

HE-BCI phase 2 consultation

Overview

This consultation seeks views on how [Jisc](https://www.hesa.ac.uk/news/04-10-2022/jisc-and-hesa-confirm-merger) can ensure it has the data required to perform its functions and how that data can be collected in a way this is proportionate. By 'proportionate', we mean that the requirements that we place on higher education providers are necessary to perform our regulatory functions.

This consultation forms part of the ongoing HE-BCI major review. A major review is an investigatory project that creates a business case for change. In some cases, the purpose of the review is to develop and ensure the on-going integrity of an existing record or records. As well as reviewing exactly what information is collected, major reviews also enable consideration of the fundamental design of a record including its structure, data items, timing, and consistency with external standards.

[Our project mandate](https://www.hesa.ac.uk/innovation/records/reviews/he-bci-major-review/project-mandate-project-board) provides the background and requirements for the major review of the HE-BCI data collection.

We have used the views expressed in 2019 during the first phase of the review to direct our current work. They included identifying where the central funding bodies and sector requirements align to ensure the collection captures necessary data about knowledge exchange that is reasonable and proportionate to record.

The review project has identified the following six priority areas of the HE-BCI data collection that require further development to meet our statutory data reporting requirements and consider the requirements expressed by our statutory customers. The six priority areas are:

1. Geographic granularity
2. 'in-kind' contributions to collaborative research and partnerships
3. Social and cultural interactions
4. Commercialisation
5. Staff and students as agents of knowledge exchange (KE)
6. Equality, Diversity, and Inclusion (EDI)

We have worked alongside Statutory Customers, providers, sector representatives and member organisations to understand their requirements. This has included horizon scanning of the current and future knowledge exchange policy landscape and working with organisations to ensure the required data is feasible to collect, collate and report to us. This work has helped shape several proposed amendments to the HE-BCI data collection that aim to enhance the measure of value and impact of the diverse activities and engagements between organisations and the community.

Purpose of the consultation

This consultation aims to gather feedback on the proposed amendments relating to the recording of 'in-kind' contributions within the HE-BCI data collection. Working alongside UKRI, the devolved nations and sector organisations we have drafted improved guidance to support providers when submitting data relating to 'in-kind' contributions to collaborative research. We are seeking views on the clarity of the proposed guidance and the burden associated with the revised materials.

We are consulting now as we need to decide on an approach for the C22032 HE-BCI data collection and to allow providers time to prepare.

The proposals in this consultation primarily relate to the information duties under the [Higher Education and Research Act 2017 \(HERA\) \(section 64\)](https://www.legislation.gov.uk/ukpga/2017/29/section/64). They have been developed in collaboration with the Higher Education Funding Council Wales (HEFCW), the Scottish Funding Council (SFC) and the Department for Economy Northern Ireland (DfENI).

Scope and structure of the consultation

This consultation has two parts:

1. Background to the Higher Education Business and Community Interactions (HE-BCI) data collection. We describe the current Knowledge Exchange (KE) landscape and identify the policy imperatives driving a requirement for improved 'in-kind' data. We also highlight where user requirements are aligned.
2. Approaches to recording 'in-kind' contributions in the HE-BCI data collection. We propose two approaches to the recording of 'in-kind' contributions in the HE-BCI data collection:

Approach 1: Adopting revised guidance to support the return of 'in-kind' contributions. The first approach includes amendments to six sub-headings of guidance covering the following:

1. General introduction to 'in-kind' contributions
2. Definition of 'in-kind' contributions
3. Types of contributions
4. Multi-partner projects
5. Multi-year projects
6. Collecting and recording – methodologies

Approach 2: Continuation of existing guidance for the reporting of 'in-kind' contributions. The second, discounted approach is to continue using the current published guidance. [Current guidance for returning 'in-kind' contributions in Table 1 of the C22032 HE-BCI Data Collection](https://www.hesa.ac.uk/collection/c21032/hebc_i_b_table_1)

To enable cross-organisational responses, the consultation is grouped into subjects for different audiences to engage with. When you click 'next step' under each section, you will be returned to the contents page, which tracks your progress through the questions in each section. Please ensure that you read all information supplied in each section before answering the questions. The 'save later' option, also allows multiple users from one organisation to engage with the consultation. Once you click the 'save later' option you will receive a unique link.

Please ensure that you read all information supplied in each section before answering the questions.

For your reference, a PDF of the consultation text is available.

Please note we expect online responses, but please contact liaison@hesa.ac.uk if you need to submit your responses in another format.

Burden review assessment

In some areas we ask respondents to pick a preferred option from the choices given and complete an associated burden assessment for both the 'setup' and 'run' of these changes. This follows a methodology we have developed to support better understanding of the characteristics of data collection burden. Burden assessment questions are only relevant for HE providers that are or might be required to produce data, and other respondents may ignore these questions. Where burden assessments have been completed the scores will be interpreted alongside the chosen option. We therefore advise reviewing the associated burden before determining your preferred option.

Burden assessment methodology <<https://www.hesa.ac.uk/innovation/data-landscape/Codes-of-practice/methodology>>

Introduction

Background and the current data landscape

The HE-BCI data collection is "the main vehicle for measuring the volume and direction of interactions between UK HE providers and business and the wider community". In cases where the volume cannot be measured adequately, we have incomplete information. This is true for data relating to 'in-kind' contributions to collaborative research.

