

**A Framework for the Management and Governance
of Research Centres in the Faculty of Humanities**

February 2010

Foreword and Context

This document (initially developed as the ‘Green Paper’) presents the policy of the Faculty of Humanities on the management and governance of research centres. The issue it addresses is of major strategic importance for the Faculty and Schools. There has been a substantial degree of consultation during the preparation of the paper. The process of revising guidance in this area was first formally announced at a meeting of Centre Directors in May 2008. A key input was an open on-line consultation on the Faculty Intranet from February to April 2009.

Archived material and responses to the consultation may still be viewed at <http://forums.humanities.manchester.ac.uk/index.php>

The questions placed on the Intranet for consultation were as follows:

- 1. Do you agree that a framework is needed for Research Centres in the Faculty?*
- 2. Do you agree with the proposals in this document? If you disagree with any part of it please indicate which and give your reasons?*
- 3. Are there any further issues concerning Research Centres not covered in the Green Paper which you think should be addressed?*

The results of the consultation were favourable with broad agreement that a ‘framework’ would serve a genuine purpose across the Faculty. It was agreed that such a framework should be highly flexible and should reflect the often diverse nature (in research agenda and overall purpose) of centres. Such a policy would also be of benefit to Schools in terms of supporting and monitoring centres that are based in one or more Schools. It would also be useful for Schools in terms of creating new centres and/or enabling existing research groups or clusters of researchers to develop more ambitious plans to attain centre status.

A follow up ‘open meeting’ was held in July 2009 to provide clarity on issues that required further discussion and clarification, principally on issues related to finance and accountability.

1 Introduction

There is a broad trend for research activity, and the funding directed towards it, to be situated in a context of collaboration with other researchers. While the individual researcher will probably always continue to make an important contribution, increasingly there is a need for formal and informal structures to support the conduct of research, to make collaboration easier, to reduce the management burden on individuals and to improve the visibility of research. This document sets out proposals and options for research centres in the Faculty of Humanities. It seeks to define the various possible units of organisation that could be described by this term and to offer guidelines intended to help such units prosper. Centres are important for the Faculty – they include some of our best researchers, a work environment for the majority of our research staff and are a major research income generator. RAE feedback indicates a major role for our centres in achieving high-scoring profiles.

It is an appropriate time for the Faculty to be considering this issue. After five years of the merged University there is a wider debate on the right organisational structure and where research fits in. At University level there has been a review of the University Research Institutes which are embodied in the Charter. This has proposed a streamlining of governance and an examination of the correct status and institutional location for individual institutes. Broader issues are also raised such as the extent to which teaching and research structures should coincide or differ. It is unlikely that a one-size-fits-all solution can be found. There is no compelling argument to say that ways of organising laboratory-based subjects are automatically appropriate for organising social sciences, arts and humanities. Similarly, we may need a range of solutions to meet needs within the Faculty (and for working with colleagues in other Faculties).

The other reason that it is timely to address this issue is that concerns have been raised on a number of issues regarding existing centres, including financial sustainability, control, human resources and connection to strategic planning. The existing 2004 Faculty guidelines require updating in the light of changing national research policies, the introduction of FEC and our own experiences of operating with them.

This Report is based upon extensive consultation, including:

- A meeting of Centre Directors and Administrators;
- Discussion at the Faculty Foresight Day
- Case studies of three centres;
- Meetings with five Heads of Schools;
- Meetings with School Research Directors¹;
- Addressing the broader debate during Annual Reviews of Faculty Research Centres;
- Benchmarking with a small selection of Centres in other universities.
- An ‘open meeting’ in July 2009 to reflect on the key issues emerging from the February – April initial consultation period.

¹ Particular thanks are due to the School of Social Sciences for sharing their internal deliberations and documentation on this topic.

Further consultation will follow the publication of this document.

2 Why Centres?

2.1 Rationales

Before consideration of models for centres it is useful to consider the rationales for having them in more detail. An exclusion that needs to be made here is to distinguish research centres from those focussed primarily on engagement and/or teaching. This is not to say that these activities should be excluded from consideration. Almost all research centres include engagement and knowledge transfer as a part of their activities. Academic staff associated with centres also teach; research staff sometimes do. Hence these relationships need to be part of the picture.

The reviews of existing centres suggest the following rationales for their existence:

- To be a vehicle for promoting and branding research and knowledge exchange, both to the external world and to our own staff;
- To facilitate formulation and implementation of strategy for key areas;
- To provide a structure to manage external research funding, either in the form of a single large grant (e.g. ESRC Centre) or to secure and implement diverse research funding in a particular market;
- To facilitate cross-discipline, cross-School and cross-Faculty working including the possibility of focussing on a theme, challenge or problem;
- To provide a supportive environment for research staff and PGRs;
- To meet the requirements of external funding bodies and sponsors;
- To provide a critical mass of cognate researchers;
- To allow a degree of organisational flexibility as may be reconfigured or terminated as research directions and opportunities evolve.

2.2 What proportion of research in Centres?

Not all centres fulfil all rationales but all will reflect some of these. It is a matter for each School to decide what proportion of its research is productively pursued through centres. At one end of the spectrum MBS is proposing that from 2009/10 onwards, every member of staff will be a member of at least one research centre or group, as well as being a member of a teaching group (if they are an active teacher). In addition every Ph D student will be a member of one of the research centres/groups to which their supervisor/s belong. This model also applies in other parts of the University and is now the typical organisational unit in US universities.

It is not a general requirement for all staff to be based in and/or formally associated with research centres. This is a matter for Schools to decide and agree on a suitable approach. Other Schools with a stronger disciplinary delineation in their research are concerned that adopting a model similar to that of MBS could “hollow out” the disciplines and cut them off from resource flows.

