

Annex 1.1b Supplementary TRAC guidance addressing issues arising from the impact of the coronavirus (COVID-19) pandemic

This annex contains additional TRAC requirements that have been developed to address the issues arising from the coronavirus (COVID-19) pandemic and impact on institutions' operating arrangements. It is intended to be a temporary annex that will be removed once business returns to normal. The contents of this annex are not optional and, along with the main TRAC guidance, must be followed in order to produce TRAC returns that are compliant with minimum TRAC requirements. **The annex was first introduced to support the 2019-20 TRAC submission cycle.** Any updates are indicated by **bold blue text**.

A set of frequently asked questions¹ has been published to offer guidance to institutions on how the issues arising from COVID-19 should be addressed in the TRAC process.

The items below are referenced to the current chapters of the TRAC guidance:

Chapter 2

2.1.4.1	Control environment: <ul style="list-style-type: none">A clear audit trail should be maintained of high-level adjustments made to the time allocation and technician survey data as a result of the impact on operational arrangements during the coronavirus (COVID-19) pandemic.
2.1.4.2	Reasonableness checking: <ul style="list-style-type: none">High-level adjustments made to the time allocation and technician survey data to reflect the activities that have been undertaken during the period affected by the coronavirus (COVID-19) pandemic must be reviewed and approved by the Head of Department (or equivalent) and evidence of this review retained. High-level adjustments should not be made to 'normalise' the time allocation and technician survey data such that it reflects the profile of activities undertaken in prior years.
2.1.4.3	Quality assurance: <ul style="list-style-type: none">The TRAC Oversight Group should receive details and agree the adjustments that have been made to the time allocation and technician survey data and any other aspects of the TRAC model as a result of the impact on operational arrangements during the coronavirus (COVID-19) pandemic.The TRAC Oversight Group should ensure that cost drivers have been appropriately updated, where required, to reflect changes in the consumption of cost by the different TRAC activities, e.g. additional costs

¹ www.trac.ac.uk/tracguidance/faq/

~~incurred in supporting teaching as a result of the impact of the coronavirus (COVID-19) pandemic.~~

- The TRAC Oversight Group should review and consider the rationale and appropriateness of the judgements made regarding the time allocation data where the minimum response rates have not been achieved.

2.1.5.14

High-level adjustments to TRAC data are acceptable provided an action plan is implemented to address data or system weaknesses. It is not expected that there will be more than one high-level adjustment per year or that the same adjustment is made in consecutive years. Action plans established to address areas of material non-compliance (as defined at annex 1.2a) for individual TRAC requirements should be made available to UKRI as follows.

Institutions should report the establishment of an action plan in their commentary document as part of the submission of the annual TRAC return. The commentary document should be uploaded to funders and UKRI via the OfS portal.

The action plan should be provided to UKRI and progress updates should be provided quarterly. Action plans should also be available for inspection by funders and auditors upon request.

Time allocation and technician survey data collected in prior years or collected in **2019-20 or 2020-21** may not reflect changes in the activities undertaken by academic and technician staff as a result of the impact on operational arrangements during the coronavirus (COVID-19) pandemic. Therefore high-level adjustments are a way of adjusting the time allocation and technician survey results to reflect the activities actually undertaken by academic and technician staff. To meet the requirement for adjusting the time allocation and technician survey data to reflect the impact that the coronavirus (COVID-19) pandemic has had on the activities undertaken by academic staff, the following is a suggested approach:

Contact Heads of Department to discuss the time allocation survey (TAS) and technician survey results for their area and understand the impacts that the coronavirus (COVID-19) pandemic has had on the activities being undertaken by their academic and technician staff. Such changes could include additional or reduced time spent on teaching activity, reduction or increases in the time spent on research **~~and/or some amounts of time not being utilised in the way it would normally on any activity.~~**

Adjust the time allocation data based on guidance from Heads of Department.

Seek review of the TAS results and technician survey data at academic department level by the TRAC Oversight Group and Senior Management Team to assess the reasonableness of the results.

