

# HE-BCI record 2023/24 - General guidance on Table 1: Research related activities - Proposed

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**Table 1 provides analysis of collaborative and contract research.**

## **Head 1: Collaborative research involving public funding**

1. Income should be returned for research projects which have public sponsorship (grant in aid from a government or public body) to support research performed in collaboration with at least one other non-academic organisation (collaborator).
2. 'Collaborative research' must involve:
  - grant-in-aid from at least one public body, and
  - a contribution (which may be cash or 'in-kind') from at least one external non-academic collaborator.
3. Collaborative research with other HE providers should not be included. In the context of collaborative research, it is the collaboration rather than the nature of the research that is of primary importance.
4. The term 'non-academic organisation (collaborator)' should be understood to refer to charities, public and not-for-profit organisations as well as commercial business.
5. Collaborative research projects can involve complex financial arrangements - particularly where there are a number of organisations that are contributing and/or using resources. This record aims to capture the direct income to the HE provider - both grant-in-aid from the public sponsor, as well as any direct financial contribution from collaborators.
6. Income from collaborative contributions to research should be stated in published accounts or financial records. Where providers are part of a consortium, they should only return income that is recorded as a direct benefit to them. Collaborative contributions to a whole project rather than individual providers should not be returned. Consortia partners must ensure that income is not double counted.

### **Example 1 (assigning benefits in a large consortium)**

A consortium of 4 HE providers are working on a collaborative project with several external partners. Poppleton University is the lead provider, but income is distributed between all the consortium partners as set out in the project agreement which states that 40% of grant income is retained by the lead HE provider, and the remaining 60% is distributed equally between the other consortium partners.

Grant in aid payment of £1m is made directly to Poppleton University as lead HE provider, however Poppleton then make payments onto the other consortium partners.

Grant in aid income for the project should be reported to HE-BCI as follows:

Poppleton University (40%) - £400k

Partner HE provider 1 (20%) - £200k

Partner HE provider (20%) - £200k

Partner HE provider (20%) - £200k

7. While these data are available elsewhere, Knowledge Transfer Partnerships (KTPs) and CASE awards are central to many HE providers' Knowledge Translation (KT) strategy and therefore should be included.
8. The reporting of 'in-kind' contributions in the HE-BCI data collection is to allow UK funding councils to determine the levels of economic support provided to collaborative partnerships by external partners alongside public funding.
9. It is acknowledged that the value of 'in-kind' contributions is not purely economic, and instead contributions are perceived by their benefit transfer values within the context of the project. However, to allow for comparability of contributions received by providers they are to be assigned an economic value.
10. 'In-kind' contributions are any contributions to a specific project that are not monetary but are of economic, social, or cultural value to the project and the communities they benefit. They are contributions made by non-academic collaborators of a project and may be stated in initial letters of support or project agreements. In-kind contributions should be 'contractually explicit' i.e. the external partner should be aware of the financial values assumed for their contribution.
11. Whilst not prescriptive, the list below provides guidance on common types of in-kind contributions that may feature in collaborative projects:
  - Staff time from non-academic collaborator for those working directly on project including pro bono professional services, legal advice, marketing advice, staff cover (covering those working directly on project)
  - Consumables, e.g. sheet plastics, papers/ materials for printing, disposable drugs paraphernalia
  - Facilities, e.g. meeting rooms, classrooms, labs, sports facilities/spaces
  - Equipment, e.g. music recording devices, horse hydra-therapy machinery, telescopes
  - Knowledge, i.e. data sets/ source data, e.g. patient data, marketing lists, census data, use of software, copywriting software, computer programming software, CAD/ CAM design packages
  - Travel and subsistence costs, e.g. rail travel, accommodation
  - Advertising/ publicity, e.g. webspace, article spaces in magazines or newspapers.
12. HESA acknowledges that contributions outside of the above stated list may be received and, where a value can be reasonably assigned, these should be included in the HE-BCI data. However, we understand the value of contributions can often be bound purely to the context of the project or partnership, and therefore in some instances no economic value equivalent can be assigned. Examples of this may include waste or refuse given for the purpose of scientific research, or freely available intellectual property (IP) generated by the partnership. Where a HE provider cannot reasonably assign a monetary value equivalent to contributions received, they must omit these from the return. In doing so it is still

acknowledged that there is a value to the collaborative partnership however this cannot be accurately captured and compared against contributions of other types.

