



The Save British Science Society

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Funding excellence and potential wherever it is found

SBS response to HEFCE's consultation on the review of its research funding method

1. Save British Science is pleased to submit this response to the consultation on the funding method for university research. SBS is a voluntary organisation campaigning for the health of science and technology throughout UK society, and is supported by 1,500 individual members, and some 70 institutional members, including universities, learned societies, venture capitalists, financiers, industrial companies and publishers.

Proposal 1

2. Nobody can argue with the general proposition that the UK's best research departments deserve more investment, but the move towards ever-steeper concentration of resources is going to harm UK science for all sorts of reasons.

3. There is little point in SBS rehearsing all of the arguments in detail, but the tendency towards ossifying the system, and the cutting off of serious investment in future potential are two examples of the kind the problems that are likely to arise.

4. The evidence provided by UniversitiesUK¹ and the cogent arguments of the Vice Chancellor of Loughborough University² demonstrate clearly that the ever more concentration is not the solution to the problem that anyone can see exists – namely, that our universities are not funded at world-class levels. These are based on detailed analysis, explicit data and careful argument, and should carry more weight than ill-considered political comments.

5. The argument that the change only affects £20 million out of a budget of £1 billion is weak. Increased concentration will harm rather than help the British research base.

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6. Moreover, the application of retrospective criteria, which were not known at the time of the assessment, seems inherently unfair. Universities are constantly told to make strategic plans and to prepare for an increasingly competitive future, and it is wrong in principle for the Government to keep chopping and changing the rules every year or so, without warning and without justification.

Proposal 2

7. While we understand that HEFCE's budget is finite, and that changing RAE scores make demands that cannot always be met, SBS feels it is essential to point out that, in claiming that a section headed "4-rated departments" addresses a policy about "departments with lower ratings," the Council is being disingenuous.

8. A rating of 4 in the RAE puts a department in the top half of available scores, and equates to "national excellence in virtually all of the research activity submitted, showing some evidence of international excellence". To describe this as a "lower rating" appears to be an attempt to define away the problem of limited resources.

9. Departments that were rated 4 in the RAE were led to believe that they would receive proper investment, and their national and international excellence demonstrate that they deserve this. SBS sees no case for a pick-and-mix approach to funding these departments, and supports HEFCE's ruling out of any attempts to 'modify' the formula for allocating resources to 4-rated departments so as to fund only a subset.

10. Although this part of the document is headed '4-rated departments,' paragraph 27 actually deals in a very cursory way with departments rated 3a and 3b. We understand that, with a finite budget and in the face of inappropriate politically-driven demands, HEFCE simply does not have the money to continue funding departments scoring 3a and 3b at the same rate as before, but we have concerns about the way that "less well established" subjects are chosen. The current list appeared apparently without any consultation, and with little explanation of the criteria by which the subjects were chosen.

Proposal 3

11. Proposal 3 appears to be a thinly veiled attempt to bribe the largest universities, specifically Oxford and Cambridge, to toe the politically-motivated line that their governance needs modifying according to the wishes of the Government, using the Lambert Review as a mechanism for achieving this.

12. Without wishing to comment on the governance of these or any other universities, SBS would draw HEFCE's attention to the fact that the interim report of the Lambert Review called for less government

interference in the running of universities, and pointed out that both Oxford and Cambridge are world-class institutions “comparing with the best in terms of research and teaching”. It acknowledges that any changes need to be made “without threatening the culture that has contributed to their success.”³

13. In the words of one Oxford professor on reading the media coverage of Lambert’s first report: “As an Oxford professor who has founded two companies in the last 20 years, I find that what has frustrated people like me has been the burden of over-regulation by the Government...Readers could be forgiven for thinking that we are behind the US in university-industry relations. In fact, recent figures from the Organisation for Economic Co-operation and Development show that we are significantly ahead. British universities (including particularly Oxford, Cambridge and other successful research-led universities) raise a larger proportion of their funding from industry than do American universities. They also create more spin-offs per million pounds invested.”⁴

14. It does not seem appropriate for HEFCE to dangle a share of £8 million in front of these centuries old, world-class institutions as an inducement to fall in line with the current fashion among politicians for insisting that universities behave in a more “businesslike” way, especially when the concept of being businesslike in relation to a university has clearly not been thought through.

