



Transparent Approach to Costing (TRAC) Return 2022/23

Outcome requested:	ARC is invited to consider the changes to the assurance process for the 2022/23 TRAC return, and note the benchmarking for 2021/22.
Executive Summary:	<p>The annual TRAC return is the costing methodology for the HE sector. The TRAC return for 2021/22 was submitted to OFS on 31st January 2023.</p> <p>The TRAC T (Teaching) return detailing publicly funded teaching costs by subject was suspended by the OfS for the 2019/20 and the OfS have confirmed that there are no plans to reintroduce the TRAC T return.</p> <p>The guidance for the 2022/23 includes comprehensive clarification regarding TRAC governance and of the roles and responsibilities of ARC and of the TRAC Oversight Group.</p>
QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]	Financial sustainability
Internal/External regulatory/statutory reference points:	OfS and Research England regulatory requirements
Strategic Risks:	KPI 12 – Cash generation
Equality Impact Assessment:	Not applicable
Subject to prior and onward consideration by:	FIC, ARC
Confidential paper under FOIA/DPA	No
Timing:	
Author:	Andrew Gladin Deputy Director of Finance
Date:	TRACOG 6 th November 2023 SET 7 th November 2023 ARC 14 th November 2023
Senior Management/External Sponsor	Karen Kröger, Chief Financial Officer

TRAC Governance

For the 2022/23 return, the section of the guidance covering institutional governance of TRAC has been rewritten and roles, responsibilities and process have been clarified. In response to this we have launched the TRAC Oversight Group, chaired by the CFO and with senior membership from across the institution.

Roles and Responsibilities

Committee of the Governing Body (ARC):

The committee is responsible for ensuring that the TRAC process is compliant with the guidance, and for approving any changes to the process. The Committee is not required to be part of the process for approving and submitting the TRAC return.

Each year, the Committee will receive two reports relating to TRAC:

1. March:
 - a. a summary of the return that has been submitted
 - b. any significant issues or assurance points raised by the TRACOG.
 - c. the Committee will have the opportunity to ask TRACOG to review any areas of the TRAC return that are of particular concern or interest.
2. November
 - a. a summary of the annual benchmarking and any issues raised by TRACOG
 - b. a summary of any changes in the guidance and their implications for the process for the next return.
 - c. a report on any issues raised by the Committee at the March meeting.

TRAC Oversight Group

The TRAC Oversight Group (TRACOG) is responsible for approving the return prior to approval and sign-off by the accountable officer. The assurance process to enable TRACOG to approve the 2022/23 return will be as follows:

November 2023

1. Review 2021/22 benchmarking and identify areas for review.
2. Receive the TRAC Development Group change log for the 2022/23 return and agree any interpretation of the guidance where there is institutional discretion.
3. Review proposed 2022/23 cost allocation driver and methodology and identify any that require refinement or review.

January 2024

1. Receive a report on the results of any review into the benchmarking results
2. Receive a report on any changes or updates to cost allocation drivers and/or methodologies
3. Receive a self-assessment report into compliance with the latest guidance
4. Receive the draft 2022/23 TRAC return
5. Approve the return, and confirm to the Accountable Officer that the return can be submitted

Changes in the Guidance for the 2022/23 TRAC Return and QMUL action taken:

1. Removal of all references to TRAC(T): Noted
2. Clarification of the roles of the Committee of the Governing Body and the TRAC Oversight Group. Actioned via the launch of the updated TRAC Oversight Group.
3. Clarification of the treatment of capital grants, which was contradictory in places. Noted, 2021/22 return was compliant.
4. Clarification of the treatment of financial instruments. Noted, 2021/22 return was compliant.
5. Various minor amendments to wording. Noted.

TRAC 2021/22 Benchmarking

The annual TRAC benchmarking report was released in July 2023. The report compares the institution with the Sector and with peer groups. There is no visibility of individual institutions within peer groups, with the data summarised as averages and quartiles. The TRAC Oversight Group has received the 2022/23 benchmarking report and discussed this at its November meeting. A number of measures were discussed, and these will be reviewed as the 2022/23 return is compiled and will be reported on to the TRAC Oversight Group at its January 2024 meeting.

The key benchmarking data is included as an Appendix A to this report.