13. Contributions include assets, both tangible and intangible, which would otherwise not have been obtained outside of the collaborative partnership. The types of contributions received can be broad and diverse in nature.

#### *Values assigned by the HE provider*

14. For the purposes of the HE-BCI data collection providers are to report an assigned economic value of contributions. This value can be that stated by either the gifting partner or the HE provider; however, the HE provider must use best judgement to determine the reasonableness of assigned values.
15. Whilst HESA does not stipulate a single methodology for assigning values, a suggested method may be the use of market equivalent costings or the consistent use of single unit values for repeated contribution types. For example, a HE provider may determine the economic value equivalent of staff time using a reasonable sector average hourly rate (unit) and multiplying this by the number of hours an individual has contributed to a project (frequency), i.e. hourly rate x number of hours.

#### **Example 2: (in-kind contribution)**

Collaborative research project: Re-design of Typhoon blade

Partners: Poppleton University (reporting HE provider) and Rolls Royce (RR) (external non-academic partner)

Type: Use of containerised powder coating machinery

Quantity: 1 piece of machinery

Unit: 5 days

Rate per unit: market value = £17,600 per day

Total 'in-kind' value = £88,000

#### *Values provided by a 3rd party*

16. Providers may wish to submit values provided to them by partner organisations. If provided by an external partner, values must be confirmed in writing, for example as stated in letters of support or project agreements. Submitting providers should use best judgement to determine the reasonableness of assigned values and may wish to revisit values throughout the lifecycle of a project.
17. There is no requirement for contributions to be stated in published accounts or financial records. Where providers consider that certain HE-BCI in kind contributions fall within the remit of these, they may be included. As such economic values stated in the HE-BCI data collection fall outside the remit of the statutory financial audit. However, as with any data return, they do fall within the remit of data and internal audit, and therefore providers must

maintain documentation sufficient to support the assigned values and justify the methodologies used. This may be in the form of standard agreed protocols for treatment of common 'in-kind' contributions, or individual documentation supporting more complex or unusual 'in-kind' contributions.

#### *Multi-academic-partner projects*

18. Where there are several HE providers collaborating on a project it should be assumed that the reporting of contributions are equally split between reporting providers. This reduces the possibility of double-counting, duplication of data and reduces burden to providers. Where HE providers cannot agree how to apportion contributions between them they must default to an equal split. We acknowledge that HE providers within a consortium may agree to apportion contributions differently between themselves. For example, where there have been different levels of use of in-kind contributions between partners. If HE providers chose to apportion contributions in this way, there must be clear evidence of this agreement. HE providers must ensure that there is no duplication of submitted values.
19. Where an overseas HE provider is a collaborator on a project, their share of any in-kind collaboration should not be returned by the UK-based partners.

#### **Example 3: (multi-academic-partner project, default reporting practice)**

Collaborative research project: Re-design of Typhoon blade

Partners: University A (reporting HE provider), University B (reporting HE provider) and external non-academic partner