There is also a concern about how to deliver the benefits of centres to “lone scholars”. One option here would be for School research offices to offer facilities such as pooled research allowances (e.g. for travel and conference fees) to such scholars (possibly by

discipline area) without the other collective activities involved in centres. There are also examples of individual and/or collaborative Principal Investigators (PIs) who possess large external grant funding on a similar scale to smaller centres.

2.3 Minimum threshold requirements for accreditation and clustering centres

The impact of centres may be diminished or diluted if the label is also used for activity which does not involve more than one or two people, or is moribund. Some Schools have already instituted accreditation procedures, both to “de-label” or re-label activities which do not merit the term “centre” and to recognise emergent centres. The membership threshold may vary by subject but is unlikely to be less than 5 persons and more normally would be around 10. Studies of the typical size of research groups suggest that beyond that number centres are likely to function with internal research groupings in the same 5-10 person range. Precise numbers may also reflect the level of FTE involvement resulting from membership criteria (see below).

Where smaller groups share a common theme at a higher level of aggregation it is recommended that the scope is explored for clustering the centres under an umbrella (see below). This will help achieve some of the benefits of scale, notably in terms of visibility.

2.4 Membership

This is a critical issue for several reasons. Firstly, a centre’s research activity and profile are defined by those who take part. Secondly, financial models largely follow people and hence the location of individuals has significant implications for the treatment of centre finances. Thirdly, membership is not necessarily either exclusive to a particular centre, nor at a single level for all of those involved. Hence it is quite possible that an academic should be partly attributed to one or more centres and (where relevant) that this attribution only accounts for a fixed percentage of his/her time. It is also possible that membership could be banded according to rights and obligations – say between full and associate levels.

In practical terms membership needs to be defined by an FTE measure. Clearly staff employed wholly by the centre would be 1.0 FTE. A suitable guideline for a standard academic on a research and teaching contract but whose research was affiliated almost wholly to a centre would be 0.5 FTE. Associates could be 0.2 or 0.1. This may involve secondment for a year. These figures could be varied by agreement between centre and School(s). Specific arrangements would apply where a given proportion of PI time is committed as part of the terms of an external grant or in senior roles. The specific arrangements should be the subject of a local agreement.

3 Taxonomy and Definitions

Recognising that a variety of situations need to be catered for, it is useful to establish a taxonomy for the models which could operate. It is recommended that Schools have clear operational definitions corresponding as far as possible to these generic labels, and that recognition of centres is based upon these. The taxonomy involves a number of **dimensions**:

3.1 Structure and purpose

As implied by the wide range of possible rationales, centres exist to meet a variety of purposes and the range of structures is similarly varied. The terminology used here is intended to describe the activity rather than to designate the formal name by which it is known:

- The loosest of these is probably a **Network** which aims to give an identity to a distributed activity or common interest and to facilitate the flow of information about funding opportunities, seminars etc between its members as an incubator for projects². Manchester Informatics is a larger scale example of this model. Another example is the Research Network on Love.
- Networking may also be an objective between centres and an emerging model is the **Umbrella Centre** which aims to coordinate and give visibility and critical to a theme addressed by more than one centre. An emergent example here is the Faculty's strategic investment initiative on Cities and Urbanism.
- A **Research Group** may exist at a level below that of a centre, either within or outside of its structure. Schools may find it helpful to recognise research groups particularly as an incubator for new centres which have not yet met other criteria.
- A common model is the standard **Research Centre** which while operating under the nomenclature of a centre has a low level of infrastructure that may include one or more accounts for shared activities such as seminars and a level of administration for research funding and other activities. A long-running successful model here is the Centre for Jewish Studies. Costs of research staff are evident in the Centre's accounts but standard teaching and research staff are accounted for through their Schools and are not visible in Centre finances.
- **Major Research Centres** are distinguished by size and their degree of integration. They may be primarily funded by a single external grant from bodies such as the ESRC (for example CRESC) or they may operate through a sustainable track record of raising funding from diverse sources (IPEG and MIOIR). They normally employ research staff and administrators as well as involving standard teaching and research staff. These centres may have senior staff dedicating all or part of their time to their activities and accounted for in this way.
- The above model also applies to the Faculty's three current **University Research Institutes**, BWPI, ISC and ISEI. They are distinguished primarily by having a higher level of governance to reflect their association with iconic appointments. The use of this name is under review.
- In the future it is intended that there will be University priority themes, provisionally known as **Clusters**, which will be areas in which we are at world-leading level. These will be few in number, with possibly two reflecting areas with a Faculty of Humanities lead. It is likely that these will bring together several centres and themes around common interests. In practice it is already the case that our major centres cooperate quite

² The term "loose" is not intended to represent lesser importance – the key is to match the structure to the needs of those involved, possibly tied to the particular stage of development.

extensively and map a continuum of activity. If the clusters become an investment vehicle, suitable management and governance arrangements will need to be put in place.

3.2 Institutional location and governance

As noted, centres may exist within or across School and Faculty boundaries. In all cases there should be a lead School through which the centre and its leadership reports (for School research centres this is obvious) but where the subject and/or membership spans Schools then the form of governance should reflect the wider interest.³ Other stakeholders who need to be reflected in some way in the governance include external donors and/or funders (both of whom may impose governance requirements including their own representation), and centre staff.

In summary we can have:

- **School research centres:** where the interest and membership lies wholly within one School (notwithstanding collaboration beyond School, Faculty or University boundaries). These should be formally recognised by Schools and they should report internally at least annually, normally via the School research committee. The Faculty's monitoring obligation may be met by the Annual Report being sent to the Associate Dean for Research and the Faculty Research Strategy Committee for comment and approval.

Good practice would involve School research centres having an Annual Review chaired by the School Research Director and where possible with the Head of School in attendance. Centre directors, the senior administrator responsible and a research staff representative would also normally be members. Optionally, it would also be helpful for another research centre director from inside or outside the School to be a member as a means of spreading good practice.

