

Scottish HE Research Funding

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There are various ways of estimating the research funding gap specifically although, interestingly, none of those who have highlighted it have offered a figure. So: UK Government's BIS dept; Scottish Affairs Committee (which just uses the BIS figures) and the Scottish Government.

The UK Government report¹ (BIS, 2013) includes several very large numbers but many of these refer to the whole of the UK to establish a context of difficult and challenging requirements; they make some heroic assumptions and don't really recognize that Scotland already pays for most of its current research funding from the SFC or through its contribution to UK taxation generally.

The BIS report highlights that Scottish institutions secure up to 13% of UK research funding (it varies year on year between about 12 and 13%) but only 10-11% of all public research funding (Table 1.2, page 19). The first level of funding amounted to £257m and the latter £307m for the latest year available (2012-13). We can take these to be the levels of funding that would need to be raised from Scottish taxes to compensate for the loss of all of the Research Councils and equivalent bodies. Clearly the notion that all such RC funding would be lost is contested.

As well, the BIS report claims that all the UK Charities and UK Government depts' expenditure in Scotland would be lost under independence. Latest figures suggest the former amounts to £131m and the latter £96m, about 15% and 11% respectively of total UK spends. Given the aims and objectives of the charitable organizations, it is even more contentious whether these can be believed as all being lost and so having to be refinanced from within Scotland; indeed, the collaboration and spend across international boundaries suggests otherwise.

The BIS report and so Scottish Affairs Committee assume a Scotland contributes its population share (8.4%) of UK taxes; the FT has recently assumed that Scotland makes a higher contribution to the UK exchequer (9.2%), while the Scottish Government has been working with 9.4% (Scottish Government, 2014)².

So with 10.6% funding from the RCs and just above that from Charities and Government depts., and with Scottish taxes conservatively being between 8.4% and 9.4%, there is a shortfall of between 0.8% and 2.2%. Using these differing coefficients to estimate how much Scotland already contributes to each of these funds, allows us to estimate how much of a shortfall might need to be met if the worst case scenario is imposed. These produce estimates of the shortfall of between £97m and £144m;

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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/255788/bis-13-1115-scotland-analysis-science-and-research.pdf

2 <http://www.scotland.gov.uk/Resource/0044/00449224.pdf> *Scotland's Future: Higher Education Research In An Independent Scotland*, April 2014.

with a more realistic address of the likely charitable case, this offers a simple average of £115m per annum.

This is a relatively small amount in the context of Scotland's wealth³ and rather different priorities, including removing weapons of mass destruction from the Clyde make this very affordable. As we argue in the letter to the Herald, given that the Scottish Government recognises the importance of universities to the economy and that it is able to fund them, why would it not?

So a realistic, indeed conservative, set of assumptions from the FT's analysis and using the UK Government's own data gives a shortfall of under £100m - less than the real rises in Scottish Government funding over the last decade, compared with cuts elsewhere.

³ A gap in funding of £115m amounts to under half of 1% of the annual Scottish budget 0.07% of Scottish GDP. See <http://www.scotland.gov.uk/Publications/2013/09/9971/2> and Scottish National Accounts Project (SNAP), Scottish Government, <http://www.scotland.gov.uk/Topics/Statistics/Browse/Economy/SNAP>, and National Accounts Data, Office for National Statistics (ONS).