Type: Use of containerised powder coating machinery

Quantity: 1 piece of machinery

Unit: 5 days

Rate per unit: market value = £17,600 per day

Total 'in-kind' value = £88,000

Alternative reporting practice agreed: None

University A submission: £44,000

University B submission: £44,000

#### **Example 4: (multi-academic-partner project, alternative reporting practice)**

Collaborative research project: Re-design of Typhoon blade

Partners: University A (reporting HE provider),

University B (reporting HE provider) and external non-academic partner

Type: Use of containerised powder coating machinery

Quantity: 1 piece of machinery

Unit: 5 days

Rate per unit: market value = £17,600 per day

Total 'in-kind' value = £88,000

Alternative reporting practice agreed: 30/70 split

University A submission: £26,000

University B submission: £61,600

20. Where there is a clear lead funder projects should be returned under one subheading depending upon the body the primary funder falls under, e.g. EU Government. If there is not clear lead funder projects should be split as appropriate between the subheadings the funders fall under.
21. Where projects involve 'grant in aid' from more than one public sponsor the direct contributions should be shown against each sponsor category (e.g. research councils and government departments). The cash and in-kind contributions from collaborators should be apportioned between these public funders; dependent on the circumstances it is acceptable to assign all cash/in-kind contributions to a single public sponsor, split equally or apportion pro-rata.
22. There is not currently a category within HE-BCI to return funding from cross UKRI programmes such as the Strength in Places Fund (SIPF). However, providers are advised in the meantime to return any income from SIPF or similar cross UKRI funding under the 1a 'UKRI Research Councils, Royal Society and British Academy' category in Table 1, providing the income meets the requirements for collaborative research. In returning the SIPF funding, providers should ensure that where funding has been allocated to a SIPF project that involves a number of HE provider partners that income is not double counted, and that either the lead HE provider partner includes all the funding or HE provider partners each only include the amount of funding passed to them.

### Example 5: (Collaborative multidisciplinary research centre)

£350K ESRC research grant income

£450K BBSRC research grant income

International collaborating HE provider

National Rail: £100K cash, data valued at £750K, secondment of staff to HE provider £50K

Table 1: Research related activities		Income (£000s)			
		2018-19			Total
		Public funding	Collaborative contribution		
Cash	In kind				
1	<b>Collaborative research involving public funding</b>				
1a	UKRI Research Councils, Royal Society & British Academy	800	100	800	1,700
1b	Other UK government departments	0	0	0	0
1c	EU government	0	0	0	0
1d	Other	0	0	0	0
1e	Total collaborative research	800	100	800	1,700

*Here the public body (National Rail) is acting as a project collaborator rather than as a sponsor. Contributions involving international collaborating HE provider are not returned.*

### Example 6: (No clear lead funder)

No clear funder: Innovate UK collaborative R&D Project (one year duration) involving EPSRC, Innovate UK, 2 HE providers and 7 industry collaborators

£250K Innovate UK grant for collaborative R&D awarded to Big City University

£350K EPSRC research grant awarded to Big City University

£450K EPSRC research grant awarded to Campus College

£200K cash contribution from companies to Big City University

£300K cash contribution with £100k materials from companies to Campus College

£500K costs of project activities outside HE providers (described in collaboration agreement - apportioned equally)

### Big City University

Table 1: Research related activities		Income (£000s)			
		2018-19			
		Public funding	Collaborative contribution		Total
Cash	In kind				
1	<b>Collaborative research involving public funding</b>				
1a	UKRI Research Councils, Royal Society & British Academy	350	200	125	675
1b	Other UK government departments	250	0	125	375
1c	EU government	0	0	0	0
1d	Other	0	0	0	0
1e	Total collaborative research	600	200	250	1,050

### Campus College

Table 1: Research related activities		Income (£000s)			
		2018-19			
		Public funding	Collaborative contribution		Total
Cash	In kind				
1	<b>Collaborative research involving public funding</b>				
1a	UKRI Research Councils, Royal Society & British Academy	450	300	350	1,100
1b	Other UK government departments	0	0	0	0
1c	EU government	0	0	0	0
1d	Other	0	0	0	0
1e	Total collaborative research	450	300	350	1,100

### Multi-year projects

- In-kind contributions to multi-year projects may be stated at the start of a collaboration such as in letters of support or collaboration agreements. They may also be awarded during the life cycle of a project and in addition to those stated at the start.

### Contributions not allocated to specific years of project

- Where contributions are not allocated to specific years of a multi-year project, providers should pro-rata in-kind contributions across all years of the project from the point at which they are known.

