Defeating cancer together:

Creating a sustainable funding model for charity-funded research in universities

ICR The Institute of Cancer Research

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The importance of charity funded research

Medical research charities play a central role in the UK life sciences ecosystem. They fund research across the full spectrum of disease areas, frequently prioritising those of unmet medical need. They embed patient perspectives into research design and delivery, ensuring that the research they support is aligned with the priorities of those most affected. Their contributions complement public and private investment, providing essential diversity within the UK research base.

Universities provide the infrastructure, expertise, and environment required to deliver this research. The collaboration between the two sectors is both extensive and highly productive, and a key part of the UK's international exceptionalism and leadership in life sciences research. In 2024, members of the Association of Medical Research Charities (AMRC) invested £1.6 billion in research, of which 87 per cent was conducted within universities.[1] This statistic highlights both the scale of the partnership and its importance to the UK's research landscape.

However, there is a structural challenge to the sustainability of this model. Universities are experiencing increasing financial strain, with 44 per cent of institutions forecasting a deficit in the 2024/25 academic year[2]. Charities fund only the direct costs of research – such as researcher salaries and consumables – and do not cover indirect costs such as energy, estates, and administrative overheads. This reflects the expectations of donors that their contributions be directed purely towards research activity. While appropriate, this funding model results in a gap that universities cannot fill without additional Government support.

The importance of addressing this issue was first recognised in the 2004 Science and Innovation Investment Framework[3], which acknowledged that universities require additional support to host charity-funded research sustainably. In response, the Government established the Charity Research Support Fund (CRSF) in 2006, with an initial annual allocation of £135.5 million and an ambition to expand to £270 million per annum by 2010–11. The CRSF represented a clear recognition of the distinctive role that universities play in enabling charity-funded research and of the Government's role in ensuring that this relationship remained viable.

What is CRSF and why was it introduced?

The Charity Research Support Fund (CRSF) is an essential component of Quality-Related (QR) funding and underpins the UK's unique model of partnership between medical research charities and universities. Its purpose is to ensure that universities are not financially disadvantaged when hosting charity-funded research. In doing so, it enables the UK to sustain a model that is distinctive, highly productive, and of considerable value to patients, society, and the economy.

The CRSF functions as a top-up mechanism, distributed in proportion to the level of peer-reviewed charity funding received by each institution. In this way, it directly supports the sustainability of institutions most engaged in charity partnerships, predominately around medical research, ensuring that they can continue to host this research without incurring financial disadvantage.

Nearly two decades after its introduction, the CRSF continues to serve an essential purpose. The financial challenges facing universities have intensified, making the case for its continuation and strengthening more compelling. Without it, the UK risks weakening a partnership that is globally distinctive and central to the vitality of its life-sciences sector. Sustaining and enhancing the CRSF is therefore critical to maintaining the UK's position as a world leader in medical research and ensuring that charity-funded discoveries continue to benefit patients.

Life-saving science from the ICR powered by charity partnerships

Decades of charity funding at the ICR have supported the early-stage discovery science that has helped improve our understanding of the biology and evolution of cancer, which has contributed to the discovery of new treatments, helped us identify risk factors and explore news ways to detect cancer earlier.

These discoveries include the identification of the breast, ovarian and prostate cancer gene BRCA2[4], the development of targeted PARP inhibitors[5], such as olaparib, that have transformed treatment for thousands of patients with BRCA-mutated cancers, and the discovery of pioneering cancer drugs such as abiraterone[6], now used to treat men with advanced prostate cancer worldwide and credited with extending hundreds of thousands of lives around the world. Charitable support has also underpinned practice-changing radiotherapy trials[7 8], helping shape NHS treatment protocols and improving outcomes for patients across the UK while saving the NHS over £68 million annually.

These discoveries demonstrate how targeted investment through charity partnerships deliver sustained health and economic impact and enable the UK to be a world leader in cancer research.