Where academic staff, Technician or Research Assistants have been on furlough, this time should **~~not be reported under 'General Support' as previously advised in issues 1 and 2 of the 'frequently asked questions'. Time spent on furlough and any time related to working restrictions arising as a result of the~~**

	<p>coronavirus (COVID-19) pandemic should be allocated to the primary TRAC activities of Teaching, Research and Other as would have been the case had the coronavirus (COVID-19) pandemic not happened. The TRAC return for 2020-21 will require details to be reported in the COVID-19 supplementary tables of the cost of time spent on furlough (without adjustment for income received from the Government's job retention scheme) and any time related to working restrictions arising as a result of the coronavirus (COVID-19) pandemic contained within the TRAC categories to illustrate the impact of the coronavirus (COVID-19) pandemic.</p>
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Chapter 3

3.1.4.3	<p>Input data based on numbers-driven cost drivers (staff, students, etc.) should be updated each year. All other input data should be updated at least every three years (e.g. academic staff time, space usage, library usage). Where input data on numbers-driven cost drivers has not been refreshed in 2020-21, consideration should be given to the impact on operational arrangements during the coronavirus (COVID-19) pandemic and whether cost driver data should be updated. Estates drivers, however, do not require adjustment for the impact on operational arrangements during the coronavirus (COVID-19) pandemic.</p>
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TRAC requirements for staff data:		
3.1.4.12	<p>The academic staff FTE and headcount included in the TRAC model should be those that consume and therefore drive the costs. The FTE relating to staff on furlough should be included in the FTE totals. The allocation of academic staff FTE and headcount to TRAC activities should reflect any changes or high-level adjustments made to reflect the impact the coronavirus (COVID-19) pandemic has had on the activities undertaken in 2020-21.</p>	
3.1.4.13	<p>Adjustments should be made for long-term absence where material at academic department level. It is expected that sickness as a result of the coronavirus (COVID-19) pandemic should hopefully not be long term and therefore it will only be in exceptional circumstances that an adjustment may be necessary.</p>	*
3.1.4.18	<p>All academic staff not directly allocated to a single TRAC activity should be included in the time allocation process. For institutions claiming dispensation a robust method is not required, so Head of Department estimates can be used to allocate staff time between the TRAC categories (detailed in section 1.3).</p>	

	<p>Where an institution was due to collect time allocation data in 2020-21, but has been unable to do so, or has chosen not to due to the impact of the COVID-19 pandemic, the following steps should be taken:</p> <ul style="list-style-type: none"> a) The TRAC Oversight Group and Accountable Officer should have agreed that the time allocation/workload planning process will not operate in 2020-21. b) The likelihood of the time allocation data that is to be used for the 2020-21 TRAC return leading to a material issue in the submission should be considered/assessed. If necessary, a high level adjustment should be made to ensure the allocation of academic staff time is representative of the activities undertaken by academic staff. Consideration of the movement in reported time allocation results during previous cycles maybe a useful reference point to consider the likelihood of a material issue. c) The institution should note in its TRAC return for 2020-21 that it is not compliant with the relevant TRAC requirements for collecting time allocation/workload planning data. d) TRAC requirement 2.1.5.14 should be followed and an action plan formulated to ensure that time allocation/workload planning data is collected in 2021-22. The action plan should be provided to UKRI and progress reports given quarterly, or on another frequency as agreed with UKRI. 	
3.1.4.21	<p>Reasonableness of time allocation data should be ensured by a review of the results by the Head of Department (academic department). The Head of Department should specifically review any adjustments made to the time allocation data for the impact on operational arrangements during the coronavirus (COVID-19) pandemic, irrespective of the method of time allocation used.</p>	*
3.1.4.22	<p>Where time allocation data from one year are used as a proxy for the following year, there should be processes which identify material changes in academic departments. Assessments should be made of the impact of these changes on the allocations of time between activity categories. It is expected that data from prior years will require adjustment as a result of the impact the coronavirus (COVID-19) pandemic has had on the activities undertaken by academic staff.</p> <p>Where time allocation data is to be collected in 2020-21, time allocation instructions should be amended to require any under-utilised/ non-assigned time (i.e. staff time that is not able to be spent on previously planned or newly assigned teaching, research or other</p>	