**Example 7:**

A provider is awarded a contribution valued at £150,000 and it is stated in the initial letter of support for a three-year project. The submitting HE provider should apportion the value across the remaining years of the project and return £50,000 per year.

**Example 8:**

A provider is awarded a contribution valued at £150,000 in year two of a three-year project. The submitting HE provider should apportion the value across the remaining years of the project and return £75,000 in years two and three.

*Contributions allocated to specific years of a project*

25. If a contribution is allocated to specific years of a multi-year project, providers must report these in line with their own financial accounting practices: either reported to specific years as allocated, or pro-rated across the project years. Where the HE provider's financial year differs from the HESA reporting year, data should be returned as appropriate for the HESA year and in a way that avoids double counting.

**Example 9:**

A contribution of equipment valued at £150,000 is included in the initial letter of support for a three-year project. The equipment is specified to only be used in the second and third years of the project. The submitting HE provider may choose to pro-rata the contribution as either £50,000 across the three years of the project or return a value of £75,000 in years two and three only.

**Example 10:**

A contribution of £150,000 is awarded in the second year of a three-year project. The equipment is specified to only be used in the second year of the project. The submitting HE provider may choose to return the contribution as either £75,000 in years two and three, or £150,000 in year two only.

26. Recording in this way allows for variances in contributions received between that stated from the start of a project (such as stated in letters of support) and those provided throughout the duration of a project.

*Where a project is extended*

27. Where the life-cycle of a project is extended any contributions received must be apportioned in line with providers' own financial accounting practices: either reported to specific years as allocated, or pro-rated across the remaining project years (i.e. in a manner consistent with the approach taken to contributions allocated to a specific year of the project, covered in the above guidance). Where the HE provider's financial year differs from the HESA reporting year, data should be returned as appropriate for the HESA year and in a way that avoids double counting.

**Example 11:**

A project is expected to be three years in length. In year 2 the project is extended by a further 2 years. A further £150,000 of contributions are to be awarded to the project in addition to the £300,000 stated in the initial project agreement. Depending on its normal accounting practices, the HE provider should report the remaining contributions to the project in one of the following ways:

Option 1 (allocating funds to project years):

Year 2: £137,500 ( $£100,000 + (£150,000/4)$ )

Year 3: £137,500 ( $£100,000 + (£150,000/4)$ )

Year 4: £37,500 ( $£150,000/4$ )

Year 5: £37,500 ( $£150,000/4$ )

Option 2 (pro-rating funds across project years):

Remaining initial value = £200,000

Additional value = £150,000

Total = £350,000

$£350,000/4$  remaining years (initial 2 + additional 2) = £87,500 per year

Year 2: £87,500

Year 3: £87,500

Year 4: £87,500

Year 5: £87,500

***In-year contributions***

28. In-year contributions may be made to a project. These may be in addition to those stated in the letter of support or initial project agreement. If a contribution is allocated to a specific year(s) of a multi-year project, providers must report these in line with their own financial accounting practices: either reported to specific years as allocated, or pro-rated across the project years. Where the HE provider's financial year differs from the HESA reporting year, data should be returned as appropriate for the HESA year and in a way that avoids double counting.
29. Where contributions are not allocated to a specific year(s) of a multi-year project, providers should pro-rata in-kind contributions across all years of the project from the point at which they are known. Please refer to previous guidance for examples.



### **Sub-head 1a: UKRI (except Research England), Royal Society and British Academy**

30. Should include all collaborative research income from research councils covered by the UK Research and Innovation. They are:
- Biotechnology and Biological Sciences Research Council (BBSRC)
  - Natural Environment Research Council (NERC)
  - Engineering and Physical Sciences Research Council (EPSRC)
  - Economic and Social Research Council (ESRC)
  - Science and Technology Facilities Council (STFC)
  - Medical Research Council (MRC)
  - Arts and Humanities Research Council (AHRC). Research income from the British Academy and the Royal Society should also be included in this row.
31. The National Institute for Health Research (NIHR) should be treated in the same way as a research council.
32. This field does not include any funding streams that are solely Research England (RE) streams such as formula funding and related competitive programmes. Cross-council programmes such as the Strength in Places Fund (SIPF) which are jointly administered by RE are eligible provided they meet the definition of collaborative research.
33. Further information on collaborative research undertaken by the UKRI can be found at the UKRI website.
34. Any additional funding received as a covid-19 extension to existing grants should be reported to HE-BCI in the same way as the original grant award.