Where we are with CRSF

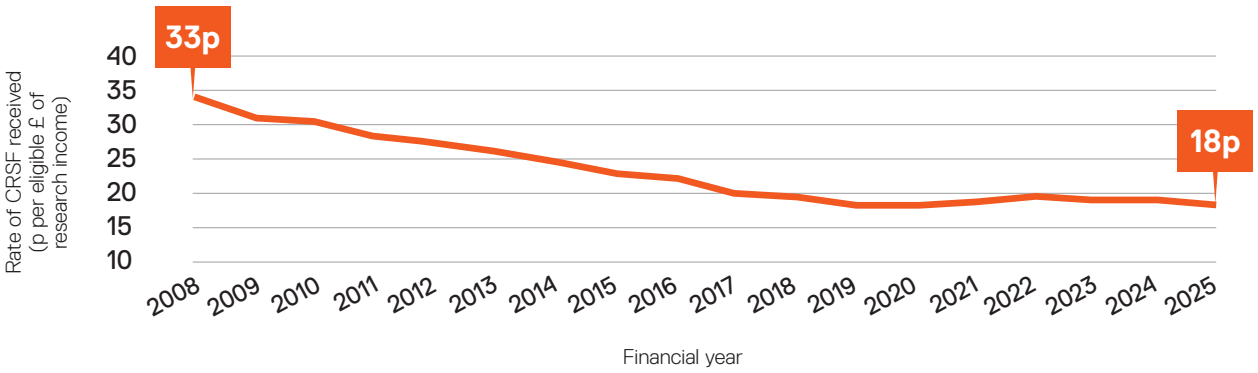
In the 2004 Science and Innovation Investment Framework, the Government set out its ambition in establishing the Charity Research Support Fund (CRSF):

> "to enable HEIs to achieve a partnership with charity funders of research that will ensure financial sustainability by the end of this decade".[9]

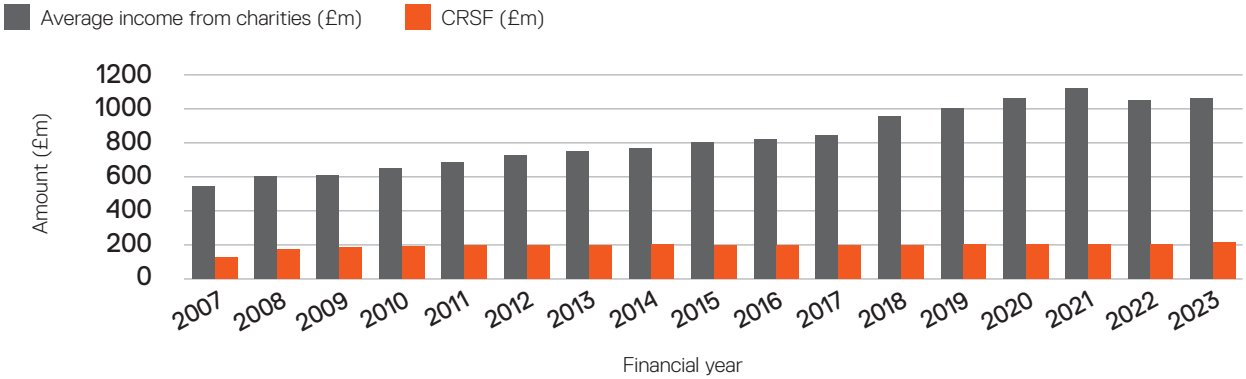
That ambition has not been realised. Almost two decades since the introduction of CRSF, university finances are in a precarious position, in part because the CRSF has failed to keep pace with the scale of charity investment in research. While the role of charities in funding world-class research has expanded significantly, the CRSF has remained largely static. The fund no longer provides sufficient reimbursement to allow universities to sustain this critical work, undermining the very purpose for which it was created.

Between the introduction of CRSF and 2023, charitable investment more than doubled, increasing by over £1 billion.[10] Over the same period, due in part to inflationary pressures and in part to the successful draw down of international funding, the CRSF has been subject to only two modest uplifts: an additional £6 million in 2018/19 and a further £15 million in 2022/23. In 2025, the fund stands at £219 million, significantly below the £270 million it was projected to reach by 2010. The result is that the real-terms value of the CRSF has been eroded year on year. The decline in value is starkly illustrated by the "pence per pound" measure: in 2008/09, universities received 33p of CRSF support for every £1 of charity funding, offering at least partial cost recovery. By 2025, this has fallen to just 18p per £1, forcing institutions to absorb growing deficits that threaten the long-term sustainability of universities.

Rate of CRSF received (pence of CRSF per eligible income) by academic year



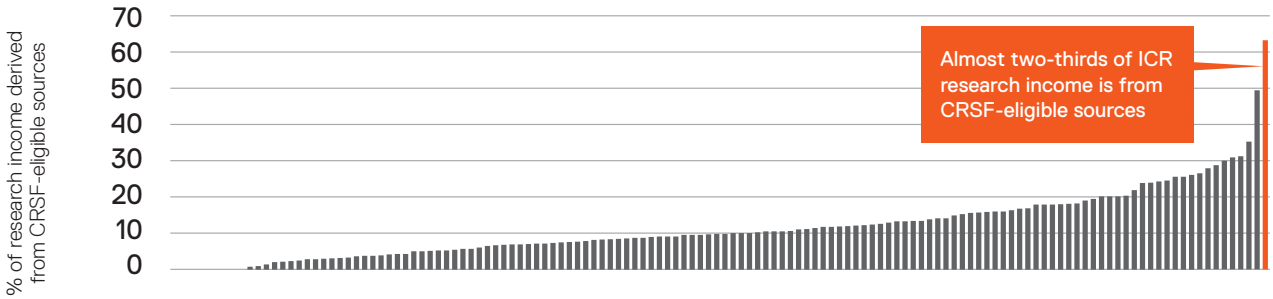
The declining value of the Charity Research Support Fund (CRSF), 2007 to 2023



