

dti

**THE WORK OF RESEARCH
COUNCILS UK (RCUK)**

Government Response
to a Report by the
House of Commons
Science & Technology
Select Committee

June 2005



**Government Response to the Report by
the House of Commons Science &
Technology Select Committee:**

**“The Work of Research Councils
UK (RCUK)”**

(Sixth Report of Session 2004-05)

**Presented to Parliament by the
Secretary of State for Trade and Industry**

**by Command of Her Majesty
June 2005**

© Crown Copyright 2005

The text in this document (excluding the Royal Arms and departmental logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the document specified.

Any enquiries relating to the copyright in this document should be addressed to The Licensing Division, HMSO, St Clements House, 2-16 Colegate, Norwich, NR3 1BQ.
Fax: 01603 723000 or e-mail: licensing@cabinet-office.x.gsi.gov.uk

The Government welcomes the Committee's scrutiny report on the work of RCUK.

2. This document sets out a response to the points made in that report. Before doing so, however, the Government feels it would be helpful to set out its view of the relative roles of Ministers and the Research Councils in relation to the Science Budget, since this is important background to some of the responses that follow.

3. The Office of Science and Technology (OST), which administers the Budget on behalf of the Department, then allocates that budget to the eight Research Councils and a variety of other bodies. The Research Councils present their funding priorities to OST and decide the allocation of funds to specific projects.

4. It is entirely appropriate that the Government, which is accountable for the substantial funds devoted to the research base via the Science Budget, should set the overall strategic objectives and priorities for the Science Budget in a manner which is consistent with wider Government priorities. It is also appropriate for the Government, in this case OST, to scrutinise the governance and financial management of the various bodies responsible for distributing the Science Budget. To this end, the OST has recently introduced a performance management system for translating the overall strategic priorities for the Science Budget into specific aims and objectives for the Research Councils and other delivery agents, and then to hold them to account for delivering these. Throughout the process of developing a robust system OST has agreed with the Councils a framework that clearly defines the outputs to be achieved, and the actions each Council will take to achieve these as set out in the relevant Delivery Plan. This is consistent with normal practice in cases where Departmental Budgets are delegated to NDPBs.

5. RCUK was established in 2002 to:

- Increase the collective visibility, leadership and policy influence of the Research Councils;
- Provide a single focus for collective dialogue with stakeholders, especially universities, business, other major science funders and the EU;
- Promote earlier, more active and inclusive involvement of the Research Councils in policy and strategic development and decision-making for the UK science base and international programmes;

- Secure greater cohesiveness and collective working amongst the Councils and OST where this is necessary or desirable to achieve scientific or strategic goals; and to
- Secure greater harmonisation or commonality of operational and administrative functions where this is to the advantage of the stakeholder community or will improve the collective efficiency or effectiveness of the Councils.

6. The mission and objectives reflected the priorities identified at that time. It was recognised that RCUK would need to develop organically, and that priorities would be adjusted in the light of experience. The initial review of RCUK provided a stimulus to this, and has demonstrated that the direction of development has been correct.

7. The Ruffles Review of 2004 recognised that some changes were needed nonetheless, so as to reflect more fully the respective roles of Government and Councils, as outlined above. The new arrangements came fully into operation in April 2005 and we are confident that they will provide the necessary structure for RCUK to continue to work effectively. OST and RCUK agree that they want to see the successful development of the RCUK Executive Group and see no reason to change the current arrangements.

8. The Joint Strategy Group was convened as a forum for Councils and the Government to consider together strategic issues. It provides an opportunity for the Councils to offer advice to Government and for the Director General of the Research Councils to make sure that Councils are fully aware of Government priorities. It is appropriate for the Director General of the Research Councils to chair such a forum.

9. For the reasons set out above, the Government is unable to accept recommendations 1-4 and 6 below.

Recommendation 1

We find it surprising that OST could establish a new organisation without giving it a clear mission or defining its place in the policy-making framework. Under these circumstances it is scarcely surprising that RCUK struggled to establish itself in its community and lacked a sense of direction and leadership. It is regrettable that the shortcomings identified in OST's internal review in 2003 were not put right by the following year. (Paragraph 16)

Recommendation 2

We are concerned that the new structural arrangements do not go far enough towards giving RCUK the clarity of mission and independence of purpose that it should have. (Paragraph 18)

Recommendation 3

If RCUK can demonstrate that it can operate successfully in establishing cross-Council priorities in an independent manner, we see no reason why it should not, in time, take full responsibility for the allocation of the funding awarded to the Research Councils as a whole by Government. If it is necessary to create RCUK as a legal entity in order to meet this aim, it should not be ruled out on the basis that it may be a lengthy process. We recommend that OST consider this model as a medium term aim. (Paragraph 24)

