



INNOVATION &
RESEARCH
CAUCUS

INVISIBLE OBLIGATIONS:

UNDERSTANDING THE FULL ECONOMIC
COSTS (FEC) OF APPLYING AND
DELIVERING UKRI FUNDED RESEARCH

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About the Innovation and Research Caucus

The Innovation and Research Caucus supports the use of robust evidence and insights in UKRI's strategies and investments, as well as undertaking a co-produced programme of research. Our members are leading academics from across the social sciences, other disciplines and sectors, who are engaged in different aspects of innovation and research systems. We connect academic experts with UKRI, IUK and the ESRC by providing research insights to inform policy and practice. Professor Tim Vorley and Professor Stephen Roper are Co-Directors. The IRC is funded by UKRI via the ESRC and Innovate UK, grant number ES/X010759/1. The support of the funders is acknowledged. The views expressed in this piece are those of the authors and do not necessarily represent those of the funders.

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1. Introduction

Previous IRC research (Vorley et al. 2025) identified a range of factors that result in lower than expected 80% cost recovery in UKRI-supported research. These included equipment and facilities costs; staff under-costing; and inflation. These costs are usually cross subsidised by other income sources, such as tuition fees. However, these factors only concern the costs of delivering UKRI-supported projects, i.e., the project expenses from award to the final claim.

The previous IRC report is aligned with the findings of the Tickell Review (2022), which identified that there is excessive bureaucracy in the UK research system that undermines the efficiency and productivity of research. A key recommendation of the Tickell Review was to streamline the research application and management processes so that researchers can spend more time on research rather than administration. This report moves the conversation regarding undercosting beyond the project costing stage, highlighting the ‘hidden’ costs associated with developing applications and delivering grants.

These range from resources invested in preparing bids (whether successful or unsuccessful), to those that are needed to manage research grants – such as partner due diligence and contracting, as well as post-project expenses like audit. These activities are generally not eligible for project funding, being associated with the preparation, management, and reporting on grants, but are necessary parts of developing and delivering research projects. While these costs have been absorbed centrally, given the nature of the dual support system, they have grown over the past few years to a level that necessitates rethinking. In this report, our goal is to unpack these hidden costs linked to funded research to better understand the *full* economic costs of project application and delivery.

Specifically, our investigations focused on the following research questions.

- » What *pre-award* activities are UK universities undertaking to support researchers in gaining UKRI-supported research projects and the implied resourcing required?
- » What *post-award* costs are UK universities facing?
- » What other costs do universities face to meet UKRI regulatory and compliance requirements?
- » How do experiences of these costs vary by Transparent Approach to Costing (TRAC) groups?

This research was not designed to estimate the cost of pre- and post-award support associated with the application and award of UKRI-supported research. Rather, our goal is to highlight the key hidden nature of pre- and post-award support that may not

be immediately obvious to funders. The cost of pre- and post-award support is funded in different ways, including being underwritten by institutions, supported using quality-related (QR) block funding, and or partially recovered through indirect costs associated with UKRI grants. However, the scope of what QR and indirect costs are expected to cover continues to increase in scope, from IT and library resources to HR and legal services. The report draws on 25 interviews with leaders responsible for research support, highlighting the complex industry around research support as well as the different responses of institutions.

Across all the institutions we interviewed, our discussion about research support was shaped by the current financial context of universities. Increasing demands, both in terms of the volume of grant activity and associated compliance requirements, are emerging at the same time as budgetary pressures. Low success rates in many grant funding competitions were seen as exacerbating these issues. We provide an analysis of success rates by TRAC for context in an accompanying summary report. We know from our discussions that the magnitude of hidden costs differs across TRAC groups, but there remains a need to better understand how these costs might be more systematically creating biases and affecting fairness around funding opportunities. There is scope to unpack these dynamics in more detail in future research.

In the meantime, raising awareness about the existence and significance of the impacts of hidden costs associated with managing UKRI-supported projects creates an opportunity for reflection and discussion about whether and how to mitigate these burdens. As in our previous work on low-cost recovery on UKRI grants (Vorley et al. 2025), we envision that interventions from both UKRI programme design and university administrative processes could contribute to lessening these additional and unforeseen costs.

This report discusses themes and outlines evidence of costs incurred in roughly chronological order – from pre- to post-award – before discussing actionable insights. It concludes that hidden and invisible costs to preparing and administering UKRI-funded projects remain a factor in skewing research award cost recovery lower than the 80% FEC target. We argue that UKRI can help manage and mitigate these invisible and hidden costs by reflecting on changes to funding processes. At the same time, there are also steps that universities can take to ensure that their systems are more efficient. We propose nine recommendations that focus on discouraging under costing, increasing clarity about eligible costs, mitigating the burden of demand management, encourage collaboration between institutions to provide support and development for research staff, reducing the administrative burden of Trusted Research and Foreign Influence Registration schemes, providing templates to reduce legal and contracting costs, making all partner costs eligible to reduce

compliance burdens, mitigating UKRI auditing costs, and increasing consistency of requirements and application systems across grants and over time.

2. Pre-award

Pre-award activities are delivered by a complex combination of professional services formalised provision, and informal support, often provided by academic staff members. Pre-award activities include any support given to academics creating bids. Both formal and informal support have resource implications, although formalised support is easier to quantify.

