During the second evidence session of the HER Bill Committee you asked me about the use of the term balanced funding which appears within clause 95 of the Bill. You asked firstly why the government was diverging from the term dual funding (also referred to as dual support). Secondly, you wished to know if there was a difference between the two terms, and finally, if this changed terminology would be sufficient to protect dual support in the future.

While I hope my comments to the committee on the dual support system were sufficient to reassure you of my strong support for this vital underpinning feature of our research funding system, I am writing to enlarge on my comments in respect of balanced funding.

While the term dual support has not been specifically referenced in the Bill, the principles underlying it have been worked into the text through a number of measures. Primarily, dual support is effected through the creation of Research England within UKRI in clause 84. In addition, through clauses 87-89 the discrete roles for the councils are set out. These measures, together with the governance details described in schedule 9, ensure that the decision about whether to have a dual support system at all is taken out of the Secretary of State’s or UKRI’s hands and mandated in legislation.

However, the creation of Research England is not sufficient, as a future government would be under no obligation to provide proportionate funding for either of the two parts of dual support. The reasoning behind clause 95 is to introduce two measures to address this issue. Firstly, to ensure that what constitutes a reasonable balance for dual support is considered carefully by the Secretary of State before making hypothecated grants to UKRI, and secondly, that the Secretary of State must consider any advice from UKRI as to what that reasonable balance may be. Consequently, the term ‘balanced funding principle’ introduced in clause 95, seems an appropriate label to describe this important aspect of the Bill.

In summary, returning to your questions, the government is not departing from dual support but rather is introducing wording to protect dual support in legislation through both organisational structures (Research England) and through process (balanced funding). Secondly, there is an important difference between the two terms, and finally, both dual support and balanced funding, together, are necessary to effectively fund the UK’s research base until such time as an even better system is devised. The concept of balanced funding in the Bill therefore goes beyond dual support in ensuring not only that there must
be two streams of funding but that their quantum must be carefully balanced; personally I very much welcome this.

I hope that this letter may go some way to addressing your concerns over the introduction of the balanced funding principle.

I am copying this letter to the chairs of your committee, Sir Edward Leigh and David Hansson.

Yours,

Sir John Kingman
Chair UK Research and Innovation