- **Faculty research centres:** Normally those with a cross-School membership, which carry responsibility for a Faculty theme, or which have benefitted from Faculty or University investment which needs to be monitored. Also in this category are centres with a major external investment (e.g. Research Council Centres) which require higher level University representation in their committees – the Associate Dean for Research and/or the Dean and Vice-President.

Such centres are normally governed by a 'Faculty Strategy Board' that meets at least once a year. Annual reports will only require supplements if they are not already produced for an external funding body (e.g. ESRC). Faculty Centres may benefit from greater visibility within the University and have increased opportunity to access

³ In cases where Centre leadership rotates between members of different Schools, it is strongly recommended that the administration remains within the initial lead School unless it has withdrawn from the activity.

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additional financial/administrative support and strategic investment funding. It is also assumed that Strategy Boards possess a greater level of accountability and provide a forum to ‘arbitrate’ across Schools. Annual reports of Faculty Research Centres will also go to the Faculty Research Strategy Committee.

- **Centres Associated with Iconic Appointments:** These function under the same governance arrangements as Faculty research centres except that they normally have a higher level of governance involving the Dean and Vice-President and the iconic appointee.
- **Cross-Faculty Centres/ University Institutes:** Where there is a clear Humanities lead these may either follow the model for Faculty research centres but with representation from other involved Faculties/Schools. If it is a University level initiative the reporting line will go to University Research Group with the lead School model applying as in other cases.

Changes in governance level may become appropriate from time to time. See Annex 2 for a possible developmental model for a Faculty Network.

3.3 Financial models

This issue is closely linked to membership and governance. Centres need to meet the costs of their activities. Depending upon the nature of the centre these may range from relatively small amounts to run seminars and pay for a limited amount of administrative support, through to full accountability for all staff involved.

The proposal here is that there should be two basic financial models:

i) Integrated model

In this case, the Centre is largely a virtual creation in financial terms and most of its activities are a part of general School accounts. One or more accounts can be used for collective activities such as seminars and workshops, travel not associated with an external grant etc. For reporting purposes only, the governing structure is likely to want to see accounts reflecting grant and other income and direct costs associated with those grants (research staff and non-pay costs). Such accounts should also indicate the effort put in by Principal Investigators (PIs). These accounts will allow the governing structure to assess the viability of the Centre and where relevant to estimate the return on investments made.

The Integrated model is suitable for smaller centres and those with looser network-type structures.

ii) Ring-fenced model

In this case the full costs and income of the Centre are accounted for explicitly as a “sub-School”. The Centre will require active planning, management and monitoring. A full worked example of this model is given in the Appendix to this report.

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The Ring-fenced model is suitable for larger centres based on large or numerous grants which require a strategic approach. It will be the norm for Faculty or University level initiatives and for beneficiaries of SIRF.

Financial issues are discussed in more detail in Section 5.

4 Labelling

In principle Centres may be specified by positioning themselves in any combination of the dimensions discussed in Section 3 above but some combinations are unlikely – for example ring-fenced financing is only suitable for large and well-established centres.

Structure and purpose	Institutional location and governance	Financial model
<ul style="list-style-type: none">• Network• Umbrella Centre• Research Group• Research Centre• Major Research Centre• University Research Institute• Cluster	<ul style="list-style-type: none">• School Research Centre• Faculty Research Centre• Centre Associated with Iconic Appointment• Cross-Faculty Centre	<ul style="list-style-type: none">• Integrated• Ring-fenced

5 Issues

5.1 Research Strategy

At present the activities of centres are at risk of not being sufficiently factored into School and Faculty strategy and planning processes. The improved governance and financial procedures recommended in this report are intended to remedy this deficiency.

In terms of linkages with Schools, Centre directors and administrators should meet with their lead School at least twice a year, once in advance of, or at the start of, the planning round and once later in the year. We do not wish to increase the reporting burden for such centres and would stress that accountability requirements should be proportionate to activity. For example a five year business plan for small informal ‘start up’ centre could be little more than a page or two of text with broad budgetary ambitions.

Faculty Research Centres will continue to have an annual review to consider their annual report and forward plans – see Section 5.6 on reporting. This should involve centre directors, the Dean and or Associate Dean Research, Head of Faculty Finance, Heads of Participating Schools, FRSC and where appropriate School Research Directors.

Heads of larger centres will also be invited to meet with the Faculty twice a year to discuss long-term strategic developments and to foster exchange of good practice. Centre directors are frequently invited to other strategic forums such as Faculty foresight exercises.

5.2 Administration

Distinctive skills are required to administer a centre which may go beyond what a School research office can offer. Unless the centre is very large it is unlikely that it would be economic for it to engage in the “back-office” aspects of research administrative support and hence a good interface to the administration of the lead School is essential. For larger centres, dedicated centre administrators are seen as a national aspect of good practice (for example ESRC centres have their existence as a requirement). This function could include for example more specialised knowledge of particular sponsors/markets and supporting the director(s) in ensuring that the centre produces and adheres to a viable business plan, with the attendant management information. Some types of client require additional administration such as production of timesheets which also requires local supervision. In some instances the role can be undertaken part-time by a member of the research staff but in this case it is essential that this aspect of their work is properly allowed for in terms of time, job description and recognition.

Centre administrators should be encouraged to develop their professional skills. Locally we have established a Centre Administrators Group for developing and sharing good practice. This has cross-membership of one person with the RDM Group. More senior Manchester centre administrators should also be encouraged to join the national body ARMA <http://www.arma.ac.uk/> or, if their centre subscribes

to it, the ESRC-recommended association, ARCISS. <http://www.arciss.ac.uk/> which ARCISS also runs events for Centre directors.

In addition it would be helpful for ad hoc meetings to be organised between Centre Administrators and other administrative staff in the Schools and Faculty Office, particularly those concerned with research administration and finance. Examples of topics for the agenda here could be application of FEC, specific finance and auditing requirements such as those of the EU, and research staff contracts.

