

Budget Guidance

Reanalysis of YEF evaluation archive

Aims and objectives

As a charity, it's vital we the YEF has a robust approach to budgeting, ensuring expenditure on our research is proportionate to its aims and objectives.

The purpose of this guidance is to ensure:

- YEF shows exemplary stewardship of public funds
- Researchers understand:
 - which costs can and can't be recovered;
 - that YEF does not operate a Full Economic Costing model; and,
 - where to go to with queries.

Summary of overall approach

Direct Costs

These are costs that are explicitly identifiable as arising from the delivery of a project. These direct costs need to be fully described in the YEF budget template. They include:

- **Staff:** payroll costs, inclusive of salary, national insurance, and pension, for full or part-time staff who will work on the project. These staff costs should be fully accounted for in the YEF budget template. In each budget template submission, we would generally expect an appropriate balance of staff allocation, with the most senior staff members providing supervision and quality assurance rather than data analysis and day-to-day project management. All staff time spent on the project can be included, including appropriate proportions of senior management time, and similar. We discourage researchers to avoid having their most experienced (and expensive) staff involved in too many of the day-to-day activities on the project.
- **Travel and Subsistence:** funds for travel and subsistence for use by staff who work on the project where these are required by the nature of the work. These should be directly attributable to project work, such as attending meetings. YEF will not typically fund participation at academic conferences. We expect researchers to make every effort to keep travel and accommodation costs to the minimum and will not reimburse first class travel.
- **Equipment:** YEF will fund reasonable equipment costs, where the work cannot be executed without these items. However, standard office equipment such as laptops, telephones or furniture cannot be charged without explicit agreement. Any significant capital expenditure items must be identified within the budget. The completed budget

template will need to provide justification for all equipment requested in the justification of resources document.

- **Data collection and access:** As this work will be based on secondary data, we do not expect data collection to be a significant cost. Most secondary data accessed is likely to be made available free of charge. Any costs incurred from hosting and accessing datasets would need to be clearly listed and justified.

Indirect/overhead costs

YEF will fund some contribution to indirect/overhead costs – including the costs of administration, such as personnel, finance, library, office costs and some departmental service. However, these should not exceed 20% of staff costs.

The treatment of indirect costs/overhead costs is the main difference between YEF as a charity and other central government funders which often operate Full Economic Costing (or a relatively high percentage of Full Economic Costing such as 80%). This is not the approach we follow.

Guidance on specific budget issues

Increases to budgets

We encourage researchers to fully work through and allocate resources at the beginning of the project. The research budget we agree with successful applicants will be presented to Directors and treated as final. YEF will rarely, if ever, increase budgets because of researchers not adequately accounting for all costs that could have reasonably been foreseen.

However, we appreciate that research does not always go according to plan and that changes to design and methods may, on occasion, need to be made. We expect researchers to first explore accommodating these changes within the existing funding envelope.

Where additional costs are incurred due to circumstances beyond the researchers' control, we will consider requests. We have a formal process for requesting changes to budgets, including researchers completing a variation request. Material changes to the budget, such as those more than 10% of the total budget, will only be agreed to in exceptional circumstances.

For work relying on access to data held by others, significant time and resource may be required when requesting and obtaining access from relevant data owners. Researchers should plan adequately for this. YEF will not consider increases in budget due to a failure to anticipate how long this may take.

Phases of work

Phase 1

- 1A. testing the process of gaining access to the data;
- 1B. checking the quality and consistency of the data archived to date; and,
- 1C. developing a plan for reanalysis.

Phase 2

- 2A. production of a full research protocol and securing access to data;
- 2B. completion of the initial analysis and production of an initial interim report; and,
- 2C. completion of the final analysis and write-up of the final report.

We recognise that the budget for Phase 2 will partly depend on the outcomes from Phase 1. We request that applicants submit a combined budget separating out Phases 1 and 2 (and their distinct subphases), recognising that the budget for Phase 2 will be more uncertain. This will be reviewed and updated, and the grant agreement varied, upon successful completion of Phase 1.

Value Added Tax

YEF's position on VAT is like that of other What Works Centres. YEF commissions research grants, not service contracts, in most cases. This is because the research we commission is for the public benefit and is made freely available to the public via our online toolkit, guidance and other reports.

Since we commission our research and structure our relationship with researchers as a grant, the activity is not subject to VAT. However, input VAT is the value added tax added to the price when you purchase goods or services that are liable to VAT. If researchers are including equipment or other items in their budget, and those items include input VAT, that input VAT can be charged to YEF and should be included in the budget template.

More guidance can be provided on how we've reached this position on request.