Consultation on a future Research Excellence Framework

- This paper invites Council to approve the consultation process on the next Research Excellence Framework (REF) exercise, and to note that it will be asked to agree SFC’s participation in and financial contribution to the next exercise at a future meeting in 2017. The paper invites Council to agree in principle the estimated costs to SFC for its contribution.

Recommendations

- Approve the consultation on the next Research Excellence Framework (REF) for publication
- Delegate authority to the CEO to work with the other UK HE funding bodies on any final changes to the consultation as appropriate prior to its publication
- Note that following analysis of the consultation responses proposals for SFC’s participation in the next REF exercise will be brought to a future meeting of Council in 2017
- Agree, in principle, the estimated costs for SFC’s participation in the next REF exercise.

Financial implications

- The direct financial implications of this paper are associated with SFC’s contribution to UK consultation events. This, for SFC, is estimated at no more than £10K in FY2016/17.
- The indirect financial implications of this paper are associated with the estimated SFC contribution to the next REF exercise over the five years of its expected duration. Council is asked to agree, in principle, the current estimated SFC contribution of £2.44M over FY2017/22.
Consultation on a future Research Excellence Framework

Purpose

1. This paper invites Council to approve the consultation process on the next Research Excellence Framework (REF) exercise, and to note that it will be asked to agree SFC’s participation in and financial contribution to the next exercise at a future meeting in 2017. The paper invites Council to agree in principle the estimated costs to SFC for its contribution to the running of the next exercise.

Background

2. REF is the system for assessing the quality of research in higher education institutions in the UK, and was last concluded in 2014 (REF2014). The REF is carried out jointly by the four UK HE funding bodies (SFC, HEFCE, HEFCW and DfENI). The REF is managed by the REF team, based at HEFCE, on behalf of all four UK HE funding bodies, and is overseen by the REF Steering Group, consisting of representatives of the four funding bodies. The steering group first met, post REF2014, in May 2015 and representatives agreed to consult their respective Boards on development of the next REF in a consistent way. This paper, therefore, represents the views and joint proposals of the executives of the four funding bodies and discusses them in a UK wide context.

3. REF 2014 was, overall, a successful exercise that highlighted an overall improvement in the quality of UK research and demonstrated a diverse range of impacts arising from university research. The outcomes of the REF are being used by the four UK higher education funding bodies to inform strategic research funding. For SFC it has informed the Research Excellence Grant (REG) and the Board has had an opportunity to consider this process (paper SFC14/38) and final REG allocations (paper SFC15/01).

4. Following completion of the REF2014 exercise, a number of reports were published by the REF team that provide detailed information on the conduct of the exercise to inform policy development, including the REF Manager’s report, the overview reports by the main panels, and the report of the Equality and Diversity Advisory Panel (EDAP). In view of some of the major changes introduced into REF 2014 (impact for example), and to inform development of policy going forward, we have also conducted a thorough programme of evaluation activity on the exercise. This programme included:

- A two-phase evaluation of impact in the REF
- Feedback on the REF from participating institutions
- Feedback on the REF from the assessing panels

1 http://www.hefce.ac.uk/rsrch/REFreview/
• A review of multi- and inter-disciplinary research in the UK
• A review of the costs, benefit and burden of the REF
• Analysis of staff selection rates
• An Independent Review of Metrics; a review of HE research systems internationally
• The analysis of the impact case studies submitted to the 2014 exercise.

5. In the autumn of 2015, a review of the REF was announced, to be undertaken in the first half of 2016. This necessitated a delay to the originally planned timetable for what was REF2020 as it became REF2021. Lord Stern was asked:

“to lead an independent review of the Research Excellence Framework (REF). The review is examining how university research funding can be allocated more efficiently so that universities can focus on carrying out world-leading research.”

6. The proposals on which the four funding bodies seek to consult incorporate the recommendations of Lord Stern’s review of the REF which reported in late July 2016. Taken together, this range of evidence listed in paragraph 4 and Lord Stern’s report has provided a detailed basis on which to develop the areas for consultation.

