

Research England roundtable

Exploring the measurement of in-kind
contributions to collaborative research

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Summary

1. We consider that in-kind contributions represent an important proxy for knowledge exchange activity and performance and constitute valuable evidence to demonstrate how publicly funded research leverages in private investment. However, there is currently significant variance in the practice of recording contributions across the sector.
2. This paper presents the background to – and outputs of – a roundtable discussion convened by Research England to explore how to improve the recording of in-kind contributions to collaborative research. We hope that the ideas and observations presented here will stimulate further discussion with stakeholders, to feed into a more detailed set of good practice guidelines. This will then be fed into the HESA-led review of the HE-BCI data collection.

Background

3. In 2019 Research England piloted the Knowledge Exchange Framework (KEF) to consider in detail the metrics that had been proposed in the 2019 [KEF consultation](#). One of the proposed metrics was calculated from the ratio of cash and in-kind contributions to publicly funded research. It became evident from the discussions that there were significant differences in the practice of recording in-kind contributions, both within and between institutions. It was therefore decided that in-kind contributions to collaborative research should not be used as a metric in the initial iteration of the KEF. However, we still consider in-kind contributions a valuable proxy for knowledge exchange and hope that further work in the area could enable it to be included in the KEF in the future.
4. Further, whilst our main motivation for this work is to improve the data collected through the Higher Education Business and Community Interactions (HE-BCI) Survey for purposes such as the KEF, we consider that guidance for more robust measurement of in-kind contributions could be also useful to other councils of UKRI, and the devolved funding bodies.
5. We therefore wished to explore the issues around collecting and recording in-kind contributions, with the intention of improving the robustness of their collection. We propose a framework for further discussion with stakeholders across UKRI and the devolved funding bodies, as well as Universities and their collaborators.

6. To this end in July 2020 Research England canvassed for volunteers to participate in a round table event to discuss the issues around collecting and recording in-kind contributions to collaborative research, with the intention of exploring:
 - a. Defining types of in-kind contributions.
 - b. Principles for placing value on the different types of in-kind contribution.
 - c. Principles and good practice in collection and recording of in-kind contributions.

7. We invited representation from English HEIs, the devolved funding bodies and their HEIs, and business representation through the National Centre for Universities and Business (NCUB). The resulting event involved representatives from the following organisations.

Swansea University	University of Aberdeen
Cardiff University	BAE Systems
Coventry University	Severn Trent Water
University of York	Ulster University
University of Glasgow	Queen's University, Belfast
University of Sheffield	Institute of Cancer Research
University of Oxford	Royal College of Art
University of Wolverhampton	University of East Anglia
Scottish Funding Council	Research England
National Centre for Universities and Business	Higher Education Funding Council for Wales

8. After an introduction to the issues and examples of existing guidance from other countries or sectors, attendees split into three discussion groups as follows:
 - a. Types of in-kind contribution
 - b. Valuation methodologies
 - c. Collection and recording

9. Each group reported back to the wider group to discuss the issues in the round. The following is an overview of the discussions and some considerations for principles to take forward.

Types of in-kind contributions

10. The group discussed the use of a definition for in-kind contributions. There was broad consensus that a definition would be helpful but that it should be an expansive definition as it would be unhelpful to narrow what can be returned. The initial suggestion was as follows:

Suggested definition of in-kind contributions

In-kind contributions are any contribution to a specific project that are not monetary, but a monetary value can be placed against them using a demonstrable methodology.

11. It was generally considered that it would not be helpful to prescribe a set list of types of in-kind contribution, rather anything that meets an agreed definition would be acceptable. However, for consistency of collection and terminology the group felt that it would be useful to provide an example list of the most common forms. The in-kind calculator spreadsheet developed by the University of Sheffield was shared as an example of sector practice and considered a good example. A copy of the excel calculator is provided at Annex A which contains the following list of common forms:

- a. Staff time for those working directly on the project:
 - i. Director level
 - ii. Senior Manager level
 - iii. Manager level
 - iv. Skilled worker level
 - v. Unskilled worker level
- b. Pro bono professional services
- c. Staff cover (backfill to allow staff to participate in the project)
- d. Consumables (e.g. research materials)
- e. Facilities made available (meeting room, lab space, factory space)
- f. Equipment made available (loaned or gifted)
- g. Knowledge (e.g. datasets)
- h. Software
- i. Travel and subsistence costs
- j. Advertising / publicity (e.g. press releases, coverage in paper or web media)
- k. Other