Although the HE-BCI return currently makes provision for the return of 'in-kind' contributions, users have raised questions about the reliability and consistency of the data captured. One important reason for this is the possibility of contributions not meeting the HE-BCI threshold for disclosure (contractual explicitness) which could lead to under-reporting. Another is that a lack of a single method for assigning values may lead to inconsistencies in the reported data.

HE-BCI phase one consultation: summary of results <<https://www.hesa.ac.uk/innovation/records/reviews/collection-major-review/consultations-data-experiments/phase-one-consultation>>

Funding and regulatory customer requirements

UKRI requirements

Research England (RE) distribute Higher Education Innovation Funding (HEIF) to English HE providers to provide annual formula funding for knowledge exchange (KE) to deliver against government priorities. Historically, these funds have been allocated to HE providers using [a formula drawing data from the HESA HE-BCI data collection, Innovate UK data and the HESA Finance record](https://www.hesa.ac.uk/data-and-analysis/finances/hesa-ofs-mapping) <https://www.hesa.ac.uk/data-and-analysis/finances/hesa-ofs-mapping> with an aim to support delivery of [the key foundations of UK KE policies and priorities](https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-HEIF-policies-and-priorities-PDF-for-webpage-Aug-correction.pdf) <https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-HEIF-policies-and-priorities-PDF-for-webpage-Aug-correction.pdf> .

Published by RE, [the 2020-21 Technical Guidance for HEIF](https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-TechnicalGuidance2020-21.pdf) <https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-TechnicalGuidance2020-21.pdf> explains how current funding formulas are dependent on a selected catalogue of suitable income metrics from various sources including the HE-BCI data collection. One way to facilitate a broader measure of KE impact is to expand the suite of metrics drawn from existing data sources to demonstrate value of KE across a broader range of KE activities.

The HEIF allocation formula is dependent on income values reported by UK HE providers across the following KE HEI interactions:

Contract research (HE-BCI, Table 1)

Consultancy (HE-BCI, Table 1)

Facilities and equipment related services (HE-BCI, Table 2)

Regeneration (HE-BCI, Table 3)

Intellectual property (HE-BCI, Table 4)

An additional weighting is given to work across these areas involving interactions with small-medium enterprises (SMEs)

The use of quantitative metrics based on the use of income is considered the most robust proxy for the impact and value of knowledge exchange activity

<<https://www.ukri.org/wp-content/uploads/2021/08/RE-06082021-HEIF-policies-and-priorities-PDF-for-webpage-Aug-correction.pdf>> , and consequently the cash contributions to collaborative research are used in RE policy development including in the KEF. However, inclusion of the 'in-kind' data as is currently reported in the HE-BCI data collection (Table 1) is considered by RE to be problematic. During the development of the Knowledge Exchange Framework (KEF), RE explored the use of 'in-kind' contributions to demonstrate the collaborative relationships that HE providers have with their local business, organisations, and communities. They established that 'in-kind' contributions in the HE-BCI data are not currently a sufficiently robust metric . They acknowledge the meaningfulness of such data by capturing a range of knowledge exchange activities, including with partners from the cultural, arts and third sector. However, it was concluded that the level of confidence in the quality of the data and how income is attributed to these 'in-kind' contributions was deemed too low. Therefore, income attributed to 'in-kind' contributions were excluded from the KEF. Research England have identified an ongoing need for the improvement in recording of 'in-kind' contributions through improved metrics and collection guidance, ultimately to allow the consideration of the inclusion of this data in policy development, such as in the KEF.

Respondents to a roundtable exercise hosted by RE and HESA in June 2022

<<https://www.hesa.ac.uk/innovation/records/reviews/he-bci-major-review/user-engagement>> highlighted variances in practices of recording 'in-kind' in data and assigning monetary values to **intangible contributions** <<https://www.hesa.ac.uk/innovation/records/reviews/he-bci-major-review/user-engagement>> . They demonstrated the diversity of contributions between academic disciplines and suggested that the guidance published by HESA is reflective of this.

Participants recommended that HESA work to enhance guidance relating to these areas to ensure that there is greater consistency in data capture and recording. In doing so we aim to improve the robustness and reliability of the data as a trusted measure of value.

RE have not stated an intention to use 'in-kind' income values stated in the HE-BCI data collection for the purposes of HEIF funding allocations. However, 'in-kind' contributions are a significant contributor to matched funding applications for **UK Research Partnership Investment Fund (UKRPIF) allocations**

<<http://www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/uk-research-partnership-investment-fund/>> . Established in 2012, **the scheme will have provided over £900 million of capital funding to 53 state-of-the-art research centres and facilities in universities across the UK by the end of 2022**

<<https://www.ukri.org/what-we-offer/browse-our-areas-of-investment-and-support/uk-research-partnership-investment-fund/>> . Guidance published to support the collection of this data for the purpose of UKRPIF should be considered when refining HESA guidance published to support the collection of 'in-kind' data in the HE-BCI collection. By aligning these support materials, we aim to reduce burden for providers.