Recommendation 4

We recommend that the Joint Strategy Group ceases to be chaired exclusively by the Director General of the Research Councils. (Paragraph 26)

Recommendation 6

We recommend that the OST reconsiders the issue of the chairmanship of the RCUK Executive Group after a further two years. (Paragraph 32)

RESPONSES TO REMAINING RECOMMENDATIONS

Recommendation 5

The Government's extreme sensitivity about separate responses from Research Councils is stifling the debate which is necessary for good policy-making. It has established RCUK outside of Government to give a loud collective voice to the Research Councils in science policy making. To deny it the opportunity to use its voice without Government approval is self-defeating and absurd. We recommend that the Government sets out its reasons for seeking to inhibit the Research Councils in this way. We further recommend that the Research Councils assert their independence by submitting, individually or collectively as appropriate, their own views without seeking Government approval, starting with the response to this Report. (Paragraph 29)

10. The Government is content to accommodate the Committee's wish to see Councils' and RCUK's replies on matters which are their own responsibility. In future the consolidated document setting out the Government's response to each of the Committee's reports, which will be sent to the Committee by OST, will clearly distinguish between those individual responses that have been provided by Departments in relation to their responsibilities and those that have been provided by Councils or RCUK in relation to their responsibilities. This document has been drawn up in line with this approach.

Recommendation 7

We recognise the need for an NDPB such as RCUK to respect departmental boundaries and lines of communication, but in an area which requires joined-up policy making we would expect RCUK to be a strong representative of the concerns of Research Councils, particularly over skills shortages. We have not yet been persuaded that RCUK is exercising much influence, or even that it is seriously seeking to do so. (Paragraph 36)

RCUK response:

11. RCUK is committed to building a stronger working relationship with the UK Funding Councils, both through the Research Base Funders' Forum and bilateral arrangements e.g. through early exchange of proposals on emerging policies and a reciprocal arrangement which enables the Chief Executive of HEFCE to attend RCUKEG meetings and the RCUKEG Chair to attend HEFCE Board meetings twice a year.

12. RCUK is influencing policy around the skills shortage agenda working with other Government Departments and funders, primarily through the Funders Forum health of disciplines sub-group, which is led by the Research Councils. As outlined in the RCUK evidence (paragraphs 76-81), each Council has taken an overview of the health of disciplines and sub-disciplines within its own research base. Councils are now working with DfES and the Funding Councils to agree how best to monitor health of disciplines on an on-going basis. The Funders Forum agreed in April that the following information will be collected and analysed annually, in addition to a biennial recruitment survey:

- data on numbers of researchers and age profiles in disciplines
- an update report from each Research Council, including contextual information on sub-disciplines, covering future as well as the current picture
- an examination of the flow of student populations (undergraduate to postgraduate to postdoctoral researcher)

13. RCUK will significantly enhance its involvement with the Funders Forum Research Careers Committee and (in consultation with OST) expects to take a greater level of responsibility for its agenda in future. The new RCUK Research Careers and Diversity unit will play a key role in this and is already exploring ways to assist the RCC Career Paths sub-group (led by Wellcome Trust) in producing a career map to assist recruitment into research careers. Recognising that many research careers issues are sector-wide RCUK will foster longer-term relationships with Wellcome and other funders to address areas of mutual interest such as skills training for post-doctoral researchers or common data requirements to underpin analyses of the impact of funding schemes on research careers. Other work undertaken by the new unit will include managing the Research Councils continued support for the Academic Fellowship Scheme and contributing to activities aimed at increasing the participation of women and ethnic minorities in research.

14. RCUK is acutely conscious of the need to update the 1996 Research Careers Concordat and favours an approach based on a 'Code of Practice' model supported by sector wide sharing of good practice between Research Organisations. RCUK is already supporting career development for post-doctoral researchers using Roberts report funding and the Research Careers Unit will actively develop this approach to support progress in implementing a new concordat or code. The development of an updated 'concordat' will additionally enable the UK to meet the expectations of the European Charter for Researchers (published March 2005).

Recommendation 8

We welcome the steps that RCUK is taking in the context of the Funders' Forum to gather better statistics with which to inform decision-making on the sustainability of disciplines. (Paragraph 40)

RCUK response:

15. Research Councils UK is grateful for this recognition.

Recommendation 9

We recommend that RCUK specifically addresses the issue of short term contracts in its future work. (Paragraph 41)

RCUK response:

16. RCUK is particularly conscious of the key role played by the universities as employers of the researchers (through both their attitudes to research staff and their personnel policies). RCUK further observes that research employers are already adapting to the impact of the European Commission Directive on Fixed Term Contracts. Research Councils are therefore increasingly concerned to ensure that nothing in their policies inhibits a change of approach either by universities or in their own institutes and units.