We are aware that many administrators face a sharp learning curve taking on these roles and have very little formal guidance to fall back on. We recommend that the new network consider developing induction material for new administrative appointments who might be new to the unique ways in which research centres operate and that consideration also be given to how new administrators receive formal training and induction upon appointment. The Faculty Office can help contribute to this process and provide links into other key functional areas across the Faculty such as finance and HR.

5.3 Finance

As a budget holder of the University, the Dean has a duty of care to ensure that not only is public money used in an appropriate way, but also that the operations of the Faculty are financially viable and sustainable beyond the current financial year. As delegated budget holders, heads of school and, in turn, directors of research centres, have an equal responsibility towards the long-term sustainability of the activities which they manage.

In addition, all income and expenditure which arises within the University, regardless of the source of funding, is subject to the same rules, as set out in the University's Financial Regulations and procedures. All income and expenditure is also subject to the same accounting policies and rules, regardless of its source or the nature of the activities being undertaken.

Research centre expenditure is no different to costs incurred by and/or generated by all other aspect of the University, in particular Schools. Therefore it is only appropriate that research centres apply themselves to the high degree of financial rigour and reporting integrity expected at these levels. Heads of Schools have accepted this reporting requirement in full.

Day-to-day management of the research centre should rest with the centre's director and the management team who need to be mindful of the governance structures of both the University and the centre itself.

Responsibility for the financial performance of a research centre lies with its director. In addition, all research centres have strategy boards which include representatives from both the Faculty and the schools who have an interest in the centre's activities. These strategy boards are the main focus for the oversight of the centre.

Reporting through the board, the director of the research centre therefore has a responsibility to ensure that all aspects of the centre's financial management are

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addressed adequately, including compliance with the University's financial regulations and procedures.

All research centres will have 'lifecycles' and the monitoring of financial performance will be an important part of assessing the stage of development which a centre has achieved. In order to assess the performance of the research centre, KPIs should be calculated and reviewed including income growth rates, research grant application success rates and contribution and surplus generated against budget.

Investment and subsidy

It is to be expected that new Centres will require a period of investment but these should lead towards a sustainable model when that investment period expires. Sustainability means that attributed income streams should cover costs and contribution and, in principle contribute towards future investment. It is recognised that research (within or outside centres) often needs to be subsidised from other activities particularly if income comes from sources that do not pay full economic costs. In this case the level of subsidy (if any) needs to be agreed at School level or for Faculty Research Centres by the Strategy Board including appropriate School and Faculty representation. These plans need to be built into, and ultimately approved, by the overall strategic planning process; i.e. whatever initial decision might be taken by a centre needs to be subject to change in the light of overall financial pressures - just as for a school's budget and strategy.

Operating accounts

For both types of centre financial model there will be a need for common accounts used for collective activities such as office costs, travel to events, meeting or entertaining clients, operating seminars and workshops, preparing proposals etc. Such accounts must be supported by sources of income and expenditure from them budgeted and subsequently monitored. Where possible the above items should be charged externally as direct costs. The balance may come from dedicated funds (for example part of a donation or investment) or from a levy on sustainability income. In the latter case the levy should not be large as numerous other expenses need to be met from this overhead. Planned expenditure should be integrated with the lead School budget

Budgeting and budgetary management

Budgetary management is an area in need of substantial improvement. It is recommended that all centres produce a budget for the forthcoming year, to be produced in time for inclusion in School budgets and to be approved by the Centre's governance structure. The budget should be at a sufficient level of detail to allow monitoring on a monthly basis if necessary. Those doing the monitoring should recognise that the timing of research income can fluctuate as a result of project delays but these need to be recorded.

Centres should also produce a five-year plan supported by a commentary on what they know about future income prospects and costs. The level of detail will depend upon the size and complexity of the centre.

Planned and prompt invoicing

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All centres should establish adequate procedures with the school finance team to ensure that accurate sales invoices relating to research grant and other sources of income are issued on a timely basis. All balances held within research accounts should be reviewed on a monthly basis to identify any irrecoverable amounts which should be written off immediately.

Shared services

Centres should budget for and pay shared service charges (University, Faculty for all relevant drivers e.g. space) on the normal basis. In addition Schools may levy a further charge to cover shared services of direct benefit to the Centre which are incurred at School level e.g. the service of research and finance offices. These should be set at the time of budgeting and would not normally be adjusted during the year in the light of changes in staff numbers, space etc.

Spending funds after the year in which they are generated

As a general principle, centres may only incur expenditure against income generated within the same year, but in certain circumstances centres, following the generation of surpluses, may be allowed to budget for a deficit or a lower surplus than would normally be expected within the following year in order to allow for special expenditure including, but not restricted to:

- (i) Cover for sabbaticals
- (ii) Salaries of experienced research staff who are 'between' grants
- (iii) Purchases of equipment
- (iv) Investment in new members of staff.

The identification of this expenditure would take place as part of the normal five year planning and in year budgeting cycle.

The existence of a surplus in a previous year does not create an entitlement in future years but it may be seen as evidence of moral authority.

The expectation is that centres will cover their costs over a longer period, or not exceed an agreed deficit if the School(s) have agreed that a subsidy for research should benefit the centre.

Surpluses on projects

Whilst there is a general assumption that an established research centre should generate a surplus after the allocation of shared services charges, this is unlikely to be achievable every year. It is recognized that research centres are subject to potential fluctuations in levels of income, for example major research grants can come to an end and replacement funding can be slow to start. This can often mean that staff whose costs are normally recovered against grants become an additional expense to the centre. In preparing the 5 year plan for a research centre, there is an opportunity to anticipate and plan for these sorts of eventualities. Given that the faculty has a significant portfolio of research centres, it should be possible to even out the effects of these fluctuations over time. The key to success for dealing with these sorts of eventualities is a sound planning process.

