



TRAC Update: November 2024

Outcome requested:	ARC is invited to note the summary of the 2022/23 TRAC benchmarking report and any issues raised by the TRAC Oversight Group relating to the benchmarking, and to approve the proposed TRAC process for the 2023/24 return.
Executive Summary:	<p>TRAC 2022/23 Benchmarking The annual TRAC benchmarking report was released in July 2024 and was reviewed by the TRAC Oversight Group when it met in August 2024. The Group discussed the university’s position relative to Peer Group A and a number of areas were identified for further analysis, though there were no material issues raised. The key benchmarking charts produced by the Office for Students are included as Annex A to this report.</p> <p>TRAC 2023/24 The TRAC guidance for the 2023/24 return was published in August 2024 and was reviewed by members of the Finance Team. The annual sector TRAC conference which provides further guidance and clarification on the process and any changes in the guidance was held across the 24th and 25th September and was attended by members of the Finance team. Whilst there are no material changes in the guidance for the 2023/24 return, the changes to the guidance and any resulting changes to our processes were reviewed at the October 2024 meeting of the TRACOG.</p> <p>Governance The TRAC Oversight Group met in November 2023, January 2024 and August 2024, completing its first full annual cycle since its relaunch, and met again in October 2024 at the beginning of the 2023/24 TRAC cycle to review changes to the guidance and approve any changes in the university’s methodology.</p>
QMUL Strategy: strategic aim reference and sub-strategies [e.g., SA1.1]	Financial sustainability
Internal/External regulatory/statutory reference points:	OfS and Research England regulatory requirements
Strategic Risks:	KPI 12 – Cash generation
Equality Impact Assessment:	Not applicable
Subject to prior and onward consideration by:	FIC, ARC
Confidential paper under FOIA/DPA YES/NO	No
Timing:	Annual
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Senior Sponsor	Management/External Karen Kröger, Chief Financial Officer

TRAC Benchmarking 2022/23

The TRAC 2022/23 benchmarking report was reviewed by the TRACOG in August 2024. The recovery of full economic costs is summarised in the table below:

(A) Recovery of full economic costs on main activities													
	Institution	UK sector			Group A	Group B	Group C	Group D	Group E			Group F	
		All institutions	Not applying dispensation	Applying dispensation					All institutions	Not applying dispensation	Applying dispensation		
Recovery of full economic costs on:	Number of institutions		150	101	49	32	22	20	14	42	11	31	20
Publicly funded teaching (%)	Average	86.7	90.1	89.7	92.6	86.8	88.3	93.3	92.1	93.2	92.3	93.7	86.0
	1st quartile		84.6	84.5	84.7	84.0	84.5	90.7	80.2	88.3	83.5	88.3	79.4
	Median		91.1	91.4	90.5	90.0	88.7	95.4	85.7	91.8	93.5	91.2	86.9
	3rd quartile		96.8	96.9	95.6	95.3	94.0	97.9	96.9	96.8	102.3	96.8	92.8
Non-publicly funded teaching (%)	Average	200.7	144.6	147.7	107.0	175.1	145.3	114.8	118.3	109.9	112.6	106.5	108.8
	1st quartile		104.5	110.3	95.6	141.8	117.1	103.9	104.4	99.9	101.2	93.2	101.4
	Median		121.7	129.0	108.5	166.0	141.9	117.7	117.1	109.2	121.9	105.8	117.5
	3rd quartile		148.3	161.3	121.9	192.0	163.7	128.8	122.2	122.2	148.0	121.2	129.6
Research (%)	Average	63.5	69.3	69.4	54.5	73.5	62.8	51.5	42.8	46.2	44.0	49.2	68.8
	1st quartile		45.3	47.9	32.8	64.5	61.1	47.0	38.7	28.8	39.9	23.8	53.6
	Median		60.6	61.9	54.3	71.6	64.0	52.5	44.6	44.1	45.3	42.8	68.0
	3rd quartile		71.4	71.4	81.8	75.9	67.5	58.6	46.8	64.5	75.8	62.7	91.7
Other (Income generating activity) (%)	Average	129.0	98.1	99.3	81.7	101.1	105.8	85.6	82.6	82.5	88.2	80.0	95.7
	1st quartile		82.3	82.9	76.2	87.9	88.6	81.6	65.9	75.5	73.1	75.5	75.6
	Median		92.3	95.1	88.9	102.2	102.4	90.3	83.3	86.8	92.2	85.8	97.5
	3rd quartile		110.3	110.3	105.4	112.7	114.2	101.1	104.8	106.1	108.9	105.4	117.2
Other (Non-commercial activity) (%)	Average	409.1	This data has not been included in the analysis. Please see 'Notes regarding the data provided' on the 'Notes' tab for further information.										
	1st quartile												
	Median												
	3rd quartile												
Total (%)	Average	99.0	94.0	94.0	93.9	95.2	92.8	92.0	91.4	93.6	93.1	93.9	94.5
	1st quartile		90.2	90.6	89.6	92.8	89.4	90.7	89.8	89.5	91.2	88.9	92.3
	Median		93.1	93.1	93.0	94.2	92.6	92.7	90.4	92.6	94.0	92.3	94.4
	3rd quartile		95.4	95.3	95.8	97.0	95.7	95.3	93.0	94.8	94.4	95.0	97.5