17. The recently proposed standard set of Terms and Conditions for Research Councils grants makes this clear by stating that *"The Research Organisation is expected to adopt the principles, standards and good practice for the management of research staff set out in the 1996 Concordat for the Career Management of Contract Research Staff, and subsequent amendments. Research staff should be appointed on terms that are no less favourable than those of comparable posts in the Research Organisation."*

18. In addition the grant condition on Staff (RG8) states that *"The Research Organisation must assume full responsibility for staff funded from the grant and, in consequence, accept all duties owed to and responsibilities for these staff, including, without limitation, their terms and conditions of employment and their training and supervision, arising from the employer/employee relationship."* Adoption of the new conditions effectively removes restrictions on contract length in some individual council's conditions. (The revised conditions may be found at <http://www.pparc.ac.uk/jes/TCfECFinal.pdf>)

19. Evidence is emerging that key research-led universities plan to make significantly less use of short-term contracts. For example the University of Bristol guidance states categorically that "...the University management believes firmly that fixed-term contracts should not be used unless absolutely necessary." Where Research Councils employ research staff directly in their institutes or units (BBSRC, CCLRC, MRC and NERC) guidelines have been put in place that restrict the use of fixed-term contracts to situations where specialist skills are only required for a particular project. This is leading to significant reductions in the proportion of staff on fixed term contracts.

20. RCUK also recognises that the move away from fixed-term contracts is part of the wider issue of sustainability of the UK research base depending, as it does, on the flow of people into and management of research careers. In consequence, in April 2005, RCUK launched a new Research Careers and Diversity Unit. Through the unit RCUK will develop an active role in understanding the factors impacting on the use of short-term contracts in universities working in partnership with the Funding Councils, Universities and the Higher Education Statistics Agency (HESA).

Recommendation 10

We recommend that RCUK ensures that it is heavily involved in the preparation of the HEFCE response to the invitation to provide the Secretary of State for Education and Skills with advice on protecting courses of national strategic importance. (Paragraph 42)

RCUK response:

21. Research Council Chief Executives and Sir Howard Newby are discussing the HEFCE strategic subject review.

22. In addition, RCUK is working both directly with HEFCE and through the Funders' Forum to ensure that the activities it is supporting on health of disciplines (outlined above) dovetails with the HEFCE study of strategic subjects.

Recommendation 11

We find it surprising that RCUK and OST between them have not yet worked out how the DGRC's discretionary fund is to be allocated. We recommend that the Government draw upon the advice of RCUK and announce in the near future how this money is to be used. (Paragraph 43)

23. The DGRC's discretionary fund was allocated on 8 March. The DGRC took advice from the RCs during the allocations process on their strategic priorities. Energy and clinical research, health of disciplines, major restructuring and promoting knowledge transfer were identified for support under the fund. The DGRC Strategic Fund has been fully allocated to these key priorities.

Recommendation 12

We recommend that RCUK include clear objectives in its delivery plan for its relationship with RDAs. We will look closely at how these relations have developed the next time that we scrutinise RCUK. (Paragraph 47)

RCUK response:

24. RCUK and OST welcome the Committee's interest in this area. It is important for the Research Councils and RDAs to maintain a strong working relationship. Research Councils believe that strategic level engagement with the RDAs should be driven by business need, whilst at a working level interactions should continue to be part of Councils' day to day activities. Councils have therefore agreed new strategic and operational mechanisms for RCUK engagement with the RDAs to ensure that both groups of organisations are working together effectively:

- Strategic issues will be addressed via the Funders Forum
- The RCUK Knowledge Transfer Group (KTG) will take on responsibility for maintaining an overview of RC-RDA interactions as well as handling collective discussions about implementing the Lambert Review and innovation agenda. An annual report of activities will be produced for RCUK and the DTI Regional Policy Group

25. RCUK is continuing to work with OST Exploitation on engaging RDAs in knowledge transfer activities. OST has provided £2m for the SR2004 period to build up expertise in knowledge transfer in both the Councils and RDAs. This will enable Councils to enhance the scale of their support for developing the RDAs' professional capabilities in science and technology issues, including through secondments of experienced staff into the RDAs and through representation on the advisory boards of the newly established Regional Science & Industry Councils. Research Council representatives and RDA Enterprise Directors will be meeting later in 2005 to explore further how the Councils and RDAs can work in partnership in this area.