Proposals 7 and 8

15. The ‘minor volume measures’ are like the epicycles introduced to make incorrect models of planetary movement more properly reflect the observed truth. Such measures work, up to a point, but the model remains a poor description of reality. The existing minor volume measures have been used to fix the figures because certain kinds of departments (such as those with a high proportion of charitable income, or those with relatively few research assistants) do not appear to fit the broad brush approach of the main calculations based on the RAE.

16. The reason these minor volume measures matter is because the total amount of money is not sufficient for the jobs it is supposed to do. This causes problems for departments with a profile or composition that deviates from the average assumed by the main calculations. If the QR funding allocated on the basis of the RAE were sufficient for the work it is nominally supposed to do (there are at least nine different definitions of what this work actually is)⁵, the minor volume measures would be unnecessary.

17. Issues such as whether public funds ought to be available to pay the indirect costs of projects for which the charities pay ought to be matters of serious debate. The Government’s strategy for science

published last year appeared to settle the matter by saying that “charity funding of research in universities is entitled to support from public funds provided by the Funding Councils”.⁶

18. This is another example of where the budgets of the Funding Councils need to be set in the context of what they are expected to provide, rather than in isolation from it.

Proposal 9

19. SBS strongly supports the idea of moving to cost bandings that more properly reflect the real world than the current weightings, and if the TRAC methodology allows this, then we would support its use in this way.

20. Among the many university administrators, Heads of Department, Deans and others with whom SBS interacts, we hear a strong and common message that the current relative weighting of laboratory-based sciences is insufficient. The quality-related (QR) money provided by the Funding Councils comes much closer to meeting the need for full funding of excellent work in the library-based subjects than it does in the case in the experimental disciplines. The ratio of funding – that most science and engineering disciplines receive twice as much per head as most arts and humanities – is wrong. Modern science requires more than twice the investment needed by library-based disciplines.

21. To provide some circumstantial evidence for this, we compared the various disciplines’ scores in the Research Assessment Exercise (RAE) obtained by the post-1992 (or ‘new’) universities. These institutions represent a good testing ground because most started in 1992 from a low research base across the board. Despite this, the new universities in England have enjoyed relatively good success in a range of library-based disciplines. In the most recent RAE, they gained twelve grade 5 ratings and one 5-Star rating in the ‘units of assessment’ numbered 50-59 (encompassing the main arts and humanities subjects, such as English, modern languages and history). By contrast, there were only two grade 5 and no 5-Star ratings awarded to these universities in the main laboratory-based science and engineering disciplines (‘units of assessment’ numbered 14-21 and 26-32). These problems cannot be blamed on the effects of falling student numbers in science, because the same decline applies in modern languages, yet the new universities have managed to develop research excellence there.

22. The proposals set out in HEFCE 2003/22 (concerning the fixing in advance the proportion of work in each subject judged excellence, before it had even been examined) to which the current consultation refers (in paragraph 70) were wrong in principle and would not have worked in practice.⁷ We assume from the fact that Funding Councils’ circular letter of last month stated that these proposals were

disapproved of by respondents⁸ and that “a source close to the funding councils” appears to agree⁹ that they will not be implemented.

23. The issue of a ‘policy factor’ should be dead. It has been comprehensively rejected more than once in previous consultations, and is wrong in principle. SBS does not understand why HEFCE has even raised the issue again.

November 2003

Notes and references

¹ *Funding research diversity: The impact of further concentration on university research performance and regional research capacity*, UniversitiesUK, 2003.

² *Research Fortnight*, 15 October 2003.

³ *Lambert Review of Business-University Collaboration, Summary of Consultation Responses and Emerging Issues*, HM Treasury, 2003.

⁴ *The Times*, 16 July 2003.

⁵ *Clarity of purpose in assessing research*, SBS, 2002 [SBS 02/20]

⁶ *Investing in Innovation: A strategy for science, engineering and technology*, DTI/HM Treasury/DfES, 2002,

⁷ *What is being assessed, and why?* SBS, 2003 [SBS 03/16]

⁸ *Statement by the UK higher education funding bodies on the review of research assessment*, 21 October 2003.

⁹ *Research Fortnight*, 29 October 2003.