	activity) to be separately identifiable. Ideally a new sub-category 'COVID-19 affected' category within Teaching, Research and Other.	
3.1.4.25	<p>Either through the primary collection of time allocation data, through a high-level adjustment, or both, institutions should ensure that the time allocation data reflects any changes to activities that academic staff have undertaken as a result of disruption caused by COVID-19.</p> <ul style="list-style-type: none"> • Where additional time has been spent on Teaching or Research (and vice-versa) an adjustment should be made between the TRAC categories to reflect that. • Where it has not been possible to undertake any activity, this time should be recorded and separately analysed under the TRAC activity categories in the TRAC return. • Where academic staff have been furloughed for a period of time, the time should not be adjusted away from Teaching, Research or Other, but should be separately reported under the relevant TRAC category(ies) in the TRAC return. 	
3.1.4.26a	<p>For in-year data collection:</p> <ul style="list-style-type: none"> • Where the minimum response rate for time allocation returns cannot be achieved, institutions should seek advice from a statistician to assess whether the results are statistically valid with a response level that is less than the stated requirements. If it is not statistically valid, the TRAC Oversight Group should assess the likelihood of the results being materially incorrect. Evidence of any statistical review should be retained for audit purposes. 	*
3.1.4.26b	<p>For statistical data collection:</p> <ul style="list-style-type: none"> • The collection should achieve acceptable levels of statistical accuracy; input from a statistician should be evidenced at the stage of designing the process, and in reviewing the levels of response and the results. This is particularly important where response rates may be lower due to disruption to operation arrangements due to the coronavirus (COVID-19) pandemic. 	*
3.1.4.26c	<p>For workload planning methods:</p> <ul style="list-style-type: none"> • Where the minimum response rate for time allocation returns cannot be achieved, institutions should seek advice from a statistician to assess whether the results are statistically valid with a response level that is less than the stated requirements. If it is not statistically valid, the TRAC Oversight Group should assess the likelihood of the results being materially incorrect. Evidence of any statistical review should be retained for audit purposes. 	*

TRAC requirement for technician data:		
3.1.4.27	<p>The cost of technician support is included in specific research charge-out rates.</p> <p>The indirect and estates cost pools should be excluded from the technician charge-out rates to avoid double-counting when used for cost-based funding.</p> <p>The portion of cost and related FTE of technician staff that has been supported by the Government's job retention scheme (furlough) and/or the UKRI or National Academies University Research Support package should remain in the laboratory technician charge-out rate calculation.</p>	

TRAC requirements for space data:		
3.1.4.28	<p>Estates data should:</p> <ul style="list-style-type: none"> • use the TRAC definitions of activities and not those in the Estates Management Record (EMR); • be attributed on the basis of proportional, not predominate, usage; • be categorised to one of at least four space types (which vary by cost); • use 'Net Internal Area' data in the TRAC model; • classify academic space between laboratory and non-laboratory space; • allocate academic offices to academic department and TRAC based on an assessment of how the space is used. <p>Institutions claiming dispensation do not need to allocate estates costs robustly in the TRAC model. Therefore the method above does not need to be followed to allocate estates costs: high-level estimates can be used.</p> <p>Estates data should not be updated to reflect that buildings may have been unutilised during the period affected by the coronavirus (COVID-19) pandemic.</p>	
3.1.4.28a	<p>Where the institution was due to refresh its estates usage data in 2020-21, in line with TRAC requirement 3.1.4.3, it should <u>not</u> do so.</p> <p>Use of the estates will have been disrupted in 2020-21 due to the COVID-19 pandemic. Therefore using any data gathered in 2020-21 will require further adjustment to be suitable for use in the 2021-22 and 2022-23 TRAC returns. This is not considered an effective use of staff resources and therefore TRAC requirements are adjusted <u>for 2020-21 only</u> to allow estates data to be updated after four, instead of three years.</p>	