For reference, QM is a part of Peer Group A for TRAC which comprises institutions with a medical school and with research income of 20% or more of total income, Peer Group A therefore comprises almost all of the Russell Group and a number of other research intensive institutions and totals 33 institutions. The members of Peer Group A are included at Appendix B.

Annual TRAC 2021-22: Benchmarking analysis

Queen Mary University of London (UKPRN: 10007775)

Peer group: A

Dispensation status: Not applying dispensation

Note: For Figures 1, 2 and 3, the peer group comparators are inclusive of the entire peer group. For Figures 4 and 5, the peer group comparators represent only those institutions who do not apply dispensation.

Figure 1: TRAC full economic costs on main activities as a % of total costs

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Publicly funded teaching	31.3	21.8	21.3	26.3	32.3
Non-publicly funded teaching	14.6	11.4	8.8	12.0	14.4
Research	45.6	48.3	41.4	46.1	48.7
Other (income generating activity)	7.8	16.8	10.1	13.4	16.6
Other (non-commercial activity)	0.7	1.6	0.0	0.3	2.0

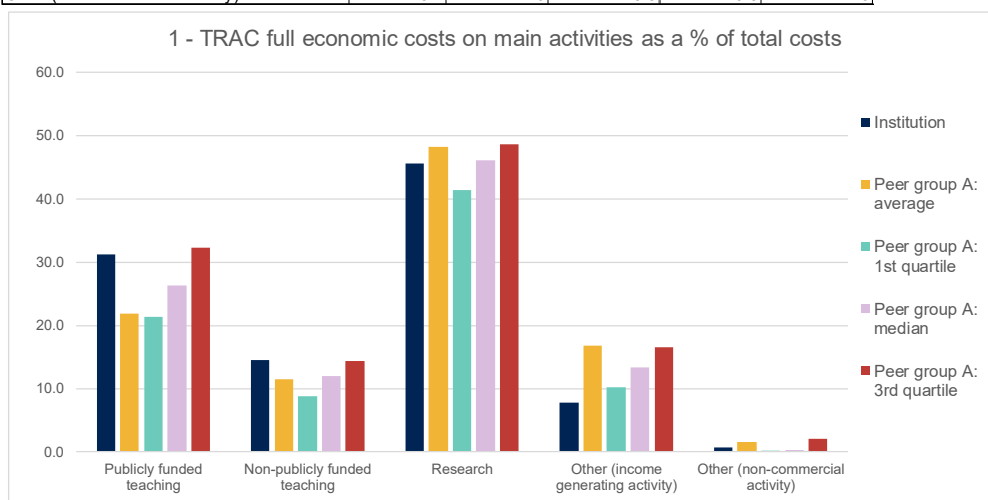


Figure 2: Recovery of full economic costs on main activities (%)

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Publicly funded teaching	95.7	94.6	88.8	98.1	101.9
Non-publicly funded teaching	224.2	177.7	140.8	172.1	195.1
Research	62.1	73.3	67.7	72.3	76.1
Other (income generating activity)	161.5	111.5	87.7	109.3	121.9
Total	104.2	98.2	94.3	96.4	99.0

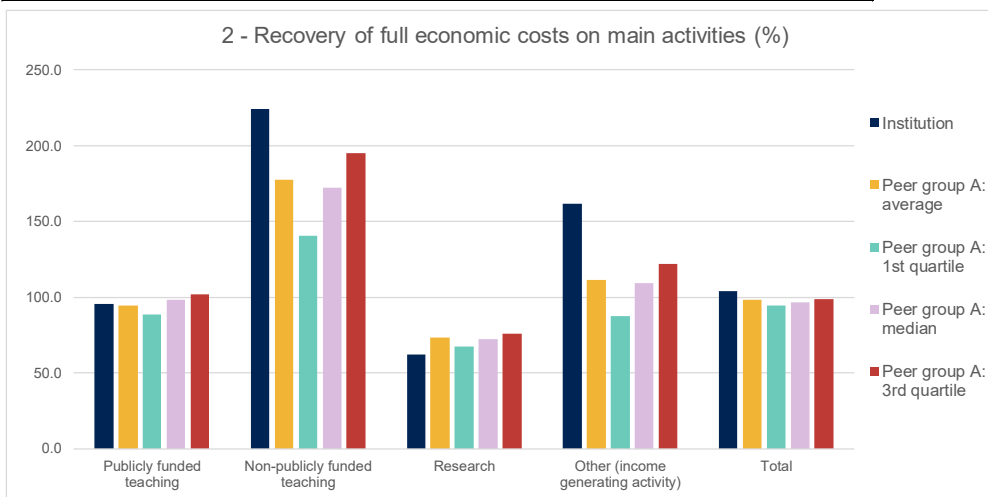


Figure 3: Recovery of full economic costs by research sponsor type (%)