UKRPIF's published proposal guidance

<<https://webarchive.nationalarchives.gov.uk/ukgwa/20180319114349/http://www.hefce.ac.uk/pubs/year/2017/201715/>> expresses an explicit need to demonstrate robustness in the methodologies used by HE providers in assigning cash values to 'in-kind' contributions. These methodologies are to be stated by applicants alongside reported valuations and are objectively assessed based on their consistency and logic. UKRPIF are not prescriptive in their preferred methodologies, and they provide suggestions for calculations, including the use of market value equivalent costing and, for intangible assets such as data, the potential costs incurred in replicating the dataset.

UKRI's Strength in Places funding guidance refers to a requirement for contributions to be "valued on the basis of direct cost or fair value". It does not prescribe a single methodology to providers in assigning values. The guidance states a need for there to be a logical valuation of contributions that demonstrates a high degree of confidence in calculations by the reporting provider.

Department for Economy Northern Ireland requirements

Whilst higher education providers (HE providers) in England receive funds directly from UK Research and Innovation (UKRI), Northern Irish (NI) HEIF funding is distributed by the Department for Economy Northern Ireland and supports HE provider knowledge exchange (KE) strategies that demonstrate a commitment to UK KE priorities and initiatives.

NI HEIF allocations apply a double-weighting to KE interactions involving Small and Medium sized enterprises (SMEs).

The Department for Economy Northern Ireland (DfENI) supports NI HE provider engagement in knowledge exchange activities by funding the initiative **Connected** <<https://www.connected.ni.org/>> . **Connected** <<https://www.connected.ni.org/>> is a programme designed to encourage, ease, and increase potential knowledge exchange links between academia and industry. It places particular emphasis on collaborations involving small-medium enterprises (SMEs) and focuses on fostering closer partnerships between regional businesses and institutions.

Funding distributed through the Connected programme is not underpinned by formulae, nor are allocations dependent upon HE-BCI data. Therefore, unlike the NI HEIF, the initiative would not be directly affected by review of 'in-kind' contributions as recorded in the HESA dataset.

Scottish Funding Council requirements

The completion of the HE-BCI data return is **a mandatory condition for the receipt of the University Innovation Fund (UIF) in Scotland**

[https://www.sfc.ac.uk/funding/university-funding/university-funding-innovation/university-innovation-funding.aspx#:~:text=The%20University%20Innovation%20Fund%20\(UIF,out%20arrangements%20for%20the%20UIF](https://www.sfc.ac.uk/funding/university-funding/university-funding-innovation/university-innovation-funding.aspx#:~:text=The%20University%20Innovation%20Fund%20(UIF,out%20arrangements%20for%20the%20UIF) . The HE-BCI data, alongside supplementary KE data collected by the Scottish Funding Council (SFC), serves as a useful indicator of KE activity and progress, however, the data does not directly inform the level of UIF awarded to each university. Following the transition to an outcomes driven approach, universities in Scotland are required to submit a UIF plan that outlines the contribution they will make to the delivery of national outcomes at an individual and collaborative level. This information is submitted to SFC through the **Outcome Agreement process** <https://www.sfc.ac.uk/funding/outcome-agreements/outcome-agreements.aspx> .

The UIF and Innovation Vouchers <https://funding.scot/funds/a0Rb0000008nfe4EAA/interface-standard-innovation-vouchers?page=1> aim to support and enhance the collaborative capabilities of business and organisations in Scotland. The current data collected by the HE-BCI and Scottish KE Metrics collection do not sufficiently identify the onward impacts and values of these forms of investment. The available data is limited, and aggregates income attributed to collaborative partnerships which does not provide indication of the incentive driving the establishment of individual interactions.

Interface <https://www.interface-online.org.uk/how-we-can-help/funding/standard-innovation-vouchers> , the intermediary organisation distributing Innovation Vouchers, provides comprehensive summaries following the award of vouchers to organisations. This includes **a follow-up survey six months after award which captures data on company performance, productivity, and profits** <https://www.gov.scot/binaries/content/documents/govscot/publications/independent-report/2021/02/innovation-data-baseline-final-report2/documents/innovation-data-baseline-final-report/innovation-data-baseline-final-report/govscot%3Adocument/innovation-data-baseline-final-report.pdf> . This information is obtained from the non-academic, industry partner and, it does not provide a correlation between income from vouchers and the value of the HE provider to the interaction. There is a need for data to be obtained from a provider-view, within the HE-BCI collection, to understand where funding council investment is enabling sustained relationships.

The SFC has stated a requirement for an alignment of the principles of the KE Metrics data collection and HE-BCI data collection to ensure consistency and to continue its complementary role. The coordination of principles, definitions, and guidance for the reporting of 'in-kind' contributions would reduce the burden placed on HE providers in Scotland and facilitate a coordinated approach to the return of KE data across both submissions. As signalled by SFC this would also enable HE-BCI to be used as the single method of KE data collection in the future.

Higher Education Funding Council Wales requirements

The Higher Education Funding Council Wales (HEFCW) have confirmed that reported values for 'in-kind' contributions are included in funding allocation metrics for the Research Wales Innovation Fund (RWIF). **Point 19bi of their Innovation and Engagement Funding for Wales publication** <https://www.hefcw.ac.uk/wp-content/uploads/2020/08/W20-09HE-Innovation-and-Engagement-Funding-for-Wales.pdf> refers to this and outlines that all income received through collaborative partnerships, of all kinds, contribute to funding allocations.