26. Specific objectives, milestones and targets relating to these activities will appear in the RCUK and individual Council delivery plans.

Recommendation 13

We welcome the work that Research Councils are doing to measure the impact of the move towards funding the full economic costs of research and look forward to the publication of the full findings of its monitoring exercise. (Paragraph 51)

RCUK response:

27. An event was held at UUK in March to inform stakeholders about the emerging findings from the joint UKRO/UUK/JCPSG project on full economic costing and EU cost models. This was attended by around 100 representatives from UK universities and research organisations and provided them with an opportunity to share their experiences. Feedback from this event was used to inform the final report which was published on 29 April.

28. The UKRO conference on 30 June – 1 July will feature a major debate on the impact of Full Economic Costing on participation in EU funded research programmes.

Recommendation 14

We recommend that RCUK considers carefully the demand for, and usefulness of, its strategy documents before producing any updated versions. (Paragraph 56)

RCUK response:

29. A key objective of the RCUK partnership is to raise the visibility of the Research Councils, their contribution to the UK research base, and to provide a single focus to enable stakeholders to engage with Councils more easily. RCUK publications are an important tool in achieving this. The RCUK “Synthesis of Strategies” and “Vision for Research” were developed in response to a specific Quinquennial Review recommendation which stated that RCUK should, with OST and others, develop a 10-15 year road map of opportunities for science to underpin the consideration of future priorities. Both the Synthesis and Vision have proved valuable in informing stakeholders in the UK, and overseas (particularly the FCO’s network of S&T attachés), about future multidisciplinary opportunities and challenges for the UK research base.

30. RCUK has no plans to update these strategy documents at present, but will keep this under review.

Recommendation 15

We welcome the stronger stated emphasis by the Research Councils on increasing responsive mode funding for basic research. In order to demonstrate that the reality matches the rhetoric, we recommend that RCUK encourages all Research Councils to maintain comparable statistics which can clearly demonstrate changes in the balance of funding over time. In addition, any increase in the level of responsive mode funding needs to be supported by evidence that it is delivering outputs: we recommend that the new performance management framework is capable of providing such indicators. (Paragraph 60)

RCUK response:

31. RCUK recognises the importance of being able to provide comparable information on Research Council investments and is working towards developing and publishing an agreed set of high-level statistics by the end of 2005.

32 Data collected through the new output performance framework for the Science Budget will provide indicators of quality, scale, agility, productivity, sustainability, and user focus. In terms of agility, Councils are considering how best to report on the rate of change of their expenditure profiles against identified priorities, including the intention to maintain or increase responsive mode funding.

33. With respect to monitoring outputs from responsive mode funding, the performance management framework will include relevant data on published outputs by domain. At the level of individual Research Councils grant holders are already required to report on specific outputs from their research projects, including as appropriate: publications; new tools and resources; intellectual property rights; trained personnel; contributions to the science and society agenda. Significant developments and achievements are likely to be reported through Research Council scorecards and in the Research Council level output matrices.

Recommendation 16

We welcome the steps RCUK and the Research Councils have taken to provide fuller information on grant application success rates. We recommend that RCUK discuss with universities the possibility of making public this information on a departmental level. (Paragraph 61)

RCUK response:

34. Research Councils are considering whether or not they wish to provide Vice Chancellors with Departmental level data, and will as part of this debate discuss with universities the possibility of making these data public.

Recommendation 17

We have been encouraged by the evidence we have found of an enlightened and realistic view at the Treasury of the benefits and potential uncertainties involved in funding research, particularly basic research, and measuring outputs. We also welcome the attempt to establish in advance yardsticks for measuring performance as an improvement on the previous tendency towards the retrospective imposition of such measures. We look forward to examining the detail and operation of the performance management system in future inquiries. We recommend that the proposed outcome measures are validated in a peer reviewed manner to ensure that they do not distort the research strategy. (Paragraph 63)

35. The Government welcomes the Committee's comments and is pleased about the acceptance of the new performance management system. Outcomes need to be independently validated. OST recognise that this is an evolutionary process and any necessary changes to the system will be introduced.

Recommendation 18

We welcome the role RCUK has played in promoting multidisciplinary approaches to research and the commitment of the Research Councils to supporting new interdisciplinary research centres. We recommend that the delivery plans of RCUK and the individual Research Councils indicate how the commitment to multidisciplinary research will be maintained and monitored over the next Spending Review period. (Paragraph 66)

RCUK response:

36. The delivery plans of the individual Research Councils all include proposals for the continued support for multidisciplinary research and training over the next Spending Review period.

