

COUNCIL

Report title RESEARCH LEVY

Prepared by Marian Obenchain, Director Governance, Policy and Planning

Reviewed by Professor Tim Brown, Deputy Vice-Chancellor (Research)

Date Wednesday, 23 September 2009

1. EXECUTIVE SUMMARY

1.1 Background

At the meeting of Council held on 7 September 2009, a question was raised on the University's arrangements with respect to the charging of infrastructure and overhead costs associated with research grants and contracts.

1.2 Summary

In the past, the research levy has been managed and transferred centrally each quarter, based upon project revenue. Historically, the research levy charge was 10%, and then in 2006 this charge was increased to 20%. From 2009, when researchers are in the planning and costing phase of any research or consultancy project, researchers are advised to factor 25% into their budgets, unless the sponsor's funding conditions specifically prohibit charges for overheads.

In 2009 and beyond, any decision to waive or reduce this charge is the prerogative of the Dean or delegate (in the Faculty administering the research grant or contract). Any adjustments authorised by the Dean will need to be balanced out by responsible budget management to ensure adequate coverage for costs and charges incurred by the School, Faculty and University.

These budget arrangements are designed to encourage Faculties to expand research income, in line with the Strategic Plan and the Research Plan, at the same time as encouraging researchers to continue to seek infrastructure funding from funders wherever possible given that the full cost of infrastructure for research is widely recognised to be at least half of the direct costs of the research.

1.3 Issues (including any financial, legal or compliance issues)

- waiver of infrastructure charge may lead to continued cross-subsidisation of research
- infrastructure charge may not be paid by funding agencies
- funding agencies may award contracts to providers charging less for infrastructure costs
- infrastructure charges may be insufficient to cover full costs

1.4 RECOMMENDATION

Council is asked to note the University's arrangements with respect to the research infrastructure levy.

2. LIST OF DOCUMENTS ATTACHED

None.