

University of Birmingham
Research Proposal Costing & Pricing – Policy and Guidance

Introduction

This statement of policy and guidance regarding the costing of research proposals aims to ensure that research proposals are costed and 'priced' appropriately. Support for the costing of research proposals is provided by Research Support Services.

'Price' in this context is distinct from 'cost' in cases where the full cost of a proposal to the University of Birmingham may not be reflected in what we actually charge to a funder.

Certain types of research proposal require the agreement of the Head of School / Institute due to the financial implications or space / estates implications – these are summarised in the section at the end of the document. **Approval should be sought at an early stage** to avoid any wasted effort in developing a proposal that the Head of School / Institute is unable to support

Costing Research Appropriately

In developing a research proposal, the Principal Investigator (PI) is responsible for ensuring that the full costs of the project to the University are understood and captured. This means taking costing advice from the relevant University service providers for the resources needed (e.g. major facilities, computing resource and data storage, open access publication, etc).

PIs should not seek to artificially reduce the cost of their proposed project on the basis of thinking that a cheaper, under-costed project is likely to be more successful with a funder. Major research funders place primary value on the *quality* of research proposed. Grant reviewers are generally asked to comment on whether the resources requested are reasonable for the proposed work, but otherwise the applications are prioritised on the basis of the quality of the proposal.

Research Funders may, of course, query any unjustified costs that are identified by reviewers, but these rarely impact on the ranking of a grant proposal, and are picked up by the office at award stage. Principally major funders will wish to see the projected costed with the full resources needed to complete the research robustly and to achieve significant research outcomes.

Further information on full economic costing, and pricing, of research:

<https://intranet.birmingham.ac.uk/finance/fEC/index.aspx>

Facilities and Technician Time

Many key facilities have separate funding accounts, which means they need to be separately costed onto a research proposal if they are to be used (ie their running costs are not covered by the general 'estates' charges on a grant).

PIs are responsible for taking appropriate cost advice from Heads of Facilities (including high-performance computing and data storage) in relation to the proposed use of major facilities envisaged in the project, as well as advice from College Heads of Infrastructure and Facilities regarding any expected use of technician time.

All technician time should be costed into a proposal, even if a technician is regarded as 'core funded'. This is particularly important where there is a substantial requirement for access to University enabling technologies and technical facilities. Being 'core funded' does not mean that the University cannot recover the costs of technician time on a specific project.

In experimental disciplines, it should be regarded as extremely rare to have no technician costs explicitly costed on a grant proposal, and College Heads of Infrastructure and Facilities can advise on the level appropriate.

Where funding calls have a funding limit, PIs should still include full technician support cost in particular, and not seek to artificially reduce this in order to keep within the funding limits. The project should be designed to keep within the call limits on the basis of a full budgeting for the resources needed.

Examples of where significant facility and technician costs have been successfully included in a grant are given in **Annex 1**.

Estates and Space Issues

Input from the relevant College Head of Estates must be sought as part of bid development where a proposed project will have estates implications for the Dept / School / Institute due to additional space requirements for new postdoctoral researchers or other new posts funded from the grant; or due to the estates requirements (including additional service provision) for new pieces of equipment. The approval of the Head of School / Institute Director is also required where there are estates and space implications, and this should be sought at an early stage.

Pricing Research

In many cases, the funder will have a clear specification of eligible costs, and a specific funding policy. For example, the Research Councils standardly only fund 80% of the full economic costs of projects, which is why it is important to ensure that proposals capture the full costs, and do not seek to artificially reduce the resources being sought.

Charity funders typically do not cover the University's indirect and estates charges (these are the wider University running costs calculated through the TRAC – Transparent Approach to Costing – methodology). For charity funded research, the University needs to understand what the full economic costs are, even if it cannot charge these. As a result, all charity funded proposals need to have the approval of the Head of School / Institute Director (see below).

Commercial funders should normally be charged *at least* the full cost of the proposed research. In cases where we wish to charge the funder less than the full economic cost, the approval of the Head of School / Institute Director is required. In cases where a PI has specific and credible intelligence that a commercial funder is likely to favour 'cheaper' proposals, it may be appropriate for the University to charge less than the full economic cost. The approval of the Head of School / Institute Director will be required.

Institutional Commitment

The term 'Institutional Commitment' refers to the additional support that might be promised by the University, e.g. in a letter of support for a proposal or a fellowship application. These are additional costs that are not captured in the full costing of the project, but still represent costs to the University. Such additional Institutional Commitments should be exceptional, and are not normally included on standard research proposals.