	Institutions should use the estates data from the most recent space usage survey and adjust this for any new buildings that have come into use, and for any buildings that have been sold, disposed of, or demolished.	
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TRAC requirement for other cost drivers:		
3.1.4.29	Selection of cost drivers and any weightings for the allocation of higher cost support activities (e.g. Library, Learning resource centres and Information Technology) should be informed by the relevant director of these areas to ensure that the driver, or combination of drivers and weightings used, reflects the usage/consumption of those resources. The impact of COVID-19 on these services should be considered to ensure that the cost driver used reflects changes in the activities being supported e.g. increased IT effort to support teaching etc.	*

3.1.5.14	<p>All time allocation collection methods should:</p> <ul style="list-style-type: none"> • only reflect the staff member’s time that is managed by the institution, irrespective of any ‘standard’ or ‘contracted’ working week; • cover periods representative of 12 months; • follow TRAC activity definitions (section 1.3); • be completed by individual academic staff; • be collected from all academic staff to whose employment costs the activity split is to apply; • be representative of the grade mix for each academic department. <p>• achieve a minimum response/confirmation rate of:</p> <ul style="list-style-type: none"> — 75% for departments with a total population of less than 50 academic staff, or — 50% or returns from 38 academic staff, whichever is greater, for departments with a total population of 50 academic staff or more. <p>Depending on how the institution applies the TAS percentages in the TRAC model it may be necessary to weight these for staff FTEs. For example, if staff time is being grouped into bandings before being applied to costs, then the percentages of time should be weighted by FTEs. If relevant, this step is important as it could otherwise lead to an overstatement of time to the TRAC categories.</p> <p>Where an institution does not meet the minimum response/confirmation rates above for time allocation or workload planning schedules, the following actions could be taken:</p>	
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	<ul style="list-style-type: none"> • A statistician should be asked to review the statistical validity for the time allocation data obtained. If the responses received are agreed to be statistically robust, evidence should be obtained of this review and no further action is needed; • If the outcome of the statistician’s review is that results of the time allocation survey are <u>not</u> statistically robust, management should assess how much the results would need to change for any of the TAS data to be materially incorrect, as defined by annex 1.2a. Management should then assess the TAS results over the last three years and consider the likelihood of such a difference arising. If the difference is possible, management should consider making a high-level adjustment, albeit remembering that the impact of the coronavirus (COVID-19) pandemic could mean that the TAS data are different in 2020-21. The institution should then disclose in their TRAC submission that the TRAC requirement for response rates has not been achieved, but state the steps taken to enable the results returned to be representative of the institution’s activities for the year.
3.1.5.14a	<p>3.1.4.25 requires that adjustments are made to the time allocation data, where relevant, to enable changes in the profile of the activities undertaken by academic and technician staff during the period affected by the coronavirus (COVID-19) pandemic to be reflected in TRAC. This should be reflected in TRAC by:</p> <ul style="list-style-type: none"> • Using a high-level adjustment, or TAS where collected in 2020-21, to record changes between Teaching, Research and Other activities; and • Using a high-level adjustment or pre-existing TAS data to record the time of academic staff to enable time related to furlough or for time that it has not been possible to utilise as would normally be the case, to be reported under Teaching, Research and Other. This is necessary to enable additional analysis in the COVID-19 supplementary tables within the TRAC return to establish any impacts that COVID-19 has had on the TRAC data. <p>Further suggestions are given below for how the second of these adjustments could be achieved:</p> <ul style="list-style-type: none"> • To establish whether any academic staff have been placed on furlough, engage with the central finance team as they should hold details of any staff for which this has happened. The time allocation or workload planning data for these staff will be known and a pro-rata calculation can be made for the period of time on furlough to estimate the proportion of time and costs that is allocated to the TRAC categories, but which will need to be separately analysed in the TRAC return. • Consultation should be undertaken with Heads of Department to established estimates of any time that has not been used as it

~~normally would due to implications arising from the coronavirus (COVID-19) pandemic. This information should identify the proportion of this time that related to Teaching, Research and Other to enable the additional analysis in the TRAC return to be completed.~~

