The distribution mechanism of the UK Shared Prosperity Fund also remains unclear, with more deprived areas likely to suffer under current plans. The government should clarify its strategy, more fully commit to its policy of investment zones targeted at levelling-up more deprived areas and provide bridging funding where needed to prevent the loss of jobs and investment.
16. In its research report on the subject, MillionPlus called for the SPF to be guided by three overarching principles:
 - Devolve decisions as far away from the centre as possible.
 - Promote long-term, flexible, local approaches to investment.
 - Reduce bureaucracy and burden.
17. Government must also ensure that the UK Shared Prosperity Fund is devolved, based on long-term funding cycles, and accessible to universities and local businesses as MillionPlus called for previously in our report [Levelling up to £22 billion: research, innovation & local business support](#).

18. Modern universities also produce applied and translational research which delivers strategically important impact within their communities. MillionPlus welcomes the Government's commitment to increased R&D and calls for this investment to be focused on supporting regional economic growth, for example through the Higher Education Innovation Fund (HEIF) and the UK Shared Prosperity Fund.

Horizon Europe

19. MillionPlus welcomes the Government providing clarity on a Plan B/'Pioneer' programme but maintain that association and full UK access to Horizon Europe should still be the first priority.

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