The RWIF allocation formula is dependent on income values reported by UK HE providers across the following KE HEI interactions:

Contract research (HE-BCI, Table 1)

Consultancy (HE-BCI, Table 1)

Facilities and equipment related services (HE-BCI, Table 2)

Intellectual property (HE-BCI, Table 4)

HEFCW are supportive of the review of the HE-BCI dataset and are actively working to support HE providers in Wales on improving the quality of data they submit to the record. The significance of 'in-kind' contributions and associated income may increase following future reviews of the RWIF funding mechanism.

HEFCW conducted a roundtable discussion with representatives of HE providers in Wales to discuss the current issues in using data on 'in-kind' contributions as reported in the HE-BCI data collection. Both HEFCW and providers identified ambiguities in the guidance provided by HESA in supporting HE providers to assign monetary values to 'in-kind' contributions, with specific concerns raised about the level of auditability required to ensure contributions are eligible for return. In highlighting three guidance statements, of which all indicate differing levels of accountability, providers recalled previous correspondence with HESA as suggesting 'in-kind' contributions are only to be 'formally recorded' (but not necessarily stated in financial accounts). They felt content in ensuring contributions and assigned values are recorded on their own data capture systems however challenged a requirement for them to be included in published accounts. They stated this was potentially moving the purpose of the HE-BCI data collection away from capturing the value of non-financial engagements in the community and towards a financial return. Representatives indicated that the level of accountability needed when reporting 'in-kind' contributions should not be that needed for published financial statements. If it was, it would be an extremely burdensome task and necessitate major system changes.

HEFCW identified a need for improved guidance when reporting 'in-kind' contributions shared between a consortium of HE providers working as part of the same collaboration. They expressed concerns for variations in the approaches to reporting between providers. They stated specific guidance would ensure consistency in approach between HE providers and improve the reliability of the data, and consequently trust in it.

1 What is your name?

Name

2 What is your email address?

Email

3 What is your organisation?

Organisation

Approach 1 to recording 'in-kind' contributions in the HE-BCI data collection

We are proposing to implement Approach 1. This would be to adopt the revised guidance to support providers when returning in-kind data to HESA. We think these changes will considerably improve the reliability and robustness of this data. Therefore, we have revised the guidance to ensure it provides clear support to providers and focuses on a unified approach to reporting values.

The revisions outlined in Approach 1 would be published in Spring 2023 to assist providers in submitting the C22032 HE-BCI data collection covering the 2022-23 academic year.

An alternative, Approach 2, would be to continue to use the existing guidance. We have discounted this approach as it does not facilitate the collection of data suitable to perform our regulatory functions. UKRI, OfS, SFC, HEFCW and DfENI have stated distrust in the current data on 'in-kind' contributions to collaborative research. Therefore, we must improve the support offered to providers when returning this data to improve the confidence of UK funding councils.

Approach 1: adopting revised guidance to support the return of 'in-kind' contributions

Summary of approach

This approach does not propose any fundamental changes to the data that is being collected or the data item being returned in the HE-BCI data collection. It proposes revisions to the existing published guidance to support the return of 'in-kind' contributions in Table 1 of the HE-BCI data collection.

Current guidance for the reporting of 'in-kind' contributions in Table 1 of the C22032 HE-BCI Data Collection

<https://www.hesa.ac.uk/collection/c21032/hebc_i_b_table_1>

Approach 1 is to adopt revised guidance relating to 'in-kind' contributions, including:

- a. General introduction to contributions
- b. Definition of contributions
- c. Types of contributions
- d. Methods for assigning values
- e. Methods for reporting contributions across multiple HE providers
- f. Methods for reporting contributions across multiple years
- g. Collecting and reporting – methodologies

Guidance revisions have been drafted in collaboration with UKRI, HEFCW and member organisations from across the sector.

The approach is divisible. This means that we are individually consulting on each of the seven guidance areas. We are open to adopting either some or all proposed guidance revisions.

Approach 1 requires submitting HE providers to use the same conventions required for the completion of the [Finance record](#)

<<https://www.hesa.ac.uk/collection/c18031/coverage#conventions>> . This includes:

Providers should report income rather than full economic costing (fEC) in Tables 1 to 5 of the HE-BCI record. Data should not be returned more than once in Tables 1 to 5, except for the specific sub-set of questions regarding regional partners and overseas interactions.

Where financial data can be recorded in HE-BCI, it should always be returned as reported in the HE provider's audited accounts.

Where the HE PROVIDER financial year differs from the HESA reporting year, data should be returned as appropriate for the HESA year and in a way that avoids double counting.

Income from donations and endowments (as collected in the HESA Finance Record) would not normally be included within the HE-BCI return.

Full details of the conventions to be used when reporting values in the HE-BCI data collection can be found in the [C21032 coverage statement](#)

<<https://www.hesa.ac.uk/collection/c21032/coverage#uniformity>> .

This is our preferred approach.

Approach 1 advantages

This approach would help providers to better understand the purpose for reporting values in the HE-BCI data collection. It would provide justification for use of a monetary value as a proxy measurement for 'in-kind' contributions and would allow for users of the data to understand the benefits of assigning monetary values to intangible contributions. This would include the opportunity to compare data more accurately.