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Inevitably there will also be times when unexpected short-term fluctuations will be encountered, for example in income levels. In the first instance the research centre will be expected to reduce any non-essential expenditure. It is also proposed that the faculty will hold a contingency to cover any further losses which cannot be avoided by the research centre. This approach assumes there is monthly monitoring of performance within the research centres and actions are taken as soon as any potential problems are encountered.

It is also recognised that, owing to accounting requirements on the treatment of income, there may also be times when income and contribution are generated in one year, but the planned expenditure relating to it will take place in the following year. Instead of carrying over the additional income into the next year, the income should be taken in the appropriate year according to the accounting rules and the expenditure included in the budget for the following year. This might include contribution from conferences, consultancy and research incentives.

For ring-fenced centres the norm should be that all earned funds except for University and School charges should be retained in the centre in a given financial year and the level of contribution determined on the basis of the whole year's results.

This facility should/might be available to centres that have demonstrated a track record in generating cash surpluses and/or are expecting a major uplift in future research income, for example awaiting the outcome of a major research grant application.

Pooled allowances

A useful practice for centres is to operate a pooling of research allowances of their participating academics to allow more efficient deployment of these resources. Where finance is available, topping up this shared account can provide an incentive to participate. Expenditure from these accounts needs to be budgeted – this should be easier on a collective basis than for individuals.

QR income

For research staff in all cases and for academic staff in the case of Ring-fenced Centres, QR income should be included in Centre accounts. Not all QR is for salaries (it also supports the research environment) so the recommended norm is 80% of the proportion of the relevant individual's time allocated to the Centre. QR associated with research staff may either be the full amount if they were entered in the RAE or (assuming that the new volume driver continues to fund them) the lower rate assigned for research staff. QR flows for research staff would continue to be attributed to a Centre even where the individual concerned has been replaced. If a Centre ceases to operate they would revert to the relevant School(s).

This model of allocating QR also serves as the core basis for calculating Host Institute Contributions to external funding for centres. Other items may be added if they are needed and the relevant School(s) consider them to be worthwhile in relation to the benefits.

Financial Management Tools

It is recognised that there is an immediate need to provide research centres with a more robust mechanism to monitor expenditure and plan with a greater degree of precision for future spending patterns. Although adjustments to the current corporate 'ORACLE' reporting tool will not be possible until 2010/11; we will explore the possibility of providing centres with additional desktop software packages that provide a more useful means of managing financial planning that addresses day to day reporting requirements as well as more medium to long term planning. Although the immediate interface with ORACLE needs to be maintained examples (such as pFACT the University FEC toolkit) demonstrates that additional financial packages can be integrated with more corporate level reporting systems.

5.4 HR issues

As mentioned above, research centres form a work environment for a large proportion of our research staff. As such they need to address a range of Human Resource issues. All general HR requirements such as equality and diversity should of course also apply here.

Research staff employed in the centre will normally report to the centre director and their PDR will take place with her/him or a delegated senior member of staff. Ideally this should not be the principal investigator on the main grant on which the researcher works, though input from this person may be sought. In larger centres a hierarchy of research staff may exist and the University's promotion tracks recognise that a research career may extend to all grades up to Professor.

Research staff should be advised on the specific criteria for a research-based promotion track. Depending upon their duties this will also take due account of service and leadership and knowledge transfer within the context of their duties. As for all staff, while the aim is to reward excellence, promotion criteria should reflect the duties that centre staff have been expected to undertake.

Financial planning within centres should recognise the need to support sabbatical leave for long-serving research staff. The aim of such leave would be to enable them to renew their research base (perhaps outside the imperatives of external funding) and to exploit their research findings in major publications.

General principles for the career management of research staff are to be found in the RCUK/UUK Concordat to Support the Career Development of Researchers (see <http://www.researchconcordat.ac.uk/>)

The Concordat's key principles are:

1. Recognition of the importance of recruiting, selecting and retaining researchers with the highest potential to achieve excellence in research.
2. Researchers are recognised and valued by their employing organisation as an essential part of their organisation's human resources and a key component of their overall strategy to develop and deliver world-class research.
3. Researchers are equipped and supported to be adaptable and flexible in an increasingly diverse, mobile, global research environment.

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4. The importance of researchers' personal and career development, and lifelong learning, is clearly recognised and promoted at all stages of their career.
5. Individual researchers share the responsibility for and need to proactively engage in their own personal and career development, and lifelong learning.
6. Diversity and equality must be promoted in all aspects of the recruitment and career management of researchers.
7. The sector and all stakeholders will undertake regular and collective review of their progress in strengthening the attractiveness and sustainability of research careers in the UK.

From a strategic point of view, the success of a centre is dependent upon the quality and commitment of its staff. This in turn places a strong emphasis upon having rigorous recruitment and probation procedures. While some staff will see membership as a transient phase in their careers, others will aspire to open-ended employment either as researchers or as lecturers. If this is a clear possibility at the time of engagement then the suitability of their skills and qualifications for the longer term career option should also be a factor in selection. Probationary periods for research staff should be introduced, analogous to those for new lecturing staff.

In larger centres a senior staff member should have specific responsibility for the above-listed HR issues and should be responsible for liaising with HR functions within the relevant Schools.

5.5 PGR issues

Many existing centres already have significant engagement with doctoral researchers. This should be the norm – research centres provide a natural intellectual focus for PGRs doing cognate work and are themselves enriched by including PGR work in their portfolios. Centres should not duplicate arrangements in Schools for matters such as quality assurance and general research training (though of course centre staff may contribute specific expertise to available training). Centres can provide the following benefits for PGRS:

- The possibility of financial support and research engagement through Graduate Research Assistantships;
- Other financial support by allocating certain administrative tasks (e.g. maintaining the website) as a basis for part-time work;
- Gaining experience in winning and executing research projects in an “apprentice” mode;

Normally association of a PGR with a centre would be through at least one supervisor being a member but there may be cases where a student could benefit from engagement even where the supervisor is not involved.

