

Statistical bulletin

# UK public-funded gross regional capital and non-capital expenditure on research and development: financial year ending 2022

UK public-funded gross capital and non-capital expenditure on research and development (R&D) by International Territorial Level 1 (ITL1) geographies during the financial year ending 2022. Official statistics in development.

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Release date:  
25 June 2024

Next release:  
To be announced

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# 1 . Main points

- About half (51.0%) of all public-funded research and development (R&D) in financial year ending (FYE) 2022 was performed in the Greater South East, which consists of the International Territorial Level 1 (ITL1) regions of London, the South East and the East of England.
- The North West (9.1%) had the largest total public-funded R&D expenditure outside the Greater South East.
- In FYE 2022, 47.3% of purchased or funded R&D was performed in the Greater South East compared with 62.2% of in-house (conducted within central or local government) R&D.
- The largest proportion of public-funded in-house R&D was performed in the South East (30.1%), while 19.6% of all purchased or funded R&D was performed in London.
- Northern Ireland had the lowest public-funded R&D expenditure for both in-house and purchased or funded (0.7% and 1.8%, respectively).
- The method used to produce this publication is in line with the methodology published last year; however, departments with large total R&D expenditure applied the methods to their own data, which was then quality assured by us, at the Office for National Statistics (ONS).

## 2 . UK public-funded gross regional capital and non-capital expenditure on research and development data

[UK public-funded gross regional capital and non-capital expenditure on research and development](#)

Dataset | Released 25 June 2024

UK public-funded gross capital and non-capital expenditure on research and development (R&D) by International Territorial Level 1 (ITL1) geographies during the financial year ending 2022. Official statistics in development.

## 3 . Glossary

### Research and development

Research and development (R&D) is any creative and systematic activity that contains a certain amount of novelty – which includes the development of new concepts, products and processes – with the aim of increasing the stock of knowledge. Statistics presented in this bulletin are compiled in line with internationally-agreed best practice, as defined in the Frascati Manual 2015 by the Organisation for Economic Co-operation and Development (OECD).

### In-house performed research and development

In-house performed R&D measures any R&D activity that is conducted within the “general government” sector of the National Accounts, which includes central as well as local government.

### Purchased or funded research and development

Purchased or funded R&D is any R&D activity that is conducted by an organisation outside of government but is purchased or at least partially funded by the government sector.

## 4 . Measuring the data

### Quality

Estimates of gross regional capital and non-capital research and development (R&D) expenditure, which is the total expenditure on R&D activities before the deduction of any income generated on such activities, within this release were compiled using a combination of bottom-up and top-down approaches. These estimates are currently not considered accredited official statistics and are designated as official statistics in development.

For the financial year ending (FYE) 2022, government departments with large total R&D expenditure were asked to provide the regional distribution of their R&D related expenditure directly to us. This includes the following central government departments:

- the Ministry of Defence (MoD)
- the Department for Business, Energy and Industry (BEIS), which includes UK Research and Innovation (UKRI)
- the Department of Health and Social Care (DHSC), which includes the National Health Service (NHS)

Together, these departments made up 90.0% of total gross capital and non-capital R&D expenditure in FYE 2022. The gross regional capital and non-capital R&D expenditure submitted to us by the named departments were constrained to total gross capital and non-capital expenditure on R&D derived from the UK government expenditure on research and development (GovERD) survey for FYE 2022.

These were supplemented with GovERD survey responses to measure UK public-funded R&D expenditure outside those three central government departments. The regional in-house estimates of government R&D expenditure differ because of the GovERD estimates including deductions for income from R&D before its transformation. This means that these official statistics in development are consistent with their GovERD equivalent but are not directly comparable because of differences in methodology and data sources.

R&D performance by the Met Office was included in the regional distribution returned by BEIS. However, it was not included in the 2022 BEIS GovERD return, so constraining to the GovERD figure in this case will cause minor depression of regions where there is no R&D performed by the Met Office. This is consistent with our [UK public-funded gross regional capital and non-capital expenditure on research and development: financial year ending 2021 article](#). The decision was made to constrain to the GovERD survey response despite the discrepancy, because including the Met Office in this way will produce a more accurate regional distribution than excluding from the distribution entirely. This is a known discrepancy and there is potential for future revisions to GovERD and subsequently to this publication.

Note that in 2023, BEIS was split to form the Department for Business and Trade (DBT), the Department for Energy Security and Net Zero (DESNZ) and the Department for Science, Innovation and Technology (DSIT). The data in this publication is for FYE 2022 and, therefore, refers to BEIS.

Data collection and storage systems are being improved across government, which can affect the data comparability across financial years. More information on strengths, limitations, appropriate uses, and how these official statistics in development were produced is available in our [Measuring UK public-funded gross regional capital and non-capital expenditure on research and development methodology note](#). This note was produced for our [UK public-funded gross regional capital and non-capital expenditure on research and development: financial year ending 2021 article](#).

## 5 . Related links

[UK public-funded gross regional capital and non-capital expenditure on research and development: financial year ending 2021](#)

Article | Released 17 April 2023

Experimental UK public-funded gross capital and non-capital expenditure on research and development (R&D) by International Territorial Level 1 (ITL1) geographies during the financial year ending 2021.

[Research and development expenditure by the UK government: 2021](#)

Bulletin | Released 30 March 2023

Research and development and related expenditure by UK government departments and devolved administrations.

[Measuring UK public-funded gross regional capital and non-capital expenditure on research and development](#)

Methodology | Released 17 April 2023

Methods used to produce experimental UK public-funded gross capital and non-capital expenditure on research and development, International Territorial Level 1 geographies, financial year ending 2021.

[Frascati Manual 2015](#)

Methodology | Released 8 October 2015

A set of internationally-recognised guidelines for collecting and reporting research and development expenditure outlined by the Organisation for Economic Co-operation and Development (OECD).

[Regional UK business research and development. methods](#)

Methodology | Released 17 April 2023

Exploring models and data linkage to develop estimates of business expenditure on research and development at International Territorial Level (ITL) 1.

## 6 . Cite this statistical bulletin

Office for National Statistics (ONS), released 25 June 2024, ONS website, statistical bulletin, [UK public-funded gross regional capital and non-capital expenditure on research and development: financial year ending 2022](#)