The revised guidance aims to provide a more consistent approach for providers when determining which contributions can be reported and what values they must be assigned. We believe that these changes would result in improvements to the quality of the data collected. This may lead to an increased confidence in the reliability of the data by its users.

It would increase the confidence providers when assigning values and submitting these to HESA . The removal of ambiguity in the guidance would give reassurance to providers that those submitting to the collection are using consistent and, where possible, shared approaches to data collection.

Improvements in data may help us to determine its suitability for use in future funding allocation methodologies and wider KE policy developments.

The use of advisory methods for assigning values and apportioning these between providers/collections may help to reduce burden to those submitting data.

Approach 1 potential disadvantages

There may be some level of change required by providers which may have an associated burden. For example, providers may now need to outline shared agreements for apportioning values between partner HE providers in the case of multi-partner collaborations. Where the shared use of contributions are currently informally agreed HE providers may now need to formalise this process using a written agreement.

Although this is not a proposed change to reporting practice the explicit reference to the preferred method providers must use may require them to engage in additional processes.

Figures 1-7: comparisons of current guidance and proposed changes

Figure 1: comparison of 'Introduction' guidance

The use of an 'Introduction' would provide a clear presentation of the purpose for recording 'in-kind' contributions in the HE-BCI data collection. It would provide a clear reference to the non-monetary benefits of contributions and provide justification for the use of a monetary proxy value in the record.

Where referenced in current guidance	Proposed guidance
No current guidance	<p>The reporting of 'in-kind' contributions in the HE-BCI data collection is to allow UK funding councils to determine the levels of economic support provided to collaborative partnerships by external partners alongside public funding.</p> <p>It is acknowledged that the value of 'in-kind' contributions is not purely economic, and instead contributions are perceived by their benefit transfer values within the context of the project.</p> <p>However, to allow for comparability of contributions received by providers they are to be, where possible, assigned an economic value.</p>

Figure 2: comparison of 'General definition' guidance

The proposed guidance presents a collaborative approach drafted by HESA and Research England (RE). This ensures that the guidance is consistent with external data reporting requirements and the data meets the requirements of RE. This will improve the data as a robust and reliable source. We judge that this alignment is likely to reduce burden on providers by allowing them to align systems.

It recognises assets as being a form of contribution and uses terminology aligned with the financial sector.

The proposal acknowledges the value of a contribution may be bound to the context of the collaboration and the assigned economic values may be relative to this.

Where referenced in current guidance	Proposed guidance
<p>...'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.</p> <p>'Collaborative research' must involve:</p> <p>grant-in-aid from at least one public body, and a contribution (which may be cash or 'in-kind' if specified in the collaborative agreement and auditable) from at least one external non-academic collaborator.</p>	<p>'in-kind' contributions are any contributions to a specific project that are not monetary but are of economic, social, or cultural value to the project and the communities they benefit.</p> <p>Contributions include assets, both tangible and intangible, that would otherwise not have been obtained outside of the collaborative partnership. The types of contributions received can be broad and diverse in nature.</p> <p>'Collaborative research' must involve:</p> <p>grant-in-aid from at least one public body, and a contribution (which may be cash or 'in-kind' if specified in the collaborative agreement and auditable) from at least one external non-academic collaborator.</p>

Figure 3: comparison of 'Types' guidance

The proposed guidance responds to a request from HE providers <<https://www.hesa.ac.uk/innovation/records/reviews/collection-major-review/consultations-data-experiments/phase-one-consultation>> for clearer examples of what types of contributions may be eligible for return. Our statutory customers have acknowledged that proposed guidance offers a suggestive, but not exhaustive list of common types of contributions made to collaborative projects. They are content that it offers improved and sufficient guidance however providers may still wish to confirm the eligibility of less-common forms of contribution for the purpose of the data return.

The offered guidance is advisory and not prescriptive. It acknowledges that other forms of contributions outside of those stated may be accounted for in the data.

The guidance provides clear indication that providers must not account for contributions that cannot be assigned an economic value. It recognises that these contributions may still hold value in the context of the project but must be omitted from the return to ensure comparability in the data.

Where referenced in current guidance	Proposed guidance
'in-kind' contributions could for example include staff time, resources, materials, provision of data etc.	<p>'In-kind' contributions are any contributions to a specific project that are not monetary but are of economic, social, or cultural value to the project and the communities they benefit.</p> <p>Whilst not prescriptive, the list below provides guidance on common types of contributions that may feature in collaborative projects:</p> <p>Staff time for those working directly on project, e.g. Pro bono professional services, Legal advice, Marketing advice, Staff cover (covering those working directly on project)</p> <p>Consumables, eg. Sheet plastics, Papers/ materials for printing, Disposable drugs paraphernalia</p> <p>Facilities, eg. Meeting rooms, Classrooms, Labs, Sports facilities/ spaces</p> <p>Equipment, eg. Music recording devices Horse hydra-therapy machinery, Telescopes</p> <p>Knowledge, i.e. data sets/ source data, eg. Patient data, Marketing lists, Census data, Use of software, Copywriting software, Computer programming software, CAD/ CAM design packages</p> <p>Travel and subsistence costs, eg. Rail travel, Accommodation</p> <p>Advertising/ publicity, eg. Webspaces, Article spaces i.e. magazines/ newspaper</p>

HESA acknowledges that contributions outside of the above stated list may be received and, where a value can be reasonably assigned, these should be included in the HE-BCI data.