The experience of the ICR demonstrates the severity of this problem. The ICR receives one of the largest relative proportions of CRSF-eligible income of any UK higher education institution, because it is highly successful in winning competitive, peer-reviewed research grants from medical research charities. More than 60 per cent of the ICR's research grant income comes from charitable sources. The Transparent Approach to Costing (TRAC) data for 2023/24 shows that the ICR now recovers only 57.2 per cent of the costs of charity-funded research.

In practice, this means that **for every £1** received in charity income, the ICR must **find a further 43p** from other sources to meet the full cost of research delivery and is equivalent to an **annual shortfall of £26 million**.

CRSF-eligible income as a proportion of total research grant income (2022/23)



English Higher Education provider ranked by proportion of total research income that is derived from CRSF-eligible sources

The most recent CRSF allocation to the ICR provided £8.7 million, leaving a residual deficit of more than £17 million on charity-funded research alone. Unlike many universities, as a specialist, postgraduate-only institution, the ICR cannot offset these losses through income streams such as international student fees, making us exceptionally exposed to the under-supporting of charity research.

The system, as it stands, discriminates against universities that focus in the life and medical sciences, punishing them financially for receiving large amounts of charity funding to support their work. The consequences of persistent under-supporting are serious. Small and specialist institutions, like the ICR, which are central to the UK's research landscape, face sustained deficits that threaten their long-term financial sustainability. If left unaddressed, this will undermine the partnership between government, universities and charities that has been central to the UK's success in medical research. It will put future breakthroughs for patients at risk and diminish the country's ability to drive economic growth. Put simply, sustained deficits undermine the long-term financial resilience of the UK's research institutions. They strip away the ability of institutions to invest in the talented people, cutting-edge infrastructure, and world-class facilities that drive discovery and innovation. If unaddressed, this will erode the UK's global competitiveness and risk the nation falling behind its international peers in the race to lead in science, research, and innovation. Falling behind competitors who are scaling up investment threatens not only our scientific leadership but also the economic growth, high-value jobs, and inward investment that flow from a thriving R&D base.

The CRSF was created to sustain a uniquely British model of partnership between charities, universities and government. That model is now at risk. Without urgent reform to restore and rebase the CRSF in line with the growth in charity research funding, universities will continue to face structural deficits that jeopardise their capacity to deliver world-leading research for the benefit of patients, the NHS and the wider economy.

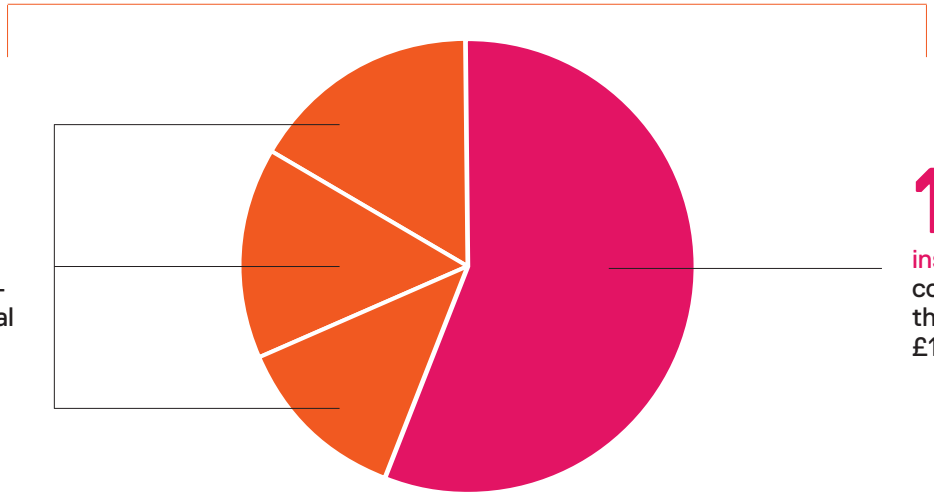
The Government's Post-16 Education and Skills White Paper reaffirms its commitment to the dual support funding model and pledges to work with the charity sector to tackle pressing challenges around the sustainability of charity-funded research and inadequate cost recovery on grants. We welcome these statements; together, these commitments provide vital certainty for the sector.

We believe additional investment and the introduction of a cap could be the solution to supporting universities and improving their cost recovery on charity grant income. Our modelling demonstrates that returning the fund to 33 pence in the pound would require £176 million of new investment annually.