The review noted that QMUL's performance compared to our peers continues to show lower recovery of full economic costs on research. This has resulted in further work between Finance and the Research Management Office which has not, to date, identified any errors or misstatements in the figures. Detailed work continues, down to individual grant level, to help understand the drivers of this below average recovery rate which in aggregate is driven partly by our mix of research, with a significant proportion funded by charities, and lower than benchmark recovery on industry grants in particular.

The Indirect and Estates rates that are generated by the TRAC process, and used to cost grant proposals, are also benchmarked. These are summarised in Figure 4 in the Appendix to this report which shows that our Indirect Rate and Estates-Lab rates are both in line with benchmark, whilst our Estates-Non Lab rate continues to be lower than benchmark. A comprehensive exercise was undertaken to test an alternative methodology for allocating estates costs which had been shared at a TRAC conference. The alternative methodology did not produce materially different results to the current approach.

TRAC 2023/24

The guidance for the 2023/24 TRAC return was published in August 2024/25 and has been reviewed by the Finance Team. There are no material changes to the guidance which is summarised in Appendix A.

The 2023/24 return will be completed using the same methodology and tools as previous returns with the only notable exceptions being the use of new time allocation survey results for all faculties, including the Faculty of Medicine and Dentistry who previously used a workload allocation method.

The TRACOG is responsible for approving the return prior to approval and sign-off by the accountable officer. The assurance process to enable TRACOG to approve the 2022/23 return will be as follows:

August 2024

1. Review 2022/23 benchmarking and identify areas for review.

October 2024

1. Receive the TRAC Development Group change log for the 2023/24 return and agree any interpretation of the guidance where there is institutional discretion.
2. Review proposed 2023/24 cost allocation driver and methodology and identify any that require refinement or review.

January 2025

1. Receive a report on the results of any review into the benchmarking results.
2. Receive a report on any changes or updates to cost allocation drivers and/or methodologies.
3. Receive a self-assessment report into compliance with the latest guidance.
4. Receive the draft 2023/24 TRAC return.
5. Approve the return, and confirm to the Accountable Officer that the return can be submitted

Governance

The TRACOG has met in line with the TRAC governance process approved in 2023. The meetings have been well attended and have produced constructive challenge and debate which has driven further review and analysis of underlying data and drivers in the TRAC return.

Annex A 2023/23 Benchmarking Annual TRAC 2022-23: Benchmarking analysis

Queen Mary University of London (UKPRN: 10007775)

Peer group: A

Dispensation status: Not applying dispensation

Note: For Figures 1, 2 and 3, the peer group comparators are inclusive of the entire peer group. For Figures 4 and 5, the peer group comparators represent only those institutions who do not apply dispensation.

Figure 1: TRAC full economic costs on main activities as a % of total costs

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Publicly funded teaching	30.3	20.9	21.3	24.6	31.3
Non-publicly funded teaching	16.0	12.2	9.7	12.4	16.2
Research	45.9	47.5	40.7	45.0	48.7
Other (income generating activity)	7.2	17.9	10.7	13.0	16.9
Other (non-commercial activity)	0.5	1.5	0.1	0.4	1.4