However, we understand the value of contributions can often be bound purely to the context of the project or partnership, and therefore in some instances no economic value equivalent can be assigned.

Examples of this may include waste or refuge given for the purpose of scientific research, or freely-available intellectual property (IP) generated by the partnership. Where a HE provider cannot reasonably assign a monetary value equivalent to contributions received, they must omit these from the return. In doing so it is still acknowledged that there is a value to the collaborative partnership however this cannot be accurately captured and compared against contributions of other types.

Figure 4: comparison of 'Methodology' guidance

UKRI, OfS, HEFCW, SFC and DfENI have confirmed there is no requirement for all providers to use a single method for assigning economic values. Instead, they require that providers are confident in their chosen method, and that their valuations meet a threshold of accountability required for internal audit.

The suggested guidance aims to support providers who have previously under-reported contributions due to a lack of method in assigning values

<https://www.hesa.ac.uk/innovation/records/reviews/collection-major-review/consultations-data-experiments/phase-one-consultation>. The guidance is advisory and does not prohibit the use of alternative methods that may already be used.

The proposed guidance acknowledges that values may be assigned by the reporting HE provider, a consortium or HE providers or by partners external to an HE provider.

Where referenced in current guidance	Proposed guidance
No current guidance	<p>For the purposes of the HE-BCI data collection HE providers are to report an assigned economic value of contributions. Values may be determined by the reporting HE provider or gifting partner.</p> <p><i>Values assigned by the HE provider</i></p> <p>Whilst HESA do not stipulate a single methodology for assigning values, a suggested method may be the use of market equivalent costings or the consistent use of single unit values for repeated contribution types. For example, an HE provider may determine the economic value equivalent of staff time using a reasonable sector average hourly rate (unit) and multiplying this by the number of hours an individual has contributed to a project (frequency), i.e. hourly rate x number of hours.</p> <p>Example:</p> <p>Collaborative research project: Re-design of Typhoon blade</p> <p>Partners: Poppleton University (reporting HE provider) and Rolls Royce (RR) (external non-academic partner)</p> <p>Type: Use of containerised powder coating machinery</p> <p>Quantity: 1 piece of machinery</p> <p>Unit: 5 days</p> <p>Rate per unit: market value = £17,600 per day</p> <p>Total 'in-kind' value = £88,000</p> <p><i>Values provided by a 3rd party</i></p> <p>Providers may wish to submit values provided to them by partner organisations. If provided by an external partner, values must be confirmed in writing, for example as stated in letters of support or project agreements. Submitting providers should use best judgement to determine the reasonableness of assigned values and may wish to revisit values throughout the lifecycle of a project.</p>

Figure 5: comparison of 'Multi-partner projects' guidance

UKRI, OfS, HEFCW, SFC and DfENI have confirmed there is no requirement for all providers to use a single method for apportioning values between partner HE providers.

The proposed guidance preferences that one, single approach must be adopted by all providers within a consortium to avoid 'double-counting' of contributions to one single project. It acknowledges that providers may choose to operate their own stated agreement.

A consistent approach must be used to improve the accuracy and comparability of the data.

Consistency in the apportioning of contributions between providers will improve the reliability of the data and allow for more accurate comparability.

Where referenced in current guidance	Proposed guidance
<p>Where a consortium of providers are receiving a benefit from 'in-kind' contributions that are shared between multiple HE providers in the UK and overseas, it should be shared across all partners irrelevant of location so that the UK partners are showing a truer share.</p>	<p>Where there are several HE providers collaborating on a project it should be assumed that the reporting of contributions are equally split between reporting providers. This reduces the possibility of double-counting, duplication of data and reduces burden to providers.</p> <p>We acknowledge that HE providers within a consortium may agree to apportion contributions differently between themselves. For example, where there has been different levels of use of</p>

Where the 'in-kind' contributions cannot be attributed to a specific HE provider (for example where there are multiple HE providers) the costs should be apportioned, and care must be taken to avoid "double counting".

contributions between partners. If HE providers chose to apportion contributions in this way there must be clear evidence of this agreement. HE providers must ensure that there is no duplication of submitted values.

Example 1:

Collaborative research project: Re-design of Typhoon blade

Partners: University A (reporting HE provider), University B (reporting HE provider) and external non-academic partner

Type: Use of containerised powder coating machinery

Quantity: 1 piece of machinery

Unit: 5 days

Rate per unit: market value = £17,600 per day

Total 'in-kind' value = £88,000

Alternative reporting practice agreed: None

University A submission: £44,000

University B submission: £44,000

Example 2:

Collaborative research project: Re-design of Typhoon blade

Partners: University A (reporting HE provider) University B (reporting HE provider) and external non-academic partner

Type: Use of containerised powder coating machinery

Quantity: 1 piece of machinery

Unit: 5 days

Rate per unit: market value = £17,600 per day

Total 'in-kind' value = £88,000

Alternative reporting practice agreed: 30/ 70 split

University A submission: £26,000

University B submission: £61,600

Figure 6: comparison of 'Multi-year' projects

We refer to this method for reporting data as 'across-year'. By across-year we mean contributions are pro-rated across the lifespan of a project and values apportioned across collections.