7. Council (June 2015, SFC15/23) agreed that SFC should participate in developing proposals for a future REF. This paper now asks Council to approve the planned consultation (attached at annex A) on the structure of the next REF (REF2021), and to delegate authority to the CEO to work with the other UK HE funding bodies on any final changes to the consultation as appropriate prior to its publication. A table mapping Lord Stern’s recommendations with the relevant sections of the consultation is attached at annex B for ease of reference.

8. It should be noted that the UK HE funding bodies have consulted informally with trusted stakeholders on the areas intended for consultation and these views have been taken into consideration in developing the current draft of the consultation. From a Scottish perspective this has included SFC’s RKEC and its Research Excellence Working Group, and Universities Scotland’s REF managers group.

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2 A SFC RKEC sub group was set up in late 2015 to consider in detail the draft consultation for REF2020 but did not report to RKEC due to the announcement by UK Government of Lord Stern’s review.
3 https://www.gov.uk/government/consultations/research-excellence-framework-review-call-for-evidence
4 https://www.gov.uk/government/publications/research-excellence-framework-review
5 www.sfc.ac.uk/aboutus/council_board_committees/Councilpapers/council_papers_page.aspx
Consultation

9. Subject to approval by Council and by the Boards of the other UK HE funding bodies, it is our intention to launch the formal consultation by the end of November 2016. During the consultation period, we will run consultation events and wider communications activity to maximise engagement with and understanding of the proposals. It is our intention that the consultation is open for a period of 14 weeks (factoring in the winter holiday season).

10. The four UK HE funding bodies will return to their respective Boards (or equivalents) following the close of the consultation and analysis of responses. This will include further detail on budget proposals, risk and impact analysis. We will invite Council to consider the consultation outcomes and proposed arrangements for a future exercise. Council will be invited to confirm SFC’s commitment to a future exercise at this point.

11. The recommendations in Lord Stern’s independent review of the REF form the basis of the REF consultation. The review acknowledged that the processes used to assess research excellence are well understood by the research community and have, broadly speaking, delivered well in their objective to improve quality. Therefore, the consultation proposes that an exercise broadly similar in approach to REF 2014 is the most appropriate mechanism for continuing to support our world-class research base through the selective allocation of funds and provision of reputational and accountability information. This will be an exercise based on peer review (informed by metrics, where appropriate), and assessing research outputs, impact, and environment.

12. Further recommendations made in Lord Stern’s review intend to reduce the burden and any distortions associated with the REF process while maintaining and improving incentives for research excellence. These recommendations have been addressed in the consultation as well as issues identified via the evidence gathered in the other evaluation activities referenced earlier in this paper.

13. We propose consulting on a number of key areas as follows:

   • Overall approach
   • Unit of assessment structure
   • Expert panels
   • Staff
   • Collaboration
   • Outputs
   • Impact
   • Environment
   • Institutional level assessment
• Outcomes and weightings
• Proposed timetable.

Estimated costs

14. Council is invited to agree in principle the approximate budget for the next exercise at this meeting. This will allow us to continue with the significant development required at this early stage to ensure the project meets the planned 2021 timetable.

15. The total costs (including running costs and programme funds) to the four UK funding bodies of implementing the second REF are estimated by HEFCE to be £20.3 million. More than half of this relates to the fees, meeting and administration costs of the expert panels, and this estimate is therefore provisional until the numbers of panel members and numbers of meetings are known. This estimate is also provided on the basis that the delivery of IT systems to support the next exercise are similar to that required for REF2014. Should alternative IT delivery arrangements be required, budget forecasts would need to be revised.