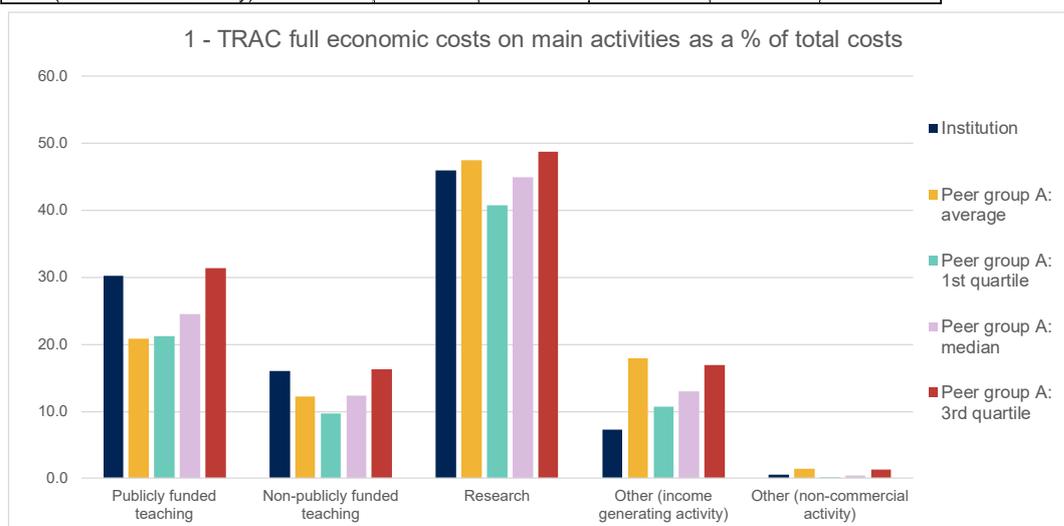


Figure 2: Recovery of full economic costs on main activities (%)

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Publicly funded teaching	86.7	86.8	84.0	90.0	95.3
Non-publicly funded teaching	200.7	175.1	141.8	166.0	192.0
Research	63.5	73.5	64.5	71.6	75.9
Other (income generating activity)	129.0	101.1	87.9	102.2	112.7
Total	99.0	95.2	92.8	94.2	97.0

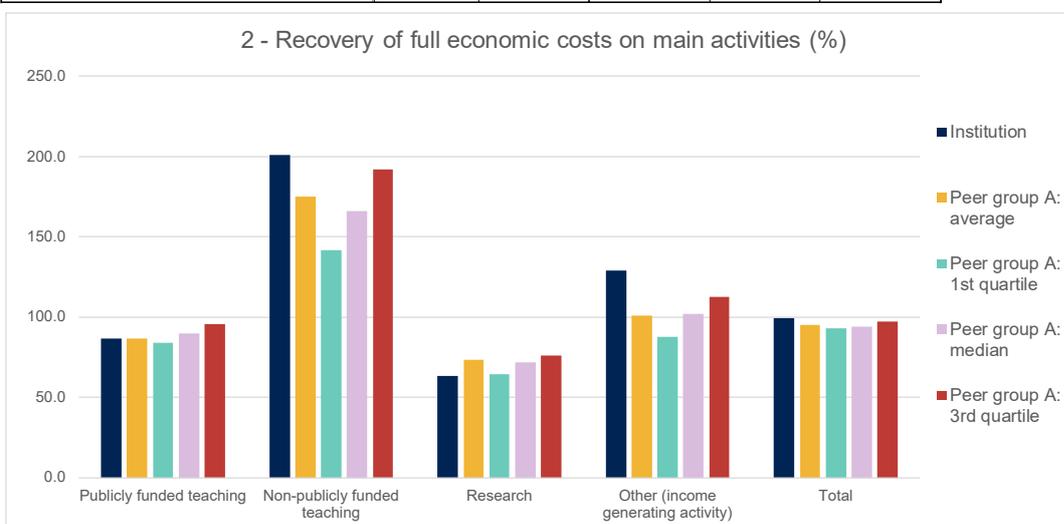


Figure 3: Recovery of full economic costs by research sponsor type (%)

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Institution-own-funded research	9.9	22.2	7.6	11.5	26.3
Postgraduate research	21.5	49.0	35.1	44.3	52.3
Research councils	76.6	70.4	64.0	71.3	76.1
Other government departments	66.7	79.7	67.3	74.5	84.3
European union	58.3	62.6	54.2	60.8	66.5
UK charities	54.9	59.0	48.2	55.4	58.9
Industry	71.7	79.1	63.5	70.4	81.5