Across-year reporting would allow providers to report contributions awarded throughout the project lifecycle and outside of those stated at the start of a collaboration, for example in letters of support.

Across year reporting would eliminate spikes in the data and provide a more consistent representation of contributions received by an HE PROVIDER throughout a project UKRI, OfS, HEFCW, SFC and DfENI have not stated a preference for how contributions to projects spanning multiple data collections are reported to HESA. However, they require a single method to be used by all providers to ensure consistency and comparability in the HE-BCI dataset.

Providers have stated the contributions received throughout a project are often different to those stated pre-award or at the point of initial contract

<https://www.hesa.ac.uk/innovation/records/reviews/collection-major-review/consultations-data-experiments/phase-one-consultation> . They have suggested that the ability to submit values throughout a project life-cycle could mitigate discrepancies in values and provide a more accurate reflection of the contributions they receive. HESA acknowledges that across-year reporting may be more burdensome than prospectively reporting all contributions at the start of a project. We consider this additional burden to be proportionate to the improvements in the reliability and consistency of the data by reporting in this way. We also believe that this shared approach can improve the confidence of HE providers when reporting 'in-kind' contributions and support a fairer comparison of values.

Where referenced in current guidance	Proposed guidance
Income attributable to the record year should be returned, i.e. the whole value of a multiple year grant should not be returned in the year it was awarded but apportioned over the years as required.	<p>Multi-year projects</p> <p>In-kind contributions to multi-year projects may be stated at the start of a collaboration such as in letters of support or collaboration agreements. They may also be awarded during the life cycle of a project and in addition to those stated at the start.</p> <p>Contributions not allocated to specific years of project</p>

Where contributions are not allocated to specific years of a multi-year project, providers should pro-rata in-kind contributions across all years of the project from the point at which they are known.

Example 1:

A provider is awarded a contribution valued at £150,000 and it is stated in the initial letter of support for a three-year project. The submitting HE provider should apportion the value across the remaining years of the project and return £50,000 per year.

Example 2:

A provider is awarded a contribution valued at £150,000 in year two of a three-year project. The submitting HE provider should apportion the value across the remaining years of the project and return £75,000 in years two and three.

Contributions allocated to specific years of a project

If a contribution is allocated to specific years of a multi-year project, providers must report these in line with their own financial accounting practices: either reported to specific years as allocated, or pro-rated across the project years. Where the HE provider financial year differs from the HESA reporting year, data should be returned as appropriate for the HESA year and in a way that avoids double counting.

Example 1:

A contribution of equipment valued at £150,000 is included in the initial letter of support for a three-year project. The equipment is specified to only be used in the second and third years of the project.

The submitting HE provider may choose to pro-rata the contribution as either £50,000 across the three years of the project or return a value of £75,000 in years two and three only.

Example 2:

A contribution of £150,000 is awarded in the second year of a three-year project. The equipment is specified to only be used in in the second year of the project.

The submitting HE provider may choose to return the contribution as either £75,000 in years two and three, or £150,000 in year two only.

Recording in this way allows for variances in contributions received between that stated from the start of a project (such as stated in letters of support) and those provided throughout the duration of a project.

Figure 7: comparison of 'Collecting and recording methodologies' guidance

The current guidance references three different thresholds of accountability. This is misleading and diminishes the reliability and trust in the data. UKRI, OfS, HEFCW, SFC and DfENI have requested that a single, refined statement of accountability is required to improve confidence in the data.

The current references to financial audit are concerning to providers and have historically led to the under-reporting of contributions. The proposed guidance mitigates these concerns and clearly states that values reported in the HE-BCI data collection will not be subject to financial audit.

The revisions provide clear guidance that providers must document and retain justification for the valuation of contributions. This aims to improve the quality of the data and promote confidence in the reporting of 'in-kind' contributions by providers and its users.

Where referenced in current guidance	Proposed guidance
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, within a contract or recorded within the management system, should be returned. (By formally recorded it is meant recorded in a way that is clear and transparent.)	For the purposes of the HE-BCI data collection providers are to report an assigned economic value of contributions. This value can be that stated by either the gifting partner or the HE provider; however, the HE provider must use best judgement to determine the reasonableness of assigned values.
Income should be returned in line with the audited/published financial statements.	There is no requirement for contributions to be stated in published accounts or financial records. Where providers consider that certain HE-BCI in kind contributions fall within the remit of these, they may be included. As such economic values stated in the HE-BCI data collection fall outside the remit of the statutory financial audit. However, as with any data return, they do fall within the remit of data and internal audit, and therefore providers must maintain documentation sufficient to support the assigned values and justify the methodologies used. This may be in the form of standard agreed protocols for treatment of common 'in-kind' contributions, or individual documentation supporting more complex or unusual 'in-kind' contributions.
...a contribution (which may be cash or 'in-kind' if specified in the collaborative agreement and auditable) from at least one external non-academic collaborator.	