12. The members suggested that the principles should allow for exceptional contributions such as a single donation of a very large piece of equipment, and where these require associated valuations for insurance purposes, that should be the value ascribed.
13. There was discussion around how to include more intangible contributions for which there is no 'market'. Using the suggested definition these would be excluded because it would not be possible to place a value on them. However, it was felt that they represent extensive third-party contributions that are often core to the research activity and so important to capture the value of the contribution for Government. Examples of these such intangible contributions include (but are not limited to):
 - a. The value to students of work and interaction with external companies and of access to external facilities.
 - b. Dataset's provided by large companies e.g. BAE flight data or Tesco Clubcard data for the purposes of research. These undoubtedly have significant value and in many cases are integral to the research but such data may never be 'sold' on the open market.
 - c. Access to archives or repositories, where individual archives have been gifted to one organisation who then makes them available for research.
14. Suggestions for dealing with intangible contributions included placing a set 'nominal value' on 'a dataset' or 'an archive' so that the contribution is captured in some way. Alternatively, including a free text field in the HE-BCI survey to capture information that is useful but cannot be captured as a monetary value.

Valuation methodologies

15. The group discussed the provision of indicative pricings for various disciplines for different types of in-kind contributions, but it was felt that this had the potential to get very complicated and a simpler and less prescriptive solution would be preferable.
16. It was also considered that it would not be helpful for Research England or any other body to prescribe a methodology for valuation against different types of contribution. Instead it was suggested that the organisation providing the in-kind contribution should establish a methodology for ascribing value in its own

circumstances, using established principles (to be developed), and that methodology should be auditable.

17. The guidance used by the [Welsh Government for European Structural funding](#) was discussed. It was reported that the requirement for all valuations to be auditable caused considerable anxiety in the sector, particularly around being able to prove that promised support had been delivered. Other attendees reported that in their audit experience, where a project had been completed and all partners were satisfied with the outcome, the auditors had not been concerned about exact amounts. They found it clear that contributions had been made to complete the project, even if the exact proportions or values changed over the duration of the project. In other words, it was defensible in audit to work to the principle that where all partners are satisfied at the end of a project, values established at commencement do not have to be revisited to verify provision. However, this is unlikely to be acceptable for some purposes (e.g. use of the data in formula funding).
18. The burden on partner organisations of collecting data (particularly SMEs and charities) was of concern, and it was felt that additional reporting or audit burden would be a barrier to these partners engaging with collaborative projects and/or providing in-kind contributions.
19. For larger partners such as large businesses, being asked for detailed information about in-kind contributions was less of an issue, but timescales were important. It was felt they are often too short and the more prescriptive the request, the more time will be needed to formulate a response.
20. It was also considered that organisations may have a tendency to be conservative in letters of support and contractual documents, so that actual contributions made could end up being significantly larger than reported. More complex or thorough audit requirements may exacerbate this issue.
21. To address the burden on partners, the accuracy of the valuation data required was discussed. There was broad consensus that best estimates made through established and defensible methodologies would be a considerable improvement on the current situation and would provide an appropriate balance between accuracy and burden.

Collection and recording

22. The group discussed the primary barriers to consistent collection and recording of in-kind contributions. The most apparent barrier was the suitability of existing software systems to record such transactions, with pre-award, contract or finance systems not always having the capability to record in-kind contributions in a robust way.
23. This variation also causes issues around consistency of collection within institutions and places increased reliance on individuals highlighting where in-kind contributions have incurred that need to be recorded. This can result in contributions being missed.
24. It was suggested that some form of example proforma or guidance for collection may assist universities to collect information consistently from individuals who are making the agreements, but are not aware of the end use of the data collection such as HE-BCI.
25. It was considered that a significant barrier to consistent collection is differing practices of how to assign contributions across multiple partners and multiple years. One suggested solution that received general support was the principle that contributions should be split evenly across partners and years. As follows:
 - a. Contributions to a multi-year value should be assigned as a flat rate across each year of the project. E.g. Equipment use valued at £75k for use in a three-year project should be assigned at the rate of £25k per year.
 - b. Contributions to a multi-partner project should be assigned as a flat split between the project partners benefiting from the contribution, irrelevant of where in the world the project or partner institutions are based, or the relative benefit accrued between the partners. E.g. Equipment use valued at £25k per year is made available to a project with 5 collaborating research partners, the value should be assigned at the rate of £5k per partner per year. This would avoid any potential double counting.

