TRAC DEVELOPMENT GROUP
Supporting and understanding financial sustainability

BULLETIN

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Welcome from the Co-Chairs of TRAC Development Group (TDG)

Dear Colleagues

Welcome to the latest edition of the TDG Bulletin. Thankfully the temperatures seemed to have dropped for us, just in time for the busy autumn period which sees us welcoming new and existing students back to campus.

Hopefully, most of you managed to find some time to relax during the summer and come back refreshed. With the pilot work on teaching costing and the continuous scrutiny of higher education sustainability, TRAC becomes more important in providing reliable information. We appreciate the work you are all doing to maintain the quality and robustness of TRAC data, and we continue to look for ways to support institutions in managing the process. Against a challenging backdrop for the sector, we are particularly grateful to colleagues who have supported the teaching cost collection pilot, further details of which are included in this bulletin.

The updated TRAC guidance for academic year 2025-26 has recently been published, so in this bulletin we focus on the key changes, which you'll be glad to learn are few in number.

We provide an update on the TRAC Conference, which is less than a month away – places are still available! Usual updates regarding TRAC Regional Groups are provided at the end.

We look forward to seeing many of you at the TRAC Conference, but until then, we hope the bulletin provides useful updates for you.

Kind regards

Professor Deborah Johnston, Vice-Chancellor, University of Bedfordshire

Professor Karl Dayson, Provost and Deputy Vice-Chancellor (Academic), University of Lincoln

Sarah Randall-Paley, Chief Financial Officer, Lancaster University

Co-Chairs of the TRAC Development Group

TRAC guidance for 2025-26

The TRAC guidance for 2025-26 was published on 25 August 2026.

This year there are no major changes to the guidance. There are a number of clarifications to assist institutions with completing the TRAC return in accordance with TRAC requirements. The key changes are summarised below:

Equivalent or Lower-level Qualifications (ELQs) – This applies only to institutions in England. ELQ students can either be Publicly Funded or Non-Publicly Funded depending on the subject they are studying.[1] Changes to the HESA student data return means that the data field used historically to separately identify ELQ students is being made optional and then removed. As this data has been used by TRAC practitioners to allocate ELQ students under the correct TRAC heading (i.e. Publicly Funded Teaching or Non-Publicly Funded Teaching), advice has been sought on an alternative method for identifying these students. For ELQs that should be classed as Non-Publicly Funded in TRAC, the FUNDINGBODY field attributed to these students in the HESA student return should be blank. Those students on courses such as Medicine, Dentistry and Social Work who are eligible to be funded, and therefore attributed to Publicly-Funded Teaching, will have an entry under the FUNDINGBODY field.

Definition of Other (income-generating) activity – This has been enhanced to aid the completion of Tables 3c and 6 of the TRAC template. The guidance now states which activities fall under the heading of Other (income-generating activity) and which fall under the sub-sets of Other (academic department) and Other (standalone enterprises).

When to use the new research charge-out rates – Clarity has been provided at section 4.2.5.15 about which dates to start using the new research charge-out rates.

- For all institutions this is 1 February unless the submission deadline has been extended, or a later submission date has been agreed by exception.
- If the deadline has been extended, then the charge-out rates come into effect from the date the Accountable Officer signs off the TRAC return. (The definition of the Accountable Officer can be found at section 1.2.3.1 of the guidance.)

Reminder on the requirements for academic staff time allocation – Deadline 31 July 2028 – The TRAC guidance issued for academic year 2024-25 introduced changes in relation to the collection of data for academic staff time (TAS). These changes included:

- For institutions using the in-year retrospective method for TAS and collecting data via three in-year returns per academic member of staff **once every three years** (i.e. from all staff in a single year), this method was removed as being a compliant method for TRAC.
- For institutions using the in-year retrospective method for TAS and collecting data over a three-year cycle (i.e. each member of staff completes at least three in-year returns, once every three years), data should be collected from a selection of academic departments to ensure that the academic make-up of the institution is represented in each year of the collection.

[1] See https://www.practitioners.slc.co.uk/media/1938/nhs-2223-guidance-10.pdf

- For institutions using the statistical method for TAS (TAS data collections starting 1 August 2025 onwards), the TRAC return will require the reporting of the confidence interval and required response rate determined by the statistician prior to collection, and the response rate and corresponding confidence interval achieved.

At the roadshows, regional group meetings and technical session held last year, it was emphasised that for institutions following the in-year retrospective method for TAS, the latest date for a new three-year collection to be complete is 31 July 2028. This has been explicitly stated in the guidance at section 3.1.4.26a.

Margin for Sustainability and Investment (MSI) – Following last year's changes to the guidance in relation to MSI, insights gained from the issues encountered or errors made by institutions have been used to enhance the guidance to assist in the calculation of the MSI for student residences.

- **Definitions of residence types** have been provided in 3.2.4.1 of the main guidance (and will be included in an updated version of the MSI annex (3.2a) when released) to assist in determining the financial relationship between an institution and the residences used by its students.