16. The approximate costs to each of the funding bodies by financial year is set out in table one.

Table one (estimated costs to the UK HE funding bodies – provided by HEFCE)

<table>
<thead>
<tr>
<th></th>
<th>FY 2017-18</th>
<th>FY2018-19</th>
<th>FY 2019-20</th>
<th>FY 2020-21</th>
<th>FY 2021-22</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>HEFCE (81%)</td>
<td>1,020,516</td>
<td>2,356,166</td>
<td>1,200,686</td>
<td>2,653,069</td>
<td>9,212,659</td>
<td><strong>16,443,098</strong></td>
</tr>
<tr>
<td>SFC (12%)</td>
<td>151,187</td>
<td>349,061</td>
<td>177,879</td>
<td>393,047</td>
<td>1,364,838</td>
<td><strong>2,436,014</strong></td>
</tr>
<tr>
<td>HEFCW (5%)</td>
<td>62,994</td>
<td>145,442</td>
<td>74,116</td>
<td>163,769</td>
<td>568,682</td>
<td><strong>1,015,006</strong></td>
</tr>
<tr>
<td>DfENI (2%)</td>
<td>25,197</td>
<td>58,176</td>
<td>29,646</td>
<td>65,507</td>
<td>227,473</td>
<td><strong>406,002</strong></td>
</tr>
<tr>
<td>Estimated total (rounded)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>£20.3M</strong></td>
</tr>
</tbody>
</table>

17. The total cost to the funding bodies of implementing the 2014 REF was £14.5 million of which approximately £1.7M was covered by SFC. For the next exercise, HEFCE has adjusted the figure to include additional costs as follows:

• An inflationary increase has been included in the order of 1.5 percent increase for salary related costs (in line with current Government restrictions on pay) and 2.0 percent for all non-pay related items. Inflation over the 7 year period is the major factor contributing to the overall increase in the forecast budget
• The cost of pilot work that may be required as a result of the consultation. This has been forecast to be broadly in line with the cost of the impact pilot conducted prior to the REF2014

• An estimate of cost incurred by an additional ‘institutional level’ panel, as recommended by Lord Stern’s independent review. The cost of this has been calculated on the basis of the average panel and secretariat costs in the REF2014 with average panel member fees adjusted by 10 percent (from £250 to £275)

• A similar number of panel meetings and level of engagement from research users to REF 2014 is assumed. Overheads and indirect costs relating to IT, HR and finance team support has been included, as per the last exercise.

Risk assessment

18. REF is the system for assessing the quality of research in higher education institutions in the UK. Its success depends to a large degree on sector buy-in and clarity. The consultation process will be open and transparent in order to invite as wide a range of views and opinion as possible.

19. A full risk register will be completed for the development and implementation of a future REF. Details of this register will be presented to Council when it considers the consultation outcomes and arrangements for a future exercise.

Equality and diversity assessment

20. The current version of the consultation states that the conduct of a future exercise will “...continue to be governed by the principle of Equality: promoting equality and diversity in all aspects of the assessment.”

21. The consultation exercise will be open and all sections of the research community and wider will be able to express their views.

22. A full impact assessment will be conducted alongside the development of proposals and as the outcomes of the consultation as considered. The main focus of the impact assessment will be on equality, regulatory burden and economic impact and initial outcomes from this will be presented to the Board alongside the proposed arrangements for a future exercise.

Financial implications

23. The direct financial implications of this paper are associated with SFC’s contribution to consultation events. This, for SFC, is estimated at no more than
£10K in FY2016/17\(^6\).

24. The indirect financial implications of this paper are associated with the estimated SFC contribution to the next REF exercise over the five years of its duration. Council is asked to agree, in principle, the current estimated SFC contribution of £2.44M over FY2017/22.

**Recommendations**

25. Council is invited to:

- Approve the consultation on the next Research Excellence Framework (REF) for publication
- Delegate authority to the CEO to work with the other UK HE funding bodies on any final changes to the consultation as appropriate prior to its publication
- Note that following analysis of the consultation responses proposals for SFC’s participation in the next REF exercise will be brought to a future meeting of Council in 2017
- Agree, in principle, the estimated costs for SFC’s participation in the next REF exercise.

**Publication**

26. This paper (excluding annexes A and B – which contain information intended for future publication) will be published on the website.

**Further information**

27. Contact: Keith McDonald, email: kmcdonald@sfc.ac.uk; or Stuart Fancey, email: sfancey@sfc.ac.uk.

\(^6\) In SFC15/23 Council originally noted that approximately £26K would be required by SFC for this purpose.