Next steps

26. We recognise that this is a complex issue and that there are many stakeholders with views that must be considered.

27. This paper should therefore be considered a starting point for discussions with wider stakeholders. As well as progressing discussions with UKRI colleagues and the devolved funding bodies, we propose to invite input from appropriate sector bodies including ARMA, HESPA, PraxisAuril, NCUB, the OfS, and others, with the intention of developing a more detailed proposal for good practice in recording and report on in-kind contributions to research. Questions we wish to explore further include:

- a. Whether any types of in-kind contributions are missing from our initial list?
- b. Existing methods or good practice guidance for valuation of such contributions, including those from fields outside of academia.
- c. Views on how prescriptive such lists and methods should be.
- d. How any barriers arising from current pre-award, contract or finance systems may be overcome.
- e. The burden vs. benefit provided by the various options, as well as any potential to incentivise or disincentivise university knowledge exchange.

28. The resulting proposal for good practice will then be used as Research England's input to HESA's major review of the HE-BCI data collection. Any changes proposed as a result of the HE-BCI review will then be subject to consultation before implementation.

Annex A – Example calculator

Example of in-kind calculator tool developed and shared for discussion by the University of Sheffield

In Kind Calculator

This table is provided as a prompt to help in calculating in kind contributions from external partners, if needed. To be eligible for University statutory returns, such as the HE-BCI survey, the in kind contribution must be included in a letter of support on partner letterhead or on an email direct from the partner. See HESA guidance below the table.

Why is this important?
For the annual HE-BCI survey, public funding contributions for collaborative research can only be returned where there is evidence

Estimate prior to project eg in letter of support

In kind investment by the Collaborator in the project <i>(insert estimates in the table)</i>	Description	£	Units <i>(eg No days, events)</i>	Rate per Unit <i>(eg rate per day)</i>	Total in kind Input	Guidance Notes. All rate should include VAT where applicable
Staff time for those working directly on the project <i>(gross value including employment and overhead costs; needs to be backed up by eg meeting attendance records, timesheet evidence in case of audit)</i>		0	0	£	-	Use full employment costs ie basic salary + employment costs (eg NI, pension, benefits) + oncosts (apportioned overheads - costs of management/support facilities, utilities etc). Rule of thumb for day rate is basic salary + 40% divided by 240 days (ie number of days available to work excluding weekends and holidays) but external organisations should have their own rates.
Director level		0	0	£	-	
Senior Manager level		0	0	£	-	
Manager level		0	0	£	-	
Skilled worker level		0	0	£	-	
Unskilled worker level		0	0	£	-	
Pro bono professional services		0	0	£	-	
Staff cover <i>(backfill to allow staff to participate in the project)</i>		0	0	£	-	Insert rows for each level of staff
Consumables <i>(value of materials used during the project)</i>		0	0	£	-	eg samples, drugs in clinical trials
Facilities made available <i>(Meeting room, lab space, factory space)</i>		0	0	£	-	eg overheads per square metre
Equipment made available		0	0	£	-	Retail purchase value; rental rate if loaned
Knowledge <i>(eg analysis data, patient data)</i>		0	0	£	-	
Software provided		0	0	£	-	
Travel and subsistence costs		0	0	£	-	HMRC rates eg currently 45p/mile for first 10,000 miles
Advertising/publicity <i>(eg press releases, coverage in company magazine or website)</i>		0	0	£	-	
Other <i>(please describe)</i>		0	0	£	-	
Other <i>(please describe)</i>		0	0	£	-	
Other <i>(please describe)</i>		0	0	£	-	
	TOTAL	0	0	£	-	

Notes

Shared by Research England as an example of an in kind calculator with the kind permission of the University of Sheffield as authors.

Created 31.07.14

This version updated 23.07.20 with latest HE-BCI source reference

\\UoSheffield\in_Kind_Calculator_Collaborative_Research_v2_230720

Definitions

Collaborative research' should involve

- grant-in-aid from at least one public body, and

- a material contribution (which may be cash or 'in kind' if specified in the collaborative agreement and auditable) from at least one external non-academic collaborator.

In-kind contributions should be 'contractually explicit' i.e. the external partner should be aware of the financial values assumed for their contribution.

In-kind contributions include contributions to the project from the non-academic collaborators (for example staff time, use of equipment and other resources, materials, provision of data etc) as described in the project collaboration agreement. Where the in-kind contributions cannot be attributed to a specific HEI (for example where there are multiple HEIs) the costs should be apportioned and care must be taken to avoid "double counting". Whilst it is recognised that in-kind contributions are difficult to capture systematically, only in-kind contributions that have been formally recorded, for example on Finance or Research Project Management Systems, should be returned.

Definition source: HESA FSR with HE-BCI Survey Collection 2018/19

General Guidance on Table 1: Research related activities

Version 1.2 Produced 18-10-2019

Head 1: Collaborative research involving public funding

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

HESA - Higher Education Statistics Authority

HE-BCI - the annual statutory Higher Education - Business and Community Interactions survey.