



Department
for Business
Innovation & Skills

BIS PERFORMANCE INDICATORS

Expenditure on research
and development
performed in higher
education

MARCH 2014

Expenditure on research and development performed in higher education

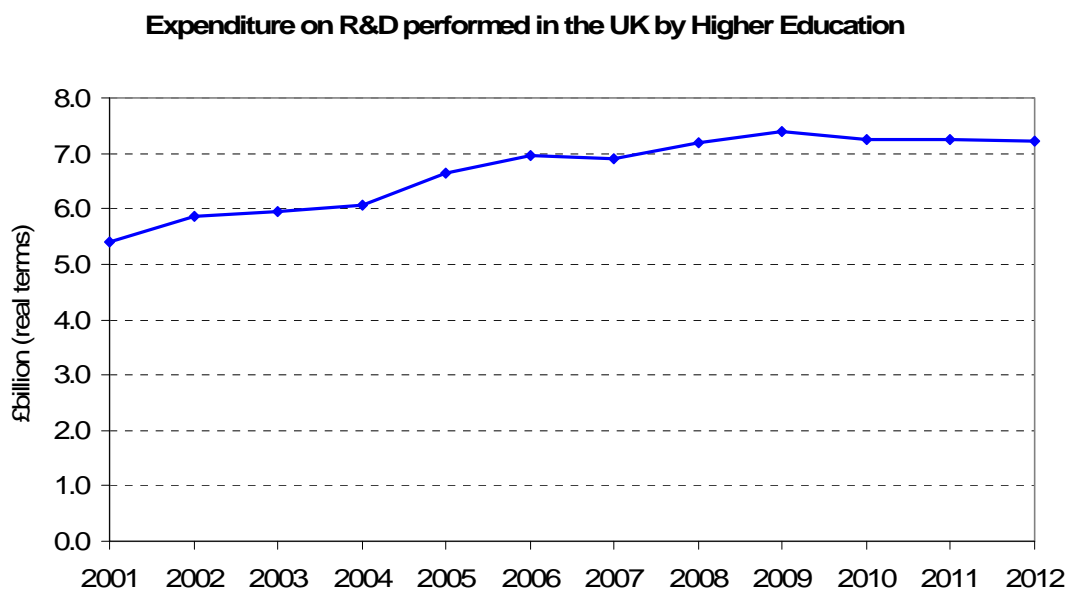
Why is this indicator important?

The research and development work conducted in higher education tends to be more 'basic' than the work undertaken in the private sector. This means that it is less likely to make an immediate contribution to the development of a product or process that can be brought to market, but it is nonetheless critical for the economic performance.

This basic research creates new knowledge, over the longer term, improves innovation and productivity in the wider economy. Due to the long time scales and the 'spill-over' benefits, public funding for the research is needed to ensure that the UK maintains its competitive position in the future.

How are we performing?

In 2012, £7.2 billion pounds of R&D were performed within the UK Higher Education Sector. The chart below shows that R&D carried out within the UK Higher Education Sector has been steadily increasing in real terms until 2009, with a slight fall in 2010 and remained broadly unchanged in 2011 and 2012.



The underlying data is available from the [ONS release on Gross Domestic Expenditure on Research and Development](#).¹

What will influence this indicator?

This indicator is a simple measure of expenditure on research and development within the higher education sector. It will be affected by the budget departments allocate along with funding secured from businesses and from abroad.

What is BIS's role?

BIS provides funds for the Research Councils and the Higher Education Funding Council.

Indicator definition

Research and Development (R&D) related concepts follow internationally agreed standards defined by the Organisation for Economic Co-operation and Development (OECD) and published in the Frascati manual. R&D is defined as 'creative work undertaken on a systematic basis in order to increase the stock of knowledge, including knowledge of man, culture and society and the use of the stock of knowledge to devise new applications.

The data refers to all Research and Development carried out within the Higher Education Sector, in the UK only and in the year concerned.

Further information

Data and further information are available from the Office for National Statistics: [UK Gross Domestic Expenditure on research and development, 2011](#).²

Full details of definitions are provided in the OECD's Frascati manual: [proposed standard practice for surveys on research and experimental development](#).³

Status

Last updated: March 2014

Due for update: March 2015

¹ <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcM%3A77-335613>

² <http://www.ons.gov.uk/ons/rel/rdit1/gross-domestic-expenditure-on-research-and-development/2012/index.html>

³ <http://www.oecd.org/science/inno/frascatimanualproposedstandardpracticeforsurveysonresearchandexperimentaldevelopment6thedition.htm>

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