



**Department for
Business, Energy
& Industrial Strategy**

The Rt Hon Alok Sharma MP
Secretary of State
Department for Business,
Energy & Industrial Strategy
1 Victoria Street
London
SW1H 0ET

Darren Jones MP
Chair, Business, Energy & Industrial Strategy Committee
House of Commons

T +44 (0) 20 7215 5000
E enquiries@beis.gov.uk
W www.gov.uk

By email only.

29 June 2020

THE SUSTAINABILITY OF UNIVERSITY RESEARCH AND COVID-19

I am writing to let you know that the Government is announcing a package to support universities so they can continue research and innovation activities. The UK's world-class research and researchers play a vital role in delivering local and national economic prosperity and we have introduced this package because we recognise that some of that research is at risk from a range of income losses as a result of Covid-19. Universities, in line with other parts of the economy, are facing difficult financial decisions and we want ensure universities protect researcher jobs, particularly those who are in the early stages of their careers and sustain the UK's research strengths.

The package covers two measures:

- Firstly, around £280 million government funding will be made available to universities and research organisations impacted by coronavirus for grant extensions. The first amounts will be made immediately available and will provide additional resource and flexibility to sustain grants funded through UK Research & Innovation (UKRI) and the National Academies and affected by the COVID-19 pandemic, allowing them to continue developing existing ambitious and innovative research projects. This funding includes supporting researchers' salaries and other research costs such as laboratory equipment and fieldwork. UKRI will contact universities and research organisations with details of their grant extension allocation shortly.
- Secondly, from the Autumn, Government will demonstrate its commitment to research by providing a package of support to research-active universities, consisting of low-interest loans with long pay-back periods, supplemented by a small amount of government grants. In sharing responsibility for the future of science and research with our world-leading university system the government will cover up to 80% of a university's income losses from international students for the academic year 20/21, up to the value of non-publicly funded research activity in that university.

We expect the level of support being provided to go a significant way to addressing reductions in research income. This second part of this package will be targeted towards sustaining research and innovation activity and capacity in universities across the UK so universities will need to demonstrate that funding is being spent on research activity and on sustaining high quality research capacity and capability including, a particular emphasis on STEM research and areas of research typically

funded by charities and businesses. This funding will be available to bolster those universities who are taking their own steps to make efficiencies, in line with the rest of the economy, to protect their research bases.

We recognise that universities will want to use this funding to protect areas of medical research that have been developed in part with support of charities. Charity-funded research has been a distinctive feature of the UK research system and a successful partnership with government through the charity element of QR. Now is the time to align that partnership as a more sustainable element of the research system.

The support made available to individual institutions through this second part of this package is subject to the conditions set out in the explanatory notes on GOV.UK and the final details of the proposal will be subject to business case approval. Government will develop the details of this support package, including further conditions, working with the sector over the weeks ahead.

Our research base helps to deliver higher levels of productivity and anchor R&D-intensive companies to the UK, and we will continue to be a welcoming and world class destination for international students and researchers, now and into the future. Government has already undertaken communications activity to promote UK higher education to international students, appointed Sir Steve Smith as the International Education Champion and introduced a range of visa flexibilities for current and prospective international students. This is all with a view to ensuring we maintain the UK's ability to attract students from all around the world.

Alongside this DfE is continuing to work with BEIS, HMT and other government departments to develop a process through which Higher Education providers at risk of closure will be able to apply to government to access a restructuring regime as a last resort. Government will review providers' circumstances and assess the need for restructuring where there is a case to do so. Where action is required, this will come with attached conditions. The Government will work with the Devolved Administrations on this approach. More detail will be made available in due course.

A handwritten signature in black ink, appearing to read 'Alok Sharma', with a stylized flourish extending from the end.

THE RT HON ALOK SHARMA MP
Secretary of State for Business, Energy & Industrial Strategy