The approval of Head of School / Institute Director will be required in relation to resourcing that they are able to commit from within their budgets; equally Head of College or even UEB agreement may be required for more major commitments. In each instance, a case will be needed as to the strategic value of making the additional financial commitment outside of the resources being sought.

Further guidance is provided in **Annex 2**.

With Research Council grants there is a requirement for the institution to fund 50% of equipment with a price in excess of £10k. Institutional funding for this is coordinated via the Research Technology Infrastructure Co-ordination Group (RTICG), chaired by the PVC for Research &KT. See **Annex 3** for further guidance.

Staff Time Commitment

The time commitment from PIs and Co-Is on a proposal is a major driver of the fEC costs; however, PIs must avoid artificially reducing their proposed time commitment to reduce overall project costs. The time commitments of staff required to successfully undertake the project should be fully reflected in the proposal.

RSS research development staff (either the College team or the International & EU team) can advise on the level of PI or Co-I time commitment that looks appropriate for the project, in view of how much of your time is already costed onto grants, and what is typical for the disciplinary area. For example:

- A standard 3-year lab-based project with a postdoctoral researcher might have a 15% PI time-commitment (i.e. a disciplinary expectation that a PI might have a portfolio of such projects running).
- In the humanities and social sciences where projects tend to be far more investigator-led, PI time might be in the range of 20-35%.
- Major fellowships may have a minimum time-commitment, and even allow for 100% of a PI's time to be costed.
- ERC starting grant - around 70% (minimum 50%)
- ERC consolidator grant - around 60% (minimum 40%)
- ERC advanced grant - around 50% (minimum 30%)

Due to the knock-on implications on teaching, a bid with major (greater than 40%) buy-out of an individual's time (e.g. on a major fellowship award), requires the approval of Head of School / Institute Director. Equally if the proposal you are developing would take your total time commitment on grant projects to more than 40%, you should again seek the approval of your Head of School / Institute Director.

Agreement should be sought at the earliest possible stage in the application / bid development. This allows for initial consideration to be given to how teaching or other responsibilities will be covered, if your grant is successful.

Worktribe – Bid Development System

As part of the New Core project, the University will be implementing a new research bid development system (from a company called Worktribe). We are currently using a pared-down version of the system for calculating staff costs.

The Worktribe system is used by a number of major Universities, and will greatly facilitate input into bid development by appropriate Heads of facilities, etc. Following the implementation of New Core in February 2019 it will be mandatory for all PIs to use Worktribe for all research bid development. The system will offer significant benefits and time-saving for staff developing bids: all approvals and costing requests for each project are held in one system, with the PI able to track progress of

approvals. The system is very user-friendly, and full training will be provided. Costing support will continue to be provided by Research Support Services.

Summary: Research Bids which Require Head of School / Institute Director approval

The following types of research proposal require approval by the Head of School or Institute Director due to the financial implications or space / estates implications. **Approval should be sought at an early stage**, using initial estimates if necessary, to avoid any wasted effort in developing a proposal which the Head of School / Institute is unable to support.

- i. All charity-funded bids for grants totalling over £100k
- ii. Any commercial funded bids where the price being charged is less than 100% of the full economic cost.
- iii. Any bid where there is a substantial requirement for access to University enabling technologies and technical facilities.
- iv. Any bid that will lead to additional staff or major equipment items, for which there will need to be consideration of providing additional space, infrastructure and services.
- v. Any additional 'institutional commitment' outside of the resources being requested for a proposal, and which may be made on an exceptional basis.
- vi. Any research proposal or fellowship application with major (greater than 40%) buy-out of an individual's time (or would bring an individual's total research buy out to more than 40%)

Where a proposal being led by a Head of School / Institute falls under one of the above, approval should be sought from the Head of College.

The Research support team in your College will seek Head of School / Institute Director approval where required, and will be able to advise on who else needs to be consulted as part of fully costing a proposal, eg Heads of facility, or other internal service providers. If the Research Support team has not been made aware of the bid, then the PI is still required to obtain the approval and Heads of Schools should copy their approval to the college RSS team.