Technician survey data

3.1.5.18	<p>Section 4.2 provides guidance on the calculation of Research charge-out rates, one of which is the charge-out rate for laboratory technicians. The costs of Laboratory Technicians should be identified separately within the TRAC model and should be Directly Incurred (DI) or Directly Allocated (DA) (see 4.2.5.7).</p> <p>Attribution to TRAC activities is determined:</p> <ul style="list-style-type: none">• by timesheets for technicians being directly incurred (DI) on grants and contracts; or• on the basis of a technician activity survey (DA). <p>Where the technician activity survey was due to be undertaken in 2020-21 but is incomplete due to disruption by the coronavirus (COVID-19) pandemic, or where technician survey data is being used from previous years, the data should be discussed with relevant Heads of Department. Where necessary a high-level adjustment should be made to the technician survey data collected to ensure it reflects any changes in the activities being supported. Institutions should ensure that the survey data reflects any changes to activities that technician staff have undertaken as a result of disruption caused by the coronavirus (COVID-19) pandemic (e.g. more time supporting Teaching and less on Research for the period affected by the coronavirus (COVID-19) pandemic).</p> <p>Where it has not been possible to undertake any activity or where technician staff have been furloughed for a period of time, this time should remain allocated to the TRAC activity to which it would normally be allocated. The TRAC return for 2020-21 will require [additional] reporting of information on the proportion of time allocated to the TRAC category for technician staff that were unable to work or had been on furlough for all or part of the period affected by the coronavirus (COVID-19) pandemic. This information should be obtained through engagement with the Heads of Department and central finance and an audit trail maintained.</p>
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3.3.5.2	<p>Where material and possible to do so, the following cost types should be attributed directly to academic departments and then to Research:</p> <ul style="list-style-type: none">• directly incurred costs on research grants and contracts, including dedicated technicians and support staff;• depreciation of equipment funded from a research grant;
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	<ul style="list-style-type: none"> • payments to research students such as bursaries, maintenance, stipends and scholarships; • academic and departmental staff wholly (or mainly²) working on research, including research associates and fellows; • clinical services which have been undertaken where the primary purpose is research (see 3.3.5.8 for further guidance); • trading companies where research activity is being carried out; • tax charges on research activity (including charges relating to Research and Development Expenditure Credits, for example). <p>Where staff have been furloughed via the Government's job retention scheme and/or funded by the UKRI University Research Support package, the cost and FTE should remain allocated to the TRAC activity, as would be the case in a normal year.</p> <p>The TRAC return for 2020-21 will require analysis of the proportion of time and/or costs allocated to the TRAC category for activities and services where staff could not be undertaken/delivered and staff that were unable to work or staff had been on furlough for all or part of the period affected by the coronavirus (COVID-19) pandemic. This information should be obtained through engagement with Heads of Department, Heads of Service and central finance and an audit trail maintained.</p>
3.3.5.3	<p>Where material and possible to do so, the following cost types should be attributed directly to academic departments and then to Teaching:</p> <ul style="list-style-type: none"> • payments to students such as bursaries, maintenance, stipends and scholarships; • academic and departmental staff wholly (or mainly) working on teaching, including visiting lecturers; • clinical services which have been undertaken where the primary purpose is teaching (see 3.3.5.8 for further guidance); • trading companies where teaching activity³ has been carried out; • tax charges on teaching activity (including overseas taxes relating to teaching activity overseas). <p>Where staff have been furloughed via the Government's job retention scheme, the cost and FTE should remain allocated to the TRAC activity, as would be the case in a normal year.</p> <p>The TRAC return for 2020-21 will require analysis in the COVID-19 supplementary tables of the proportion of time and/or costs allocated to the</p>

² Materially (as defined at annex 1.1a) dedicated to research activity.

³ Trading activities in commercial companies and spin-outs (subsidiaries) where teaching is being delivered.

