

## How Research is Funded

Research in universities is funded through two prime mechanisms: a block grant for research from the Funding Council (SHEFC in Glasgow's case), and individual grants, contracts and studentships for specific projects, from a wide range of different bodies and organisations.

The combination of the Funding Council block grant (also known as QR) and the Research Councils' support for individual projects is called the Dual Support System. The block grant is allocated by formula, using the ratings and data from the Research Assessment Exercise. SHEFC distributes £135M (03/04) by this method, with Glasgow receiving £28M. In addition, the Funding Council also distributes £15.6M to support postgraduate research, of which Glasgow receives £3.7M. The allocation formulae in Scotland are different from those in England.

The block grant is intended to provide the research environment within which research projects can operate. Specifically for Research Council-funded projects, the block grant is also intended to cover those costs not provided by the project funding (because the Research Councils only make a contribution to the total costs). There has long been debate about whether the block grant is also intended to provide this underpinning support for projects funded by other bodies, and in practice this has always happened.

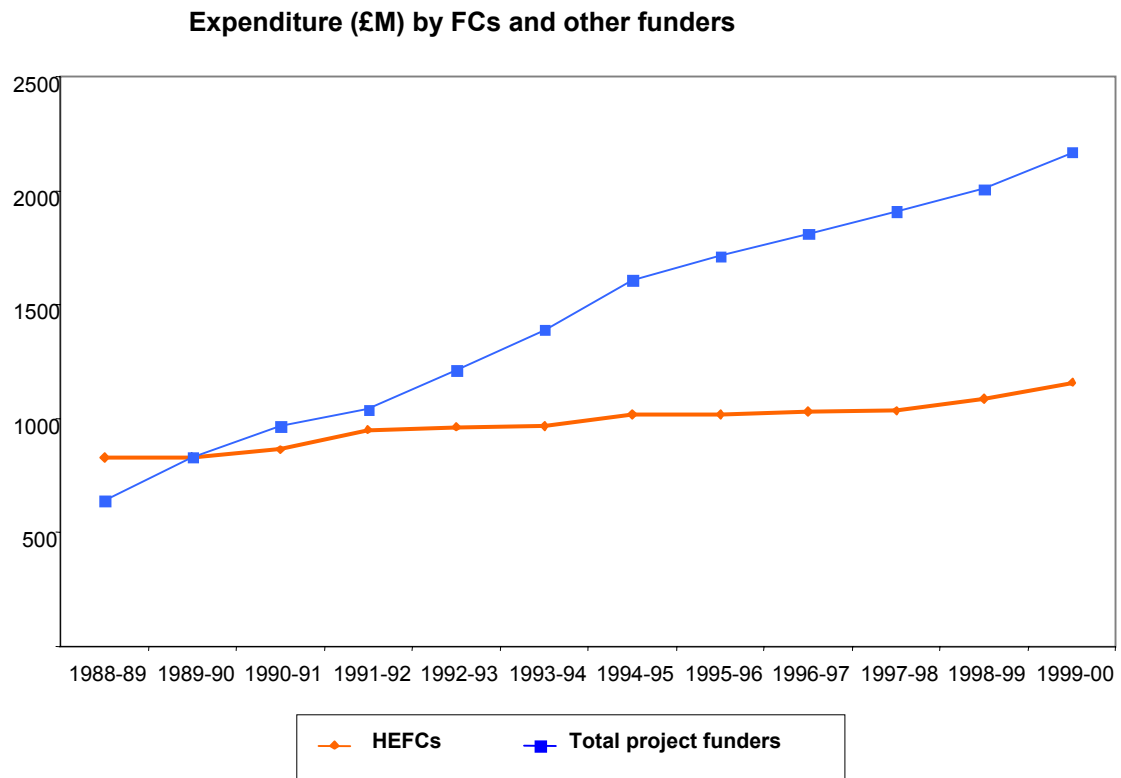
The Funding Council block grant is used to contribute to the costs of: academic research time (i.e. time supervising research projects or PGR students, and "thinking time"); space, equipment and estates-related research support costs; faculty and departmental support costs (e.g. technical and secretarial costs, minor equipment, maintenance, etc.); and central research support costs (e.g. insurance, IT infrastructure, recruitment and termination costs, and relevant elements of HR, Finance, and R&E). Income for indirect costs in individual projects also contributes to meeting these sorts of costs.

Project funding will usually cover the "direct" costs of employing staff or PG research students to undertake the work, plus consumables, travel, and equipment, although some funders will not contribute towards certain costs. Some projects will contribute to the academic staff costs and to the "indirect" costs of the project. Glasgow's income for research projects is currently about £75M a year.

The cost of a project does not vary depending on who is funding it: the variance is in the types and proportions of costs provided by different bodies. The Government wishes universities and researchers to have a better understanding of the full cost of research, and hence is planning some changes to the funding mechanisms (these will be explained in more detail in the fourth article of this series).

A common misconception is that an individual member of staff is "SHEFC-funded", as opposed to being paid from a specific research project. A typical person may have their salary costs paid from the main faculty / departmental budget, on an open-ended (aka "permanent") contract. However, the funding for this person's salary will be derived from a number of sources, including the Funding Council's research and teaching block grants, fees, indirect costs, and other income. It is thus better to think of them as being "core-funded".

Over the last ten or more years, the ratio between Funding Council and project funding has changed quite significantly, as shown in the figure below (source: OST). The effects of this change are that a greater proportion of the block grant is being used to support individual projects, and hence less has been available to invest in infrastructure, buildings, and academic research time. This one figure illustrates clearly why there is so much tension in the system, and hence stress for the individual.



The next item in this series will be *Indirect Costs – What Do You Mean?*

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