



SFC Call for information

Transparent Approach to Costing (TRAC) return for academic year 2014-15

Issue date: 19 October 2015

Deadline: 29 January 2016

Reference: SFC/CI/10/2015

Summary: This Call for information is to request that you complete the annual TRAC return by 29 January 2016 and the TRAC(T) return by 26 February 2016

FAO: Principals and Directors of Finance of Scotland's universities

Further information:

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Transparent Approach to Costing (TRAC) returns for academic year 2014-15

Purpose

1. This Call for information is to request that you complete:
 - The annual Transparent Approach to Costing (TRAC) return for 2014-15 by **Friday 29 January 2016**; and
 - The Transparent Approach to Costing for Teaching (TRAC(T)) return for 2014-15 by **Friday 26 February 2016**

Annual TRAC return for 2014-15

2. Institutions are requested to submit an annual TRAC return via the Higher Education Funding Council for England (HEFCE) extranet. Details of how to access the extranet will be sent in a separate letter to Directors of Finance.
3. By **Friday 29 January 2016** we ask that you send:
 - An electronic copy of the annual TRAC data return to HEFCE through the HEFCE extranet; and
 - In addition to submission of the completed Excel file, a copy of the return, signed by the head of institution, should be scanned and submitted as a PDF file via the HEFCE extranet.
4. The template incorporates in a single return:
 - The annual TRAC reporting requirements; and
 - The charge-out rates for research collected on behalf of RCUK, which will be used by RCUK and institutions for benchmarking purposes.
5. The Financial Sustainability Strategy Group (FSSG) has continued to evaluate the impact of the proposal to replace the “Return for Financing and Investment (RFI) adjustment” with a “Margin for Sustainability and Investment (MSI) adjustment”. Table G (Calculation of the Margin for Sustainability and Investment) is included in the return again this year, but it is not mandatory at this time. We encourage institutions to complete Section G of the return and calculate their Margin for Sustainability and Investment for the academic year 2014-15 in line with current guidance provided by FSSG¹. This will enable FSSG to evaluate any differences between the current method and any proposed new methods.

¹ See “The FSSG annual sustainability assurance report (ASSUR) Implementation notes (May 2013)” available at <http://www.hefce.ac.uk/funding/finsustain/current/#assur>

6. To help improve the quality of data submitted, automatic and self-validation checks are incorporated within the return. We also require a written commentary to explain data that fall outside the parameters set in the return, and any material or unusual movements when comparing the 2014-15 data with 2013-14 data. This document should also be uploaded through the HEFCE extranet.
7. In reporting the data, the head of institution should review the return for reasonableness, confirm compliance with all TRAC requirements and confirm that a committee of the governing body (with a lay membership majority) has specifically confirmed compliance with the TRAC Statement of Requirements.²
8. Annual TRAC figures and analysis of the year-on-year changes in the figures (including the indirect and estates rates) should also be presented to a committee of the Governing body before they are reported. Where the timing of committee meetings makes this difficult, Chairman's action or approval by a management committee can be used to confirm compliance prior to submission. Presentation to an appropriate committee of the Governing body should then follow. Any areas of non-compliance should be immediately addressed and, where this is not possible, an action plan drawn up to address those areas within a reasonable timescale.
9. The TRAC pages on the HEFCE website (<http://www.hefce.ac.uk/funding/finsustain/>) provide an update on guidance and development of TRAC methodology, and remind institutions of the key issues. New streamlined guidance for TRAC was published by the TRAC Development Group in August 2014 and this guidance applies for the 2014-15 Annual TRAC and TRAC(T) returns.
10. The template for the 2014-15 annual TRAC return is now available for you to download from the HEFCE extranet (<https://data.hefce.ac.uk>).
11. Updated income allocation guidance on the allocation of Funding Council grants are available to download from the TRAC guidance web pages (Annex 3.5b).

TRAC(T) return for 2014-15

12. The TRAC(T) forms, with student numbers derived from data collected by the Higher Education Statistics Agency (HESA), will be available by the end of December. TRAC contacts in institutions will be notified by email when the populated TRAC(T) forms are available for download from the HEFCE extranet.

² <http://www.hefce.ac.uk/funding/finsustain/trac/>

Rest of UK students

13. The 2012-13 academic year saw the introduction of deregulated tuition fees for rest of UK (RUK) students starting in this session. SFC funding does not support the places taken up by RUK students paying deregulated tuition fees. The costs associated with teaching these students should not be included in your TRAC(T) return. Similarly these students, who should be recorded in your HESA return as being not eligible for funding, will not be included in the student numbers.

Status of the TRAC(T) return

14. From academic year 2012-13 onwards the TRAC(T) data is used to inform the subject prices used in our main teaching funding formula. The technical guidance accompanying circular letter [SFC/05/2012](#) (updated funding allocations to universities for academic year 2012-13) explains how the data are used. For this reason, the TRAC(T) return will continue to be mandatory.
15. Given the mandatory nature of the return, your head of institution is asked to sign it off. A separate sign-off sheet will be generated when you have submitted the return via the HEFCE extranet. You should then upload a scan of the signed document to the HEFCE extranet. Detailed instructions on this will be issued by email to TRAC contacts prior to the submission date.

Freedom of Information

16. The SFC, and all Scottish universities, are subject to the Freedom of Information (Scotland) Act 2002. As such, any information held can be requested by a member of the public. There are exemptions which can be applied to prevent disclosure, for example where release would “substantially prejudice” the commercial interests of an institution (subject to any appeals to the Scottish Information Commissioner).
17. HEFCE, as an English public body, is subject to the Freedom of Information Act 2000. Information they hold, including that sent from Scottish universities, is therefore subject to the Act. In the event that HEFCE receive a request for information relating to a Scottish university, that university will be informed. However, the decision to release any data is ultimately the responsibility of HEFCE.

Further information

18. If you have any technical queries relating to the annual TRAC return template, please contact Henry Dorrian, tel: 0117 931 7259, email: h.dorrian@hefce.ac.uk. Queries on the TRAC methodology should be addressed to the TRAC support unit, tel: 0115 935 3400, email: trachelpdesk@kpmg.co.uk.

19. For any other queries on the annual TRAC return, please contact Dorothy Carson, Financial Analyst, Finance, tel: 0131 313 6607, email: dcarson@sfc.ac.uk.
20. For further information on TRAC(T), please contact Gordon Anderson, Senior Policy/Analysis officer, Finance, tel: 0131 313 6551, email: ganderson@sfc.ac.uk.



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