	<p>TRAC category for activities and services where staff that could not be undertaken/delivered and staff that were unable to work or had been on furlough for all or part of the period affected by the coronavirus (COVID-19) pandemic. This information should be obtained through engagement with Heads of Department, Heads of Service and central finance and an audit trail maintained.</p> <p>Where additional clinical resource has been provided to the NHS during the period affected by the coronavirus (COVID-19) pandemic, less time may be allocated for clinical services in teaching, but more to Research or Other (income-generating activity).</p>
3.3.5.4	<p>Where material and possible to do so, the following cost types should be attributed directly to academic departments and then to Other (income-generating activity)⁴:</p> <ul style="list-style-type: none"> • directly incurred costs in consultancy contracts that do not meet the definition of Research, including dedicated technicians and central or academic departmental staff; • depreciation of equipment funded for non-research purposes from consultancy contracts; • academic and departmental staff wholly (or mainly) working on commercial activity; • trading companies where commercial activity has been carried out; • service concession arrangements for residences; • tax charges related to commercial activity. <p>Catering facilities (where operated for commercial purposes), conferences and residences costs should be allocated directly to Other (income-generating activity), or through academic and central departments first if preferred.</p> <p>Where staff have been furloughed via the Government’s job retention scheme, the cost and FTE should remain allocated to the TRAC activity, as would be the case in a normal year.</p> <p>The TRAC return for 2020-21 will require analysis in the COVID-19 supplementary tables of the proportion of time and/or costs allocated to the TRAC category for activities and services where staff that could not be undertaken/delivered and staff that were unable to work or had been on furlough for all or part of the period affected by the coronavirus (COVID-19) pandemic. This information should be obtained through engagement with Heads of Department, Heads of Service and central finance and an audit trail maintained. The central finance/payroll team will have details of staff furloughed.</p>

⁴ Costs recorded as Other Services Rendered in the published financial statements/HESA, or activities that generate, or could potentially generate, income, but are not teaching or research.

3.5.5.9b	Income received through the UKRI or National Academies University Research Support Package should be allocated to the Research Council sponsor category.
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3.5.5.19a	Where relevant, income received from the Government's Job Retention Scheme (furlough) should be allocated to the same TRAC activities as the expenditure has been allocated for the staff to which these payments relate.
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Chapter 4

4.2.4.1	<p>The denominator of the Research indirect cost charge-out rate comprises:</p> <ul style="list-style-type: none"> • academic time (FTE) attributable to research (not weighted for salaries); • postgraduate researchers (FTE) (weighted by 0.2); • research assistants and fellows (FTE); • temporary research staff FTE; • visiting research academics FTE; and • clinicians FTE (where material and appropriate to be included). <p>The research FTE used in the calculation of the charge-out rates should be updated for any changes or high-level adjustments made to the time allocation data as a result of the profile of activities changing due the impact on operational arrangements during the coronavirus (COVID-19) pandemic. It should not be adjusted for staff placed on furlough. or time that could not be used to undertake activities due to the impact on operational arrangements during the coronavirus (COVID-19) pandemic.</p>
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4.2.5.1	<p>A single indirect cost rate is calculated each year for research activity as a rate per research academic staff FTE (detailed below).</p> <p>The Annual TRAC return template (annex 4.1a) sets out the calculation of the indirect cost rate for research. The research academic FTE is determined by:</p> <ul style="list-style-type: none"> • taking the Research time allocation percentage (excluding Support to Research), unweighted for salaries, and multiplying this by the academic staff FTE to provide an academic staff FTE for research; • plus the FTE of any research assistants and fellows; • plus the FTE of temporary research staff; • plus the FTE of visiting research academics; • plus the FTE of clinicians (where material and appropriate to be included); • plus the weighted postgraduate research FTE. <p>The FTE should not be adjusted for staff that have been furloughed for any part of the period affected by the coronavirus (COVID-19) pandemic or have been unable</p>
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	<p>to undertake the activities that they normally would during that time. This is to avoid charge-out rates being applied in future periods that may not reflect the situation experienced in 2020-21.</p>
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TRAC requirements for the Research facilities and equipment charge-out rates:

4.2.4.2	<p>Auditable utilisation records covering all activities undertaken should be maintained (at least quarterly) by facility and equipment managers to inform robust rate calculations. Research facilities and equipment without auditable utilisation records should not be recorded as Directly Incurred to research projects.</p>
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~~Utilisation levels for TRAC Research Facilities should not be adjusted where facilities have been less utilised during the period affected by the coronavirus (COVID-19) pandemic.~~