**Designated Research Facilities review**

**To: Associate Deans for Research and Heads of Faculty Finance (cc. Deans)**

Each year a review is carried out to assess which facilities offering access to equipment might work well as designated facilities under TRAC (Transparent Approach to Costing) and to also assess the success of existing facilities. The Equipment Working Group recommended that this review be led by the Associate Deans for Research and Heads of Faculty Finance with final review by the Deans for each Faculty.

Separately Designated Research Facilities under TRAC

TRAC calculates the overhead rates that we charge for research. When an area of equipment becomes a facility under TRAC, the direct staff and non-staff costs associated with the running of that equipment are taken out of the University's Indirect and Technician Infrastructure rates.

This allows us to calculate an access charge and include this on Research Councils and Government research projects. Previously this access would have been covered via the overhead rates and therefore not allowable for these funders (Note however that other funders can be charged for this access regardless of facility status).

Facility status does mean that our only means of recovering these costs is through the direct charges made for access. If usage falls then we are exposed to financial risk and lower recovery.

Whether these areas therefore go forward as facilities under TRAC really depends on the extent of Research Council and Government usage of the facilities.

This review process should focus on two things:

1. The effectiveness with which the current separately chargeable Research Facilities are operating in terms of costs and usage.
   * This should particularly look at where the extra income is being generated that would not previously have been allowed ie. usage by RCUK and Government funders.
2. Identification of potential areas for new SRFs.

* It is crucial that any areas identified operate at efficient usage. It must be in the interests of the University as a whole to treat these facilities separately for costing purposes since their costs will be removed from the Indirect rates and Technician rates if application is successful.
* An assessment will be needed of the extent of usage by RCUK and Government funders.

Please note that to assess whether this would be feasible going forward we will need data on staffing and non-pay costs associated with the equipment along with utilisation data/projections by funder type. If treatment as a separate facility is agreed this will require ongoing resource from the faculty to update costings annually. The Cost Accounting team are also available to help with this process. Costs will need to be calculated and updated once each year in line with the TRAC deadline to HEFCE at end January.

Costings will be required for review by the TRAC/fEC Operational Board at its September meeting for any proposed new facilities.