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Institution-own-funded research	1.3	21.2	6.7	13.6	32.1
Postgraduate research	18.7	50.9	35.9	47.3	53.1
Research councils	76.7	70.6	66.6	72.3	76.8
Other government departments	68.4	76.0	65.8	73.7	82.6
European union	75.0	65.0	58.1	66.6	71.9
UK charities	58.0	58.6	48.4	55.1	59.5
Industry	54.9	75.9	60.1	70.5	81.4

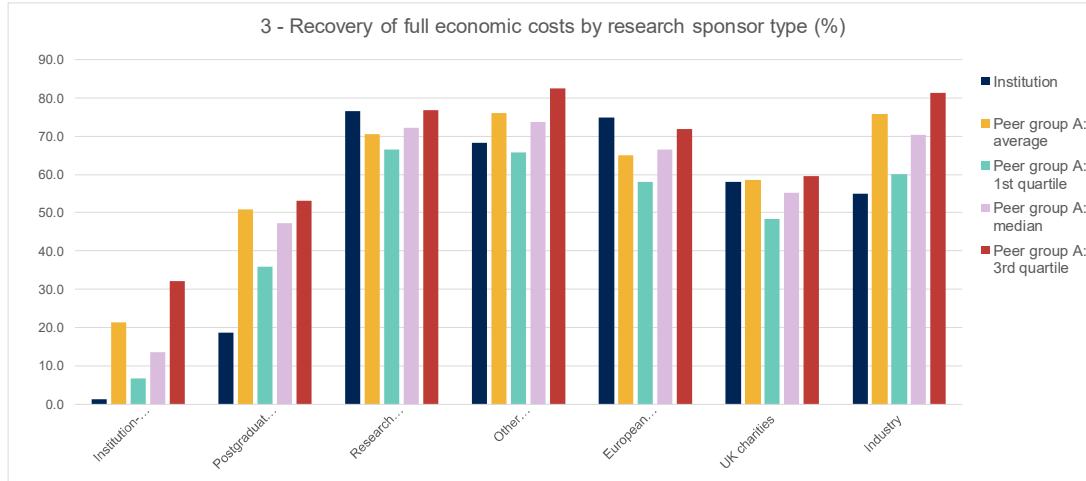


Figure 4: 2021-22 Indexed research indirect cost and estates cost charge-out rates (£ per FTE)

Providers applying dispensation do not complete this section.

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Indirect	68,193	63,728	54,259	58,980	65,480
Estates non-laboratory	7,187	10,164	7,151	9,409	12,431
Estates laboratory	20,397	19,578	15,594	18,498	20,927