Professor Tim Softley, Pro-Vice Chancellor (Research & Knowledge Transfer)

Dr Ian Lyne, Director of Research Support Services

Examples of Facility and Technician Costs on Grants

NISA: Novel approaches for in situ analysis of biomolecules

PI: Professor Helen Cooper, School of Biosciences

Funder EPSRC; total funding value: £1.5m

- General Technicians: £28k
- Mass Spec Bioscience: £131k
- Mass Spec Chemistry: £26k

SAMULET 3 – Enhanced Turbine Manufacture

PI: Professor Nick Green, High Temperature Research Centre

Funder: Innovate UK

- Technicians: £138k

Ionospheric Measurement, Modelling and Simulation for Future Wideband UHF Satcoms

PI: Professor Matthew Angling, Co-I: Professor Paul Cannon, Department of Electronic, Electrical and Systems Engineering

Funder: EPSRC, total award value: £683k

- Technician: £63k
- Pool Technicians: £6k

Institutional Commitment on Major Grants

Many funders awarding major grants, especially in *strategic or targeted calls*, expect to see evidence that the institution recognises the research area as a strategic priority, and that the proposal demonstrates *institutional commitment* to the proposed programme and the researchers.

The following guidance for institutional commitment applies to large grant proposals:

- typically > £1.5m for experimental and clinical sciences
- > £0.75m for other disciplines

General Principles

- In general these commitments might include existing budgeted support in a School or Institute:
 - Academic Posts which are being recruited to
 - PhD students
 - Professional services support
 - Existing School administrative or project management support
 - Release of PI time from other duties
 - Equipment, or provision and refurbishment of space within existing budgets.
- Where new institutional commitments and resources are considered desirable, a discussion with a Head of School or Head of College must be held at a very early stage of the project about what that contribution might be – otherwise the contribution may not be signed off. It may be possible to re-purpose existing commitments to align more closely with the bid, and to include these as evidence of the University's commitment – e.g. a commitment to slant an existing vacancy towards the research area in question. Ideally this discussion should be around one-month before submission.
- The cost-recovery against the full economic cost of the project, if the grant is successful, needs to be considered. It must be remembered that research is a loss-making activity for the University in pure financial terms. For example, we only recover 80% of the full economic cost of a Research Council grant, and some grants – most notably from charitable organisations - do not contribute directly to overheads at all.
- A benchmark figure in relation to levels of institutional commitment is that the cost-recovery on a project to drop below 70% - in other words, comparing the total cost of the project (including the institutional commitment) with the funding that would be received.
- Where the proposal clearly fits within the remit of one college, then the PI should discuss inclusion of institutional commitment with the appropriate Head of School and Head of College, with the expectation that support could normally be provided within the budgetary flexibility available to Schools and Colleges.
- For multi-disciplinary proposals where a substantial proportion of the resources will flow to more than one college, an initial conversation should be held between colleges about the level of resources that can be jointly provided in support.

- In cases where match funding for equipment is required, the RTICG process should be followed using the standard form (sent via Antony Jones, EPS, to the PVC R & KT) – see Annex 2 for further info.
- In cases where the expected new contribution goes beyond the resources of the Colleges, a business case should be made well in advance of the grant deadline through the Head of College(s) to the Provost (copied to PVC R&KT) requesting support - ideally at least 3 weeks before submission. A clear business case would be needed for how the institution's commitment, alongside the grant award (if successful), would lead to future research funding income.

Match Funding for Equipment on Research Council Grants

In 2011 RCUK advised that any equipment over £10K would need to be part funded from the University (generally 50%). The Research Technology Infrastructure Co-ordination Group (RTICG) was created in order to comply with new rules from RCUK and other external funders regarding the purchasing of equipment.

General Principles

Researchers are expected to share equipment usage within the University wherever this is possible, or with other institutions around the Midlands, and before requesting new equipment they need to ensure that there is not the same equipment elsewhere in the Midlands.

Before requesting any equipment you will need to check Midland Innovation Group website <http://www.midlandsinnovation.org.uk/equipment-catalogue/equipment-catalogue.aspx> and also Planon (the University's asset register) to ensure the equipment required is not already purchased and can be used for your grant.

Requesting Institutional Match-funding

If the equipment is not on the above registers, the following procedures need to be followed:

- Contact your College Research Support Partner for support. They will provide you with the form, and details of other documentation (eg quotes) required.
- Once completed the form and any quotations will need to be sent to Antony Jones (a.c.jones@bham.ac.uk) who will review the details and request approval from Professor Tim Softley, as Chair of RTICG, on your behalf.
- If the total cost of the equipment is less than £50K (not just the match funding) a letter will be drafted by Research Finance for Ian Lyne, Director of Research Support Services, to review and approve. Any quotes to support the application will need to be provided to Research Finance before approval can be given.
- If the total equipment is greater than £50K a two-page business case for match funding will need to be completed by the PI – please contact your College Research Support Partner to obtain the form.