- **Allocation of MSI between indirect and estates cost pools** – A further example has been added to 3.2.5.5 as changes to Table 6 highlighted that this was an issue for some institutions.

- **What could go wrong** – New pointers have been added in relation to calculating MSI for student residences to help institutions identify whether TRAC requirements have been applied correctly.

OfS Annual Finance Return validation – Institutions in England are provided with an additional tab in their TRAC template 'AFR data'. This tab needs to be completed using data from their Annual Finance Return (AFR) submitted. This enables a number of automated checks within the template that may generate validation errors. These need to be resolved prior to uploading the template via the OfS portal. If the AFR tab is not populated, there is a greater likelihood of post-submission queries from the OfS.

Academic department charge-out rates – The TRAC guidance has been enhanced around the sign-off process and the use of academic department charge-out rates (where applicable). Some institutions choose to calculate separate indirect, estates and technician rates for each of their academic departments. The guidance has been updated to ensure that these rates, if calculated, are subject to the same scrutiny as the indirect, estates and technician rates for the whole institution and that the calculation follows the same methodology. It is **not** a requirement for institutions to have to calculate charge-out rates for each academic department.

Sign-off on the TRAC return – With the introduction of the new OfS portal last year for the submission of the TRAC return, the Accountable Officer can no longer sign off the TRAC return physically; a 'sign-off' sheet is no longer generated by the portal once the return has been uploaded without any errors. Instead, the Accountable Officer is required to log on to the portal to approve the return and then press the button to submit the return. Although the instructions provided last year detail this, this has been stated more prominently in the TRAC guidance.

Update on the TDG's teaching cost collection pilot

As mentioned in the previous edition of the bulletin, the TDG has been undertaking a project to develop and pilot a proof of concept for a teaching cost collection based on TRAC.

17 institutions, from across all TRAC peer groups, provided data for the pilot and have attended roundtable discussions to provide feedback on the process and agree how the process should be further developed.

The TDG will now consider the outcomes from the pilot and make recommendations to the Regulators and Funders Group about the next steps to take. Further details will be communicated in the next TDG bulletin.

TRAC Conference 2026

The TRAC Conference will be held on the afternoon of Tuesday 22 September and the morning of Wednesday 23 September. It will once again be held online using Ring Central software.

Keynote speaker

We are pleased to announce that the keynote speaker this year will be Paul Kett, Vice Chancellor at London South Bank University. Paul was previously Director General at the Department for Education (DfE) between 2016 and 2022 and was a Senior Adviser and Global Director, Education and Skills at PwC.

We also hope to hear from the DfE on the costing study that they commissioned to understand the cost of undergraduate subjects. This is dependent on the publication of their report.

Format

The conference programme will contain a mixture of plenary sessions and breakouts. We hope that the sessions we provide will be of interest to all practitioners, however much or little experience they have of TRAC. Breakout sessions will be provided on:

- Strategic use of TRAC
- Common TRAC problems and how to avoid them
- Internal audit of TRAC – what to expect and how to prepare
- Use of Copilot within the TRAC process.

This is a CPD Certified event.

New to TRAC?

There will be a separate session held on Wednesday 16 September for those who are new to TRAC and looking to familiarise themselves with the terminology and principles of TRAC prior to attending the conference. The session will run from 10am to approximately 12.30pm and can be booked when booking onto the TRAC conference using the link provided below.

This does not replace the 'Introduction to TRAC' course which is an in-depth course provided separately by BUFDG.[2]

Booking

The cost per person is £95 plus VAT. The conference booking is through the events page on the BUFDG website – this is now live at the following link:
www.bufdg.ac.uk/eventbooking/view?id=8469

TRAC regional group meetings

Across the UK, TRAC regional groups meet to provide a forum for sharing knowledge and disseminating information on TRAC-related issues.

On the whole, these are based on geographic location, but two are based on areas of interest. These relate to:

- those institutions that claim dispensation, and
- the five most research-intensive institutions.

These groups are particularly useful for anyone new to TRAC, so if you are not already part of a group and would like to find out how to join, please contact the chair of the relevant group and join in the conversation.

The next meetings typically take place following the conference. The Regional Group chairs will get in touch to notify you of the meeting dates as they get finalised. So far, details have been agreed for the following group:

North East group	7 October	Hybrid from KPMG Leeds

For details of how to join your relevant group and enquire about dates, the regional chairs will be happy to hear from you. Details of the chairs can be found on the TRAC website:
www.trac.ac.uk/contact/community/

[2] See www.bufdg.ac.uk/Resources/Documents/Content?g=3d3dad61-5ebe-44f8-bdcc-490a2cf94527.

TRAC Helpdesk

A reminder that the TRAC Helpdesk is here to help with your queries about TRAC.

Please ensure you provide us with an up-to-date email address for any new members of your team. We can be contacted at:

- Telephone: 0115 935 3400
- Email: trachelpdesk@kpmg.co.uk