4 Do you have any comments about our preferred Approach 1: Adopting revised guidance to support the return of in-kind contributions?

please provide more information

5 Is the revised 'Definition of in-kind contributions' clear and implementable?

(Required)

Please select only one item

- Yes
 No

If you answered 'No', please provide more information

6 Is the revised 'Types' guidance clear and supportive?

(Required)

Please select only one item

- Yes
 No

If you answered 'No', please provide more information

7 Are there any additional types of contributions that you feel should be given as an example?

Please provide more information

8 Is the suggested method for assigning values clear and implementable?

(Required)

Please select only one item

- Yes
 No

If you answered 'No', please provide more information

9 Is the revised guidance for assigning values to contributions made as part of a multi-partner project clear and implementable?

(Required)

Please select only one item

- Yes
 No

If you answered 'No', please provide more information

10 Is the revised guidance for assigning values to contributions made as part of a multi-year project clear and implementable?

(Required)

Please select only one item

- Yes
 No

If you answered 'No', please provide more information

11 Is the revised guidance outlining the required level of accountability clear and implementable?

(Required)

Please select only one item

Yes

No

If you answered 'No', please provide more information

12 Please provide your burden assessment summary score for 'Set up' for Approach 1

Please refer to the image below for guidance on how to provide your score.

SUMMARY ASSESSMENT – RUN

	0	1-3	4-7	8-10
Summary scores	No impact	Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.	Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.	Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

Text version:

0: No impact

1-3: Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.

4-7: Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.

8-10: Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

[Download the full burden assessment guide \(PDF\)](https://www.hesa.ac.uk/files/Burden%20Assessment%20Guide.pdf) <<https://www.hesa.ac.uk/files/Burden%20Assessment%20Guide.pdf>>

(Required)

0

1-3

4-7

8-10

Approach 1

Please select only one item

13 Please provide your burden assessment summary score for 'Run' for Approach 1

Please refer to the image below for guidance on how to provide your score.

SUMMARY ASSESSMENT – RUN

	0	1-3	4-7	8-10
Summary scores	No impact	Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.	Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.	Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

Text version:

0: No impact

1-3: Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.

4-7: Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.

8-10: Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

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(Required)	0	1-3	4-7	8-10
Approach 1 <i>Please select only one item</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Approach 2: continuation of existing guidance for the reporting of 'in-kind' contributions

This approach would be to continue using the published guidance for the reporting of 'in-kind' contributions in Table 1 of the HE-BCI data collection.

This is our least preferred approach.

We have discounted this approach as it does not facilitate the collection of data suitable to perform our regulatory functions. UKRI, OfS, SFC, HEFCW and DfENI have stated distrust in the current data on 'in-kind' contributions to collaborative research. Therefore, we must improve the support offered to providers when returning this data to improve the confidence of UK funding councils.

Advantages

There is a known level of burden associated with the current approach to reporting 'in-kind' contributions in the HE-BCI data collection.

Continuation of current guidance would not impose any additional burden.

Disadvantages

Continuing to use the published guidance would not improve the quality of 'in-kind' data. It would not help to satisfy the funding requirements of bodies across the UK's devolved nations for a more robust data set about non-monetary contributions to collaborative work.

There would still be concerns around the comparability of 'in-kind' data where it is known that providers are inconsistently assigning values to contributions.

A lack of improved guidance of how to assign values may result in the continued under-reporting of contributions in the data.

A lack of improved guidance on what types of contributions are eligible for submission may result in the continued under-reporting of contributions in the data.

A lack of clear guidance on how to apportion contributions shared between a consortium of HE providers may result in the double counting and duplication of values.

A lack of a clear reference to accountability may result in the continued under-reporting of contributions in the data.

A lack of improved data may prohibit an exploration of the use of 'in-kind' data in future funding allocations.

14 Is the current guidance for assigning values to contributions made as part of a multi-partner project (where referenced) clear and implementable?

(Required)

Please select only one item

- Yes
- No

15 Is the current guidance outlining the required level of accountability (where referenced) clear and implementable?

(Required)

Please select only one item

- Yes
- No

16 Does your organisation use an existing method to assign values to 'in-kind' contributions?

(Required)

Please select only one item

- Yes
- No

If you answered 'Yes', please provide more information

17 Do you have any comments about our discounted Approach 2: Continuation of existing guidance for the reporting of in-kind contributions?

Please provide more information, if applicable

18 Is the current definition of in-kind contributions (where referenced) clear and implementable?

(Required)

Please select only one item

- Yes
- No

19 Is the current 'Types' guidance (where referenced) clear and supportive?

(Required)

Please select only one item

- Yes
- No

20 Please provide your burden assessment summary score for 'Run' for Approach 2

Please refer to the image below for guidance on how to provide your score.

SUMMARY ASSESSMENT – RUN

	0	1-3	4-7	8-10
Summary scores	No impact	Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.	Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.	Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

Text version:

0: No impact

1-3: Business as usual (BAU). Operated through processes and systems. No discernible impact on current operating model.

4-7: Increased resources. Sustained opportunity cost. Complexity in planning. Requires specialist support.

8-10: Sustained increased resources required. Conflict with other business priorities. Cannot be systemised - lots of manual checking. Requires subject matter expert (SME).

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<i>(Required)</i>	0	1-3	4-7	8-10
Approach 2 <i>Please select only one item</i>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Further feedback

21 In your view, could the objectives of this consultation could be delivered more efficiently or effectively than proposed?

Please provide more information, if applicable

22 Are there aspects of the proposals you found unclear? If so, please specify which, and tell us why

Please provide more information, if applicable