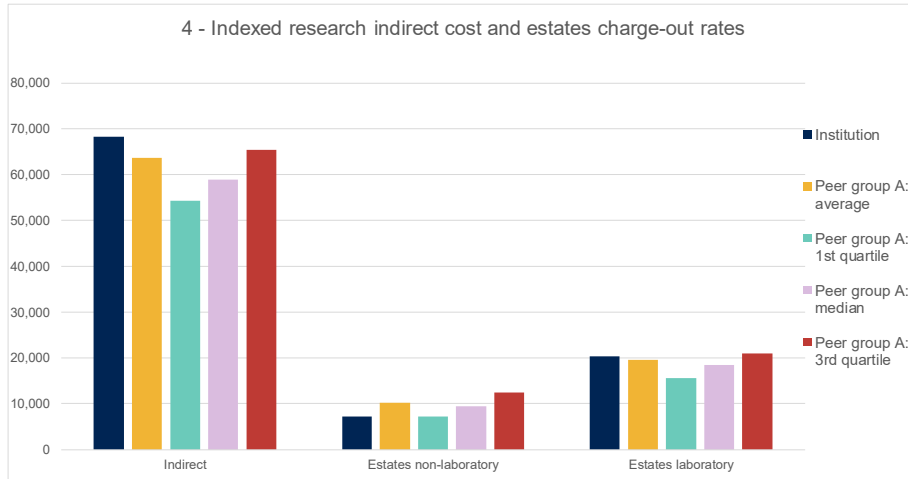
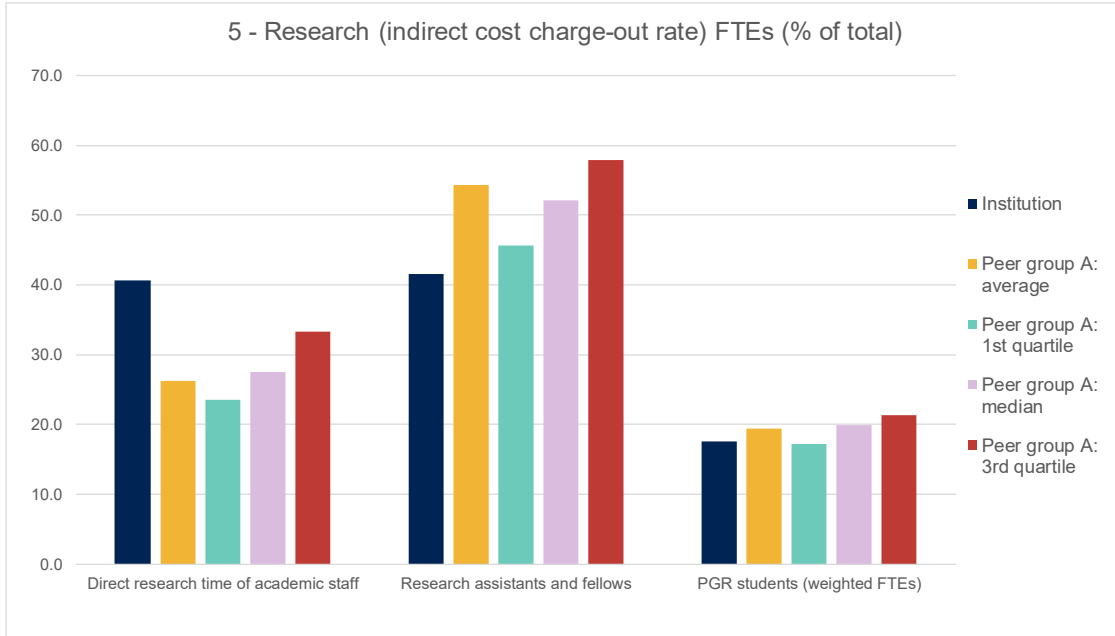


Figure 5: Research (indirect cost charge-out rate) FTEs (% of total)

Providers applying dispensation do not complete this section.

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Direct research time of academic staff	40.7	26.2	23.5	27.6	33.4
Research assistants and fellows	41.6	54.4	45.7	52.1	58.0
PGR students (weighted FTEs)	17.7	19.4	17.2	19.9	21.4



Peer Group A

10006840	The University of Birmingham
10007786	University of Bristol
10007788	University of Cambridge
10007792	University of Exeter
10003270	Imperial College of Science, Technology and Medicine
10003324	Institute of Cancer Research: Royal Cancer Hospital (The)
10003645	King's College London
10007768	The University of Lancaster
10007795	The University of Leeds
10007796	The University of Leicester
10006842	The University of Liverpool
10003958	Liverpool School of Tropical Medicine
10007784	University College London
10007771	London School of Hygiene and Tropical Medicine
10007798	The University of Manchester
10007799	University of Newcastle upon Tyne
10007154	University of Nottingham, The
10007774	University of Oxford
10007775	Queen Mary University of London
10007157	The University of Sheffield
10007158	University of Southampton
10007782	St. George's Hospital Medical School
10007806	University of Sussex
10007163	The University of Warwick
10007167	University of York
10007783	University of Aberdeen
10007852	University of Dundee
10007790	University of Edinburgh
10007794	University of Glasgow
10007803	University of St Andrews
10007814	Cardiff University
10007855	Swansea University
10005343	Queen's University of Belfast