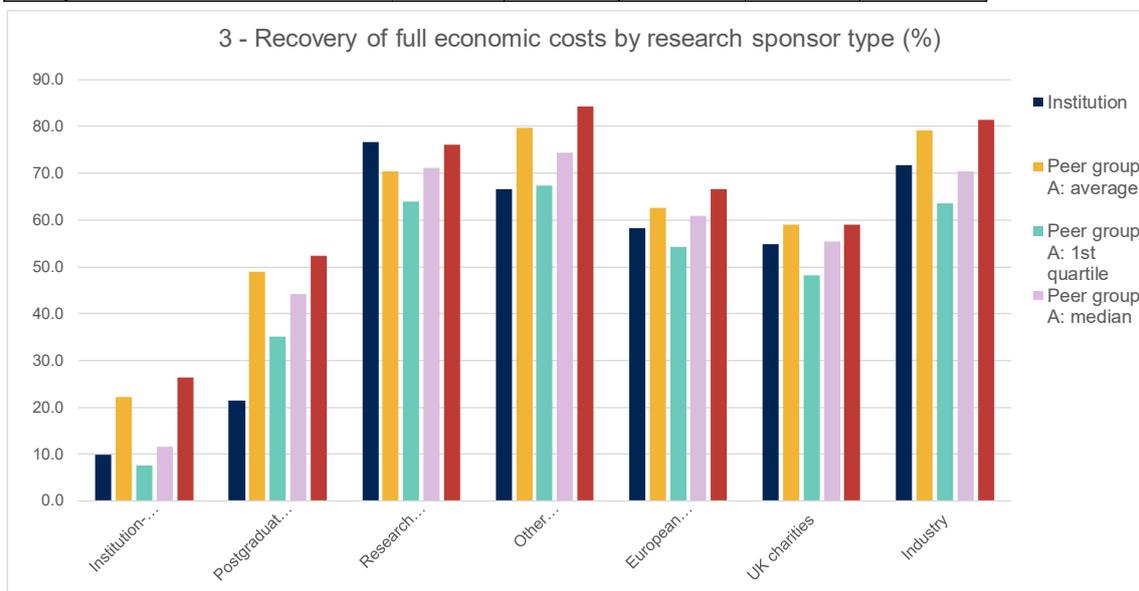


Figure 4: 2022-23 Indexed research indirect cost and estates cost charge-out rates (£ per FTE)

Providers applying dispensation do not complete this section.

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Indirect	67,734	67,289	57,658	63,351	68,203
Estates non-laboratory	7,838	11,022	8,108	10,636	13,336
Estates laboratory	21,341	21,855	18,484	20,617	23,937

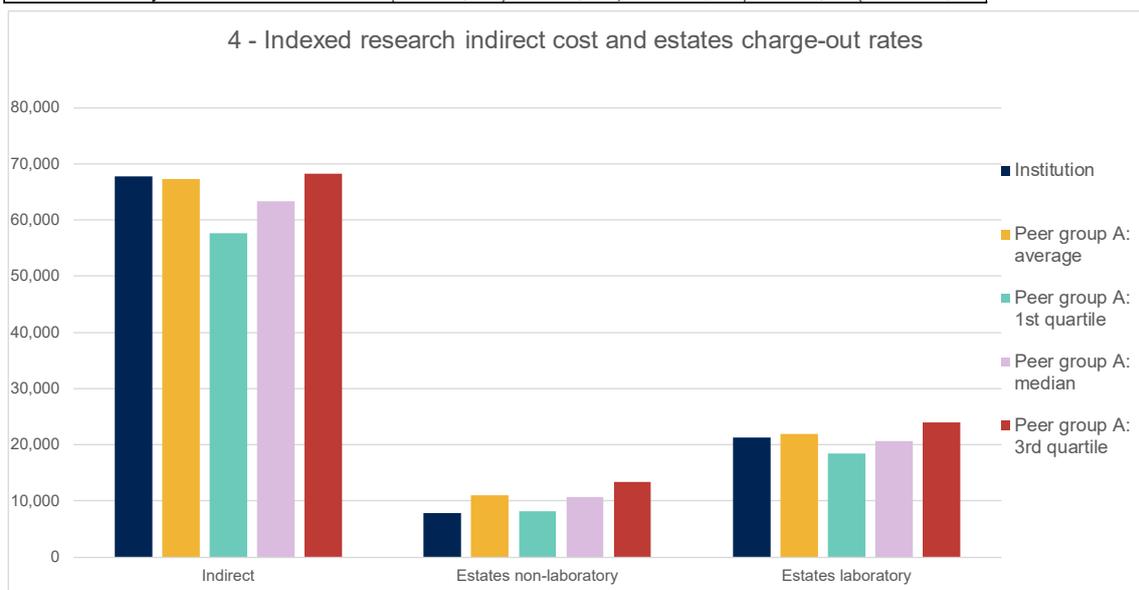


Figure 5: Research (indirect cost charge-out rate) FTEs (% of total)

Providers applying dispensation do not complete this section.

	Institution	Peer group A: average	Peer group A: 1st quartile	Peer group A: median	Peer group A: 3rd quartile
Direct research time of academic staff	37.9	27.4	23.8	28.9	34.5
Research assistants and fellows	45.4	53.6	45.7	50.5	58.1
PGR students (weighted FTEs)	16.7	19.0	16.7	19.2	21.5