37. The RCUK delivery plan summarises proposals for continued investment in the multidisciplinary research identified in previous spending rounds (Basic Technology, brain science, e-Science, post-genomics/proteomics, regenerative medicine/stem cells, rural economy and land use and sustainable energy). The RCUK delivery plan also highlights a number of exciting new multidisciplinary areas where Councils will be investing jointly and with other funders over the next three years. Examples include:

- accelerator science and technology (CCLRC & PPARC)
- environment and health (NERC, ESRC & MRC)
- 21st century design (AHRC & EPSRC)
- integrative and systems biology (BBSRC, EPSRC & MRC)

38. The new performance management framework for the Science Budget and Research Councils incorporates the level of multidisciplinary activity as a key indicator. In addition, RCUKEG will be reviewing annually the outputs from Councils major multidisciplinary investments.

Recommendation 19

We welcome the steps that RCUK and the Research Councils have taken to review their peer review mechanisms in response to our recommendations. We accept that there may be reasons why complete harmonisation is not obtainable but we remain concerned at the extent to which multidisciplinary grant applications can be adequately catered for at present. We are pleased to see that RCUK is specifically addressing this issue in its delivery plan. (Paragraph 71)

RCUK response:

39. Research Councils UK is grateful for this recognition.

Recommendation 20

The impact of this conservatism on the funding decisions of Research Councils is a major interest to us. In a period in which Research Councils are increasingly being required to demonstrate value for money in their funding, a leaning towards the relatively safe areas of research would be understandable, but not necessarily desirable. The operation of the peer review system is a complex, far-reaching subject which lies outside the scope of this inquiry, but we recommend that RCUK monitors any signs of an increasingly risk averse culture developing as part of Research Councils' review process. (Paragraph 72)

RCUK response:

40. All Research Councils are committed to encouraging adventurous research proposals that cross disciplinary boundaries and challenge the current consensus. Many operate specific schemes or funding routes for particularly speculative or risky research. In addition, as outlined in the RCUK evidence submission, Councils do provide guidance and training to their peer reviewers on assessing more risky and speculative proposals and will be doing more to share good practice in this respect.

Recommendation 21

We welcome the fact that RCUK has answered our call for a more collective approach to science in society activities and look forward to the announcement of the new strategy. We hope that other promised related activities will not be too far behind. (Paragraph 73)

RCUK response:

41. The RCUK science in society strategy will be published in mid-2005. Initial proposals for collaborative activities feature in the RCUK delivery plan, including collaboration with bodies such as OST, the British Association for the Advancement of Science and the Science, Engineering, Technology and Mathematics Network.

42. The new RCUK Science in Society unit will coordinate and/or deliver a portfolio of activities (as set out in paragraph 104 of the RCUK evidence), working closely with the RCUK Research Careers & Diversity Unit where appropriate. The Science in Society unit will coordinate cross-cutting activities enabling them to be delivered more effectively on a collective basis. Examples

of areas for coordination include:

- RCUK public dialogue events, including events during the BA Festival of Science;
- existing joint Council activities such as Researchers in Residence and BA CREST schemes;
- overseeing and evaluating various contracts and 'grants' for public engagement activities, including research into good practice;
- direct support for public engagement activities, including Science Week and the BA Sciences Festival.

Recommendation 22

We conclude that RCUK is playing a useful role in promoting administrative convergence and much progress has been made. This should benefit cross-Council co-operation and the administration of joint schemes as well as realize significant financial savings. However, as we have indicated earlier, the current partnership model does not lend itself to dynamic action. It is particularly important that RCUK has mechanisms for monitoring the full consequences of the decisions that it and HEFCE take. We believe that the pace of change would be faster under the arrangements that we have outlined in chapter 3. In the meantime, the DGRC should monitor progress on a regular basis. (Paragraph 78)

RCUK response:

43. RCUK is developing a plan for making more progress on administrative harmonisation and convergence, to be agreed with DGRC. Key objectives and projects have been included in the RCUK delivery plan, which sets out Research Councils priorities for improving administrative services for the research community and improving Councils' own operational performance. As well as quarterly reporting on delivery, RCUK will report annually to OST on overall progress towards achieving administrative convergence.

Recommendation 23

We commend RCUK's role in the implementation of the Je-S system, which will provide significant improvements for researchers in applying for grants and will make interdisciplinary applications more straightforward. (Paragraph 80)

RCUK response:

44. Research Councils UK is grateful for this recognition.



The DTI drives our ambition of 'prosperity for all' by working to create the best environment for business success in the UK. We help people and companies become more productive by promoting enterprise, innovation and creativity.

We champion UK business at home and abroad. We invest heavily in world-class science and technology. We protect the rights of working people and consumers. And we stand up for fair and open markets in the UK, Europe and the world.