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Circular

External research income from UK based charities 2010-11

Date: 18 November 2011
Reference: W11/44HE
To: Heads of higher education institutions in Wales
Response by: 11 January 2012
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This circular requires institutions to provide information for use in the calculation of funds for research 2012/13.

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Background

- 1 HEFCW circular W10/37HE, Initial proposals for changing the funding system for higher education in Wales¹, notified the sector of our intention to discontinue the Research Activity Survey (RAS) from 2011/12.
- 2 When calculating Quality Research (QR) allocations for 2012/13 and until 2014 Research Excellence Framework (REF) data become available, all minor volume measures (except charity income) will be frozen at the levels used in calculating 2011/12 funding.
- 3 Given that most data used in the funding calculations have been frozen, there is no need for institutions to update most of the minor volume measure data. However, we will continue to collect data annually for the charity income minor volume measure.

Survey data

- 4 This circular requests higher education institutions (HEIs) to provide information on external income from UK based charities for use in the calculation of QR funding for 2012/13.
- 5 QR allocations will be calculated using: the FTE number of research active academic staff and the quality profiles from the 2008 Research Assessment Exercise (RAE); the average of figures from RAS 2010/11 and 2009/10 for all minor volume measures (except charity income); and charity income data for 2010/11 provided in response to this circular, which will be averaged with charity income data collected in the 2010/11 RAS. Research active academic staff are Category A staff (excluding research fellows) returned on form RA0/1 of the 2008 RAE.

Return of data

- 6 The completed workbook should be returned by e-mail to hestats@hefcw.ac.uk no later than **11 January 2012**.
- 7 It is important that returns are made on time if funding allocations for 2012/13 are to be determined by spring 2012. **HEFCW reserves the right to enter its own estimates of research data for institutions which fail to return the survey on time.**
- 8 When data are returned, they go through a validation and credibility checking process. Once any subsequent queries have been resolved, data are sent out to institutions for verification. The process will follow the timetable outlined below.

¹www.hefcw.ac.uk/documents/publications/circulars/circulars_2010/W10%2037HE%20Initial%20proposals%20for%20changing%20the%20funding%20system%20for%20higher%20education%20in%20Wales.pdf

11 January 2012	Charity income return deadline
18 January 2012	Charity income verifications sent to institutions
1 February 2012	Charity income verifications return deadline

- 9 In the event of a deadline being missed by more than three working days, a letter will be faxed to the head of the institution concerned reminding them that HEFCW reserves the right to enter its own estimates of data for institutions which fail to return the charity income data on time and indicating that HEFCW intends to do this if immediate action is not taken. Failure to return the data or verification report within two working days will result in a letter from the Chief Executive of HEFCW to the head of the institution stating the figures that will be used in place of the institution's own data.
- 10 Each subsequent deadline should be met regardless of any delay in meeting the preceding deadline.
- 11 Any queries about returning charity income data should be directed to Liz Heal (telephone 029 2068 2231, e-mail hestats@hefcw.ac.uk).

Notes of guidance

- 12 Income from UK based charities for 2010-11 consistent with the amount shown in the HESA finance record Table 5b² should be recorded in Table R2 shown in Annex B. Research activity contacts at each institution will be e-mailed an Excel 2007 workbook containing the table for their institution. The definitions to be applied correspond to those used in the 2008 RAE, described in RAE circular RAE 03/2005³.
- 13 Only data for Units of Assessment (UoAs) which were eligible for QR funding in 2011/12 are required and therefore only these UoAs appear in the spreadsheet for completion⁴. Eligible UoAs were determined by applying a volume threshold and a combined quality and volume threshold.
- 14 Guidance on defining external research income from UK based charities is attached at Annex A. Institutions should also refer to the RAE circular RAE 03/2005 and the HESA finance record coding manual for further clarification.

Workbook notes

²www.hesa.ac.uk/index.php?option=com_collns&task=show_colln&Itemid=232&c=C10031&s=5&wvy=any&wvs=1&isme=1

³www.rae.ac.uk/pubs/2005/03/rae0305.pdf

⁴www.hefcw.ac.uk/documents/publications/circulars/circulars_2011/W11%2012HE%20Strategic%20Implementation%20Allocations%202011_12.pdf

- 15 An Excel 2007 workbook containing Table R2 to be completed for 2010-11 charity income will be e-mailed to research activity contacts at individual HEIs. The workbook is individually prepared for each institution and contains two worksheets. The worksheet for completion is labelled R2. The other worksheet shows a comparison between the data returned in worksheet R2 and data returned in the 2010/11 RAS, and is intended to be used for information and checking purposes only. An example of the tables in the workbook are shown at Annex B.
- 16 The workbook will be named ____RAS.xls, where the prefix is the institution's four character HESA code. Institutions must not attempt to change the structure of the workbook by adding or deleting worksheets, rows or columns, or by overwriting or deleting any formulae. Worksheets contain information critical to loading of the data and it is essential that the structure of the workbook is not changed in any way. Each workbook should be saved in Excel on completion using the same filename and extension as that originally supplied. Names of the individual worksheets must not be changed.
- 17 The completed workbooks should be returned by e-mail to hestats@hefcw.ac.uk. Receipt of e-mail submissions will be confirmed.

Annex A

Definition of external research income from UK based charities

- 1 The actual research income from external grants or contracts from UK based charities received in 2010-11 for the period 1 August 2010 - 31 July 2011 should be reported. For this purpose the HESA definition of research income will apply, that is, all income in respect of externally sponsored research carried out by the institution (or its subsidiary organisation) and for which directly related expenditure has been incurred (including recovery of indirect costs).
- 2 Research grants and contract income from all charitable foundations, charitable trusts etc, based in the UK and registered with the Charities Commission, or from exempt charities, should be shown.
- 3 Grants or contracts for which income is included in this return should be associated with at least one member of staff who is research active (in this context, whether a member of staff is research active is irrespective of their treatment in the 2008 RAE). Subject to this, all income in respect of research carried out at the institution and for which directly related expenditure has been incurred should be returned. Income should be stated at full value including any recovery for indirect costs whether retained by the institution or department, or at the disposal of an individual within a department. Amounts in respect of costs for existing staff or facilities within research grants or contracts may be included.
- 4 Income which has been administered through the institution's own accounts should be included. Income administered through the account of a subsidiary company wherever that income was consolidated in the institution's finance return made to HEFCW should also be included. Income not handled in either of these ways - including income received directly by individuals working in the department, gifts of equipment, and funding for building work not paid as part of the grant or contract for a specified research project should be excluded.
- 5 Where a grant or contract is held, or the work conducted, across more than one UoA it should be divided between UoAs reflecting the manner in which the income has been used.
- 6 Where a project is being undertaken by a number of institutions and one institution acts as 'lead institution', only income received by the institution making the return, and relating to the work actually being undertaken by it, should be included. The lead institution should therefore not include any portion of income passed on to co-operating institutions.
- 7 Researchers will on occasion move between institutions during the progress of a grant or contract. If the original institution continues to

receive income from the grant or contract then this should be accounted to that institution alone. If the old grant or contract is cancelled and a new one is issued to the new institution, then the income from each should be included by the appropriate institution.

- 8 If an individual moves institution but continues to work on a grant or contract held jointly with other members of staff at the original institution, the income may be included only by the institution which received it. The ruling on grants or contracts held by researchers at more than one institution applies only to awards that are specifically allocated at the start to individuals at more than one institution, not in the case of individuals who move institution after the award is announced.

Annex B

Printed table for completion by HEIs funded by HEFCW