To ensure that centres and PGRs benefit systematically from Ph.D. engagement it should be the norm that a member of the centre leadership has specific responsibility for this. This should also be an item in annual reporting.

In future the relationship between centres and doctoral training centres will need to be clarified. This will become increasingly important once the outcome is known of the current bid to host an ESRC funded DTC (September 2010).

5.6 Annual Reporting

All Centres should produce an annual report to their governing structure and normally for further dissemination. This should contain:

- A succinct account of the Centre's objectives, structure and history;
- An account of the main achievements in the past year;
- A self-assessment of those achievements against the previous year's objectives and plan;
- A summary of non-confidential aspects of the future strategy;
- A full set of accounts approved in advance by the relevant School accountants;
- Lists of publications and other outputs in the normal University format;
- Lists of staff and associated doctoral students;
- Esteem indicators and knowledge transfer achievements.

Where a report also has to be produced for outside sponsors this need only be supplemented appropriately for compliance with the requirements listed here.

In addition centres should produce:

- A 1 year operating plan;
- A 1 year budget;
- A 5 year strategy;
- A 5 year set of financial projections.

The level of detail in these will again vary considerably between centres from a single line of estimates in the smallest and simplest cases to a detailed business plan for the largest and most complex.

Centres should take responsibility for projecting their external identity and, within University guidelines, should aim to make their websites a key point of reference for those interested in their areas of expertise.

5.7 IT Support

Research Centres requiring help with web development and more highly interactive features such as 'wiki's and blogs should in the first instance contact the Faculty ICT office. A wide range of support is available from creating and setting up websites to augmenting sites with communication tools such as forums, blogs and survey software that can help facilitate feedback from users. Help can also be provided to develop bespoke databases and software that stores and analyses data. Research Centres requiring further help in this area should access the link below or contact the service desk directly (see below):

<http://ict.humanities.manchester.ac.uk/index.html>

If you require any help or advice concerning IT services, contact the appropriate service desk below:

Humanities ICT Office (Not MBS)	Manchester Business School
Tel: 0161 306 5544 (internal 65544)	Tel: 0161 275 6321 (internal 56321)
Online service desk	itservicesstaffmbs@manchester.ac.uk
itservices.manchester.ac.uk/contacts	Room: 3.49, Manchester Business School West

6 Termination

One advantage of centres is that they are not permanent institutions. They represent a useful mid-point between longer-lived and more institutionalised disciplines and the turbulence of research projects. There is no reason why the life of a centre should be limited a priori – it is for the governing structures to decide when the interests of the University would be best served by termination or major reorganisation. The most likely reason for termination is an unsustainable financial environment. This may be associated with loss of key expertise or simply the expiry of a major external grant. Another reason for termination may be that the intellectual agenda is no longer as pressing, or that the centre’s themes may be better pursued as part of other initiatives (including some or all of the work becoming part of other centres’ agendas).

At this point a suitable termination plan needs to be implemented. This will include, where possible, the relocation of centre staff or where there is no alternative managed redundancy. It is vital that steps are taken to preserve the University’s reputation both in academic terms and as a good manager and employer.

7. Research Centre Director ‘Forum’

It is proposed that the Faculty convene a ‘best practice’ forum at least annually (perhaps twice a year) involving all Directors of Faculty Research Centres. By way of a half day meeting this facility would allow Directors to engage in the the strategic planning of the Faculty and also help inform each other of related and relevant activity taking place in each centre.

There may be an opportunity to use this s a vehicle to generate cross-centre responses to major funding calls (such as the recent Leverhulme Trust ‘symposium’ competition) where the Faculty would have benefited from a more coordinated response and to also run ‘Foresight’ scenario planning workshops as a means of better positioning the Faculty to anticipate future external pressures (and opportunities) that emerge as a direct result of the economic downturn and subsequent impact on public finance and investment in UK HE.

Meetings of this forum will begin in the Spring of 2010.

Annexes

Annex 1

Current Faculty/Cross-school Research Centres

- | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none">1. <u>Manchester Institute for Innovation Research (MioIR)</u>*2. <u>ESRC Centre for Research on Socio Cultural Change (CRESC)</u> *3. <u>Institute for Political and Economic Governance (IPEG)</u> *4. <u>European Work and Employment Research Centre (EWERC)</u>5. <u>Brooks World Poverty Institute (BWPI)</u> *6. <u>Centre for the Study of Political Economy (CSPE)</u>7. <u>Research Institute for Cosmopolitan Cultures</u> (we propose not ring fenced)8. Humanitarian and Conflict Response Institute (HCRI)*9. Sustainable Consumption Institute (SCI)*10. <u>Manchester-Harvard Initiative on Social Change</u> *11. <u>Centre for Chinese Studies</u>12. <u>Institute for Science, Ethics and Innovation (ISEI)</u>* |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Centres marked with * are likely candidates for the ring-fenced model.

Annex 2

Case study and financial model for research centres⁴

The Manchester Institute for Individualism

The *Manchester Institute for Individualism (MII)* has been created as a focus for research, teaching and learning within its chosen specialism, consolidating existing activities and expertise within several schools.

As well as continuing to apply for external research grants, the Institute plans to develop a Masters programme, building on modules already offered within other schools, and to extend its activities into a CPD programme for external customers.

A donor has already promised a significant sum to establish the Institute and the Faculty has given outline approval for start-up funding from the Faculty Strategic Investment Reserve Fund (SIRF).

A Director will be appointed with 40% of his or her time being dedicated to the Institute. Several existing academics have been identified as working wholly or mostly in this area, and will therefore attract HEFCE QR income. There is an intention to recruit further staff to work on research projects as the Institute becomes established.