Alternatively, there could be a rebalancing of the Charity Research Support Fund (CRSF) to ensure that the limited funds available are distributed fairly across all universities in England, including smaller and specialist institutions. The CRSF is intended to strengthen the financial resilience of higher education providers by underpinning the unique partnership between charities, universities and government. It cannot fulfil this role if its distribution denies smaller institutions a meaningful share of support.

At present, CRSF allocations are calculated on a pro-rata basis against research income over the most recent four-year period. In theory, this approach reflects relative performance: a university that secures 10 per cent of England's charity research income receives 10 per cent of the CRSF. In practice, however, when applied to a static and underfunded pot, this formula disproportionately rewards the largest institutions. A small number of universities dominate the distribution, with just three institutions accounting for 44 per cent of the £219 million currently available. This leaves the other 112 institutions receiving CRSF competing for the remaining £122 million and leaves smaller universities – often highly research-intensive in specialist areas – struggling to recover the costs of charity-funded research, regardless of their financial need.

How £219 million is distributed between 115 institutions



3
institutions
receive £96m – 44% of the total CRSF fund

112
institutions
compete for the remaining £122m

Our proposal for a solution

We recognise the tight fiscal environment in which both Research England and the Government are operating. That is why, in addition to a call for increased overall funding, we are proposing a targeted and cost-effective reform: **the introduction of a cap on the maximum average eligible income used to calculate CRSF allocations**.

This approach would be consistent with existing Research England funding methodologies for several funding streams, including Research Culture, Participatory Research, Policy Support Fund and Higher Education Innovation Funding (HEIF), where caps have been introduced to distribute limited public funds across more institutions.

Introducing a cap would enable the CRSF to deliver broader support across the sector. It would allow smaller and specialist institutions to significantly improve their relative cost recovery, while the largest beneficiaries – those already in receipt of more than £28 million annually – would experience relatively modest reductions when considered against the total budgets of their respective institutions. With only a modest increase in overall CRSF funding, this reform would allow the sector to restore the value of charity cost recovery to 33 pence in the pound, a rate last achieved in 2008/09.

We have modelled the impact of a cap at two different levels, using Research England data[11], based on the current CRSF budget of £219 million:

- The introduction of a £100 million cap on the maximum eligible income used to calculate CRSF allocations would require a Government uplift to the CRSF fund of £100.5 million annually.
    - This would see 114 institutions receiving more CRSF and only one institution receiving a slightly smaller allocation. 112 of these institutions would receive an 80 per cent increase, whilst 2 more would receive smaller increases.
- The introduction of a £70 million cap on the maximum eligible income used to calculate CRSF allocations would require a Government uplift to the CRSF fund of £68.4 million annually.
    - This would see the same 112 institutions receive an 80 per cent increase in their CRSF allocation. Only the top three recipients would see modest reductions in their CRSF allocation.

Investing in the CRSF is critical to securing the long-term sustainability of charity-funded research in the UK's world-leading institutions. Our analysis demonstrates that introducing a cap on eligible income provides a proportionate and highly efficient mechanism to rebalance the fund – enabling the Government to maximise impact and strengthen the sector's resilience with a relatively modest additional investment. It would support the financial sustainability of a much wider group of universities, strengthen the capacity of institutions to both attract and deliver charity-funded research, and ensure that the partnership between charities, the Government and higher education continues to underpin the UK's global leadership in science and innovation.

About The Institute of Cancer Research, London

We are one of the world's most influential cancer research organisations and excel in identifying cancer genes, developing precision radiotherapy, and discovering new targeted drugs for personalised cancer treatments. Since 2005, our scientists have discovered 21 new drug candidates, of which 13 have entered clinical trials, and two drugs have been approved for use in patients – abiraterone for prostate cancer and capivasertib for breast cancer.

Scientists and clinicians at The Institute of Cancer Research (ICR) are working every day to make a real impact on cancer patients' lives. Through our unique partnership with The Royal Marsden NHS Foundation Trust and 'bench-to-bedside' approach, we are able to create and deliver results in a way that other institutions cannot. Together the two organisations are rated in the top four centres for cancer research and treatment globally.

We have an outstanding record of achievement dating back more than 100 years. We provided the first convincing evidence that DNA damage is the basic cause of cancer, laying the foundation for the now universally accepted idea that cancer is a genetic disease. We discovered the BRCA2 gene.

We are a charity and rely on support from partner organisations, funders and the general public. A member institution of the University of London, the ICR is one of the UK's leading higher education institutions, placing first for biological sciences and second overall in the definitive 'REF2021' rankings of UK university research quality, impact and environment, and provides postgraduate higher education of international distinction.

Please send comments or questions to Ollie Richards, Advocacy Manager:
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