### **Sub-head 1b: Other UK Government departments**

35. Income from all government departments and Innovate UK (including income from Knowledge Transfer Partnerships (KTPs)) should be included under this sub-head.

### **Sub-head 1c: EU Government**

36. This sub-head should include all research income from all government bodies operating in the EU, which includes the European Commission but excludes bodies in the UK.
37. Funding from the European Space Agency should be returned under sub-heading '1d; Other'. It should not be returned under sub-heading '1c; EU Government'.

### **Sub-head 1d: Other**

38. This sub-heading should include all 'other organisations' who are distributing public funds. Other forms of collaborative research involving public funding could include charities, public and not-for-profit organisations as well as commercial business. A not-for-profit organisation is a business that aims to do something other than to make a profit for the owners, such as providing a public service or helping people. Once costs have been covered any surplus is reinvested into the business or used in other ways. For example charities or social enterprises. See the Charity Commission website for details of all registered charities in

England and Wales, Charity Commission for Northern Ireland and OSCR (Scottish Charity Regulator).

**Example 12:**

Lead funder: Arts Council England

Collaborative partner: British Museum

Project: Research into the transformation of Museum activities in the UK

Contribution from Arts Council England: £60K

Contribution from British Museum: £20K in-kind contribution

Return: If the money that was received from Arts Council England, was sourced from government public funds, return the £60k in 1d 'Other' and 'public funding' and collaborative contribution of £20k from the British Museum under 1d 'Other' and 'in-kind contribution'. If the Lead funder's contribution was sourced from non-public funding, do not return.

**Head 2: Contract Research (excluding any already returned in head 1 and research councils)**

39. Head 2 should be used to return specific contract research. Income returned under head 2 must be identifiable as the HE provider meeting the specific research needs of external partners. Income must align with the accounting policies adopted by the provider, i.e. in a year in which the financial accounts recorded that a provider received contract research income, it should be returned in the corresponding HE-BCI submission.
40. Awards and grants made for proposals from the HE provider should not be returned in Table 1. In particular, basic research council grants should not be returned as contract research.
41. SMEs include micro, small and medium enterprises, and sole traders. See the [coverage of the record](#) for further details on definitions.
42. Income from commercial and non-commercial organisations for contract research may include various projects relating to both STEM subjects and non-STEM subjects.
43. Contract research income from charities can be included under head 2 where the charity is contracting research for its own purposes.
44. Where a contract spans multiple years, it must be returned for each academic year that it is active. The income associated with the contract should only be returned for the years in which it is received.

**Example 13:**

Client: BBSRC

Project: Research and profile previous BBSRC grants and their effectiveness and recommend improvements to impact of funding

Contribution: £50K

Return: As £50K under sub-head 2f Total value with non-commercial organisations.

**Example 14:**

Client: BBSRC

Project: Mapping a genome

Contribution: N/A

Do not return: This is basic research and not relevant for the HE-BCI record as grants for research that do not meet the specific research needs of an external partner should not be returned.

**Example 15:**

Client: Research Council

Project: Any responsive mode grant

Contribution: N/A

Do not return: It is likely that most responsive mode grants are part of the core research funding arena and should not be returned.

**Example 16:**

Client: Large environmental company

Project: Research into engaging service providers in pro-environmental behaviours and development of training and education toolkits, undertaken in partnership with two large sector specialist training providers.

Contribution: £25K

Return: Return 1 under sub-head 2c number with other (non-SME) commercial businesses and £25k under 2d Total value with other (non-SME) commercial businesses.