There will be a full time administrator.

The Institute will be located within one of the schools within the faculty and will be accounted for within the school but as a separate 'sub-school' outside of the disciplines of the school.

Note: all values are for illustrative purposes only and should not be relied upon when reviewing the finances of individual projects. The plan focuses on the first three years only, but the same principles would apply for later years.

⁴ Prepared by Sally McGill, February 2008

Planning and accounting for the Institute

Introduction

The general principle when planning or accounting for a research centre is to consider the activities under three main streams: core, research and other.

Core activities include the day-to-day operation of the centre which tends to be funded by HEFCE QR income, donations, income derived from teaching and the contribution earned from external research grants.

Research activities consist entirely of the directly incurred costs of research grants and the corresponding funding.

Other activities include income from consultancy and CPD and any additional costs arising solely from those activities.

Core activities

The Institute has identified that it will attract £50,000 of QR income (80% of the total value allocated) for each of the three years.

The donation is £300,000 to be spent within the first three years.

The Masters programme will start in Year 2 with three Home students paying tuition fees of £3,500 each, with the recruitment of an additional three Home students each year thereafter. The tuition fee income for the elements of the programme to be taught by staff assigned to the Institute (calculated as load transfer) would be £4,500 in Year 2 and £9,000 in Year 3.

The cost of academic staff (excluding those costed **exclusively** to externally funded research grants) will be £150,000 in Year 1. Administrative pay costs and general non-pay costs will be £60,000 and £75,000 respectively in Year 1.

Shared services charges have been estimated at £81,000.

A Framework for Research Centres

Bringing together these elements, the Income and expenditure account for Year 1 would look like this.

Management Institute for Individualism (MII) - illustrative case study only Income and expenditure account

	Year 1			
	Core £000	Research £000	Other £000	Total £001
Income				
HEFCE QR income	50.0			50.0
Net load transfer				0.0
Non-credit bearing courses				0.0
Research				0.0
Donations	100.0			100.0
Consultancy				0.0
Total income	150.0	0.0	0.0	150.0
Expenditure				
Academic pay	150.0			150.0
Administrative pay costs	60.0			60.0
Non-pay costs	75.0			75.0
Allocation income - SIRF				0.0
Total expenditure	285.0	0.0	0.0	285.0
Contribution	(135.0)	0.0	0.0	(135.0)
Shared services charges	(81.0)			(81.0)
Surplus	(216.0)	0.0	0.0	(216.0)

At present the Institute is showing a deficit on its income and expenditure account, but let us now look at the impact of externally funded research activities.

In Year 1, the Institute expects to generate research income from UK research council sources as shown below.

A Framework for Research Centres

FEC example - Year 1 only

	Overall costing				
	Total £	Dedicated staff £	PI/CoI £	Non-pay £	Overhead contribution £
Pay	259.0	200.0	59.0		
Non-pay	69.0			69.0	
Indirect Costs	188.0				188.0
Estate Costs	30.0				30.0
Total cost	546.0	200.0	59.0	69.0	218.0
Shortfall	(109.2)	-	-	-	(109.2)
Awarded (80%)	<u>436.8</u>	<u>200.0</u>	<u>59.0</u>	<u>69.0</u>	<u>108.8</u>
% of awarded value		45.8%	13.5%	15.8%	24.9%

As well as employing dedicated research staff to the activities, individuals already costed to the core will be active within these research projects as PIs and CoIs. The contribution to be earned from research grants will be 24.9% with an additional recovery of PI and CoI time (a cost already assumed to be borne by the Institute) of 13.5%.

A Framework for Research Centres

The research activities would be accounted for within the Institute as follows (Year 1 only):

	Income and expenditure account			
	Core £	Research £	Other £	Total £
Research income				
Dedicated staff		200.0		200.0
Non-pay		69.0		69.0
Overhead contribution	108.8			108.8
PI/Col contribution	59.0			59.0
	<u>167.8</u>	<u>269.0</u>	<u>-</u>	<u>436.8</u>
Research expenditure				
Pay		200.0		200.0
Non-pay		69.0		69.0
	<u>-</u>	<u>269.0</u>	<u>-</u>	<u>269.0</u>
Research contribution	<u>167.8</u>	<u>-</u>	<u>-</u>	<u>167.8</u>
% of income	100.0%	0.0%		38.4%

Note how the overall recovery is 38.4% with the income which generates that contribution appearing within the core activities.

A Framework for Research Centres

Adding this into the full income and expenditure account would give the following picture.

Management Institute for Individualism (MII) - illustrative case study only Income and expenditure account

	Year 1			
	Core £000	Research £000	Other £000	Total £001
Income				
HEFCE QR income	50.0			50.0
Net load transfer	0.0			0.0
Non-credit bearing courses				0.0
Research	167.8	269.0		436.8
Donations	100.0			100.0
Consultancy				0.0
Total income	<u>317.8</u>	<u>269.0</u>	<u>0.0</u>	<u>586.8</u>
Expenditure				
Academic pay	150.0	170.0		320.0
Administrative pay costs	60.0	30.0		90.0
Non-pay costs	75.0	69.0		144.0
Allocation income - SIRF				0.0
Total expenditure	<u>285.0</u>	<u>269.0</u>	<u>0.0</u>	<u>554.0</u>
Contribution	32.8	0.0	0.0	32.8
Shared services charges	(81.0)			(81.0)
Surplus	<u>(48.2)</u>	<u>0.0</u>	<u>0.0</u>	<u>(48.2)</u>

A Framework for Research Centres

If we also assume that the Faculty has approved an allocation from SIRF to make up the in year shortfall, the Institute's full year 1 Income and expenditure account would look like this.

Management Institute for Individualism (MII) - illustrative case study only Income and expenditure account

	Year 1			Total £001
	Core £000	Research £000	Other £000	
Income				
HEFCE QR income	50.0			50.0
Net load transfer	0.0			0.0
Non-credit bearing courses				0.0
Research	167.8	269.0		436.8
Donations	100.0			100.0
Consultancy				0.0
Total income	<u>317.8</u>	<u>269.0</u>	<u>0.0</u>	<u>586.8</u>
Expenditure				
Academic pay	150.0	170.0		320.0
Administrative pay costs	60.0	30.0		90.0
Non-pay costs	75.0	69.0		144.0
Allocation income - SIRF	48.2			48.2
Total expenditure	<u>236.8</u>	<u>269.0</u>	<u>0.0</u>	<u>505.8</u>
Contribution	81.0	0.0	0.0	81.0
Shared services charges	(81.0)			(81.0)
Surplus	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>

Future years

Let us assume that the Institute intends to start providing CPD courses in Year 3. They anticipate generating £50,000 worth of income. All training would be delivered by existing staff with additional non-pay costs of £5,000.

Let us also make the following further assumptions about years 2 and 3:

- Research income is to grow by 20% per annum
- Pay and non-pay costs will be inflated in line with expectations
- Shared services costs would vary over time

The income and expenditure account for the three year period would look like this.

A Framework for Research Centres

Management Institute for Individualism (MII) - illustrative case study only Income and expenditure account

	Year 1				Year 2				Year 3			
	Core £000	Research £000	Other £000	Total £001	Core £000	Research £000	Other £000	Total £001	Core £000	Research £000	Other £000	Total £001
Income												
HEFCE QR income	50.0			50.0	50.0			50.0	50.0			50.0
Net load transfer	0.0			0.0	4.5			4.5	9.0			9.0
Non-credit bearing courses				0.0				0.0			50.0	50.0
Research	167.8	269.0		436.8	201.4	322.8		524.2	241.6	387.4		629.0
Donations	100.0			100.0	100.0			100.0	100.0			100.0
Consultancy				0.0				0.0				0.0
Total income	317.8	269.0	0.0	586.8	355.9	322.8	0.0	678.7	400.6	387.4	50.0	838.0
Expenditure												
Academic pay	150.0	170.0		320.0	154.5	204.0		358.5	159.1	244.8		403.9
Administrative pay costs	60.0	30.0		90.0	61.8	36.0		97.8	63.7	43.2		106.9
Non-pay costs	75.0	69.0		144.0	77.3	82.8		160.1	79.6	99.4	10.0	188.9
Allocation income - SIRF	48.2			48.2	27.7			27.7				0.0
Total expenditure	236.8	269.0	0.0	505.8	265.9	322.8	0.0	588.7	302.4	387.4	10.0	699.7
Contribution	81.0	0.0	0.0	81.0	90.0	0.0	0.0	90.0	98.3	0.0	40.0	138.3
Shared services charges	(81.0)			(81.0)	(90.0)			(90.0)	(95.0)			(95.0)
Surplus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.3	0.0	40.0	43.3

Other issues

The Institute would be subject to the University's annual planning process with the annual Budget and Five Year Forecast approved in March and June respectively. It is assumed that surpluses or unspent balances on budgets could not be carried forward into future years.

Where the Institute identified that it would have expenditure in future years which was not covered by specific funding (e.g. research staff waiting for their next grant application to be approved, or small value items of equipment), these would be identified as part of the University's normal planning process (i.e. included in the annual Budget and Five Year Forecast as required).

The Institute could run incentive schemes (for example linked to research income) in line with faculty policy in order to provide staff with agreed funding for expenditure such as additional travel. These schemes would have to be budgeted for each year and monitored on a monthly basis as part of the monthly reporting.

In exceptional circumstances the Institute might wish to distribute its surplus to schools. This would have to be recognised within the annual Budget and Five Year Forecast. Only realised surpluses could be distributed, i.e. the amount distributed could not exceed the actual surplus. In addition, schools would only be able to incur expenditure against these distributed surpluses if that expenditure had been budgeted for within that year.

Annexe 3:

A possible Developmental Model for a Centre

Research groups and/or 'clusters' that have aspirations to achieve Faculty level Centre status might consider developing start up activity and new research agendas from the basis of a more looser means such as a 'Faculty network'. Such status should in no way be seen as being less valued than that of a 'centre/institute' indeed some activity may be better suited to that of a network and may be able to react more quickly to external funding opportunities or representing the University at key external events. The European Sociological Association (ESA) has some useful guidance in this area particularly concerning the coordination of major events and symposia:

http://www.europeansociology.org/index.php?option=com_content&task=view&id=16&Itemid=35

A target level of activity for a Faculty Network could be set in terms of the following dimensions:

- Hold xx number of thematic workshops/seminars in a given timeframe (e.g. 1 reporting year)
- Hold xx major interdisciplinary conferences in a given timeframe (e.g. 1 reporting year)
- Use the 'network' as a vehicle for developing xx number of cross-School/pan-Faculty research grant applications (which a focus (perhaps) on encouraging wider cross - Faculty opportunities) in a given timeframe (e.g. 1 reporting year)
- Identify opportunities where collaborative activity might help increase PGT/PGR applications/numbers to existing modules and/or degree programmes.
- Identify areas of activity that might benefit from greater pooling of resource thereby achieving scales of economy (e.g. disparate and diverse PGT provision)
- Demonstrate how the 'networks' activity might contribute to KT and the ways and means of demonstrating 'impact' on the wider economy and society.
- .Create email discussion lists; blogs and potential coordinating website

Such 'networks' would be encouraged to seek operational/administrative support from:

- Part time PGR/RA support
- University conference office (or local/School based services where they exist)
- Local research support offices

More wider ambitious 'networks' agreed as being strategically important to the Faculty (such as the current 'Cities' initiative) might also be supported by resources based in the

A Framework for Research Centres

Faculty Office though this would have to be negotiated with AD Research with clear forward planning and timescale set.