The professional services support for research has grown significantly across the sector in the past decade. Strategic improvements to research support services have been seen sector-wide, adding to the cost base. Importantly, some costs are easier to track and quantify than others, which makes the evidence base a mixture of data-driven and anecdotal. After a period of sustained growth in research support, given the financial constraints faced by universities, many are now reporting a freeze on vacant research support posts in the current climate. As a result, some institutions are rolling back the level of support available and prioritising larger funding applications. This is necessary to reduce the cost base, as cross-subsidisation for research is no longer viable, and there is a need to recalibrate and find a more sustainable model of research support.

2.1. Priming the pipeline: Developing grant application knowledge and skills

Across TRAC Groups A, B, and C, institutions are conducting extensive preparatory work with staff to enhance project conceptualisation and design capabilities, identify relevant research opportunities, and support bid development. These activities are often backed by significant investment in online learning resources designed to support researchers with their applications. In TRAC groups A, B, and C, these are usually managed within a pre-award team. Institutions in TRAC groups D and E more frequently have a combined research support group, which provides less development capability and focuses more on offering bespoke support for specific bids. The drive for cost saving has seen a growing trend of research support being consolidated across the sector, although this varies by TRAC group. In TRAC groups A-C, there is evidence of consolidation, although the critical mass of research undertaken is sufficient to sustain research support and grant development at a faculty level (or equivalent), whereas in TRAC groups D and E almost all research support is being centralised with little if any capacity at the departmental or faculty level. In both cases, the decision to consolidate research support was driven by cost

savings, although it was also noted to enable better knowledge sharing across larger teams.

Pre-award support includes training and development for academic staff from research funding managers and researcher development teams. Forms of support vary but can involve briefing sessions, workshops, one-on-one guidance, and new staff inductions. More selective support can extend to assistance with costings, eligibility checks, call guidance navigation, and rarely dedicated to bid writers.

2.2. Application development support

Once potential applicants and applications are known, research support staff provide guidance on completing proposals and navigating administrative requirements. Bid preparation is usually a joint endeavour between the PI and research support services, often using dedicated software (such as Worktribe) to cost projects and manage applications (and subsequently awards and contracts). In some institutions, the burden of costing and managing the application sits with the researcher, whereas at other institutions the researcher is primarily only responsible for the academic case. There was a consensus that there was insufficient support, and the burden fell on the researcher, which led to frustration and delays. One research support professional noted that “at certain times of the year, we can have 60 to 100 applications in a queue for development, review, or approval, which causes a bit of a bottleneck” (TRAC Group C). This causes delays, which can dissuade researchers from engaging with the system and risks deadlines being missed. Ultimately, respondents suggested that getting the balance between the expectation of support from the researcher and the capacity available to provide support right can be challenging, especially with different funding schemes requiring different support and having different workflows.

Interviewees also stressed that, depending on the funder and specific funding scheme, that the administrative pre-award burdens differ – notably being higher for UKRI. It is generally the case that the larger the award, the greater the research support required due to the complexity and duration of the proposals, as well as the likelihood of managing different partners. The Future Leaders Fellowship (FLF) was singled out as requiring a particularly intensive pre-award process to be competitive. Many institutions ran internal competitions to identify the strongest applicants, who received bespoke support throughout the application process, ranging from drafting and reviewing the application to interview coaching in order to increase the prospect of a successful outcome. In relation to the FLF programme, one respondent reflected:

“I’m going to be honest. FLF is quite the beast. And I can understand why it’s a flagship program. So, we always want to be part of it. It’s a really good result for the researchers when they get an FLF, and all of that. But it’s a heavy

program to run in terms of what's required. I mean, the changes they made this year, around needing more EDI data and things like that. And every year they seem to change the scheme slightly, which is quite frustrating as well" (TRAC Group B).

This point was also reflected more broadly in the strategic priorities of institutions to prioritise larger funding opportunities, which means prioritising resources and capacity to support these applications. While institutions are prioritising the allocation of resources, the changes to call requirements may generate additional costs and challenges as institutions need to adjust their processes. Where there is consistency between calls, this can help reduce the administrative burden on institutions making applications. In the case of FLF, successive rounds have involved providing more data, although, as discussed below, other changes, such as imposing demand management, have created additional work requiring additional resources. While arguably a necessary part of the funding allocation process, internal demand management effectively transfers the burden of work from the funder to the applying institution. Where UKRI schemes are regular and consistent, this was considered to reduce the burden on institutions supporting applicants.

Our previous report noted an incentive for researchers to 'under cost' bids, often due to misperceptions of increased value for money amidst increased competition for funding (Vorley et al., 2025). There is no evidence that this increases success rates, and the ultimate impact is increasing the financial burden to the institutions in sustaining award delivery. An important and underappreciated element of pre-award support in the costing process is managing this tension between effective cost estimates and recovery, and competitiveness of the bids submitted. UKRI asks that bids be fully costed and for clear and evidence-based justification of requested resources. Doing this effectively requires an understanding of assessment processes, particularly insights developed with experience about what assessors expect, prioritise, and criticise in terms of estimated resource allocation, as well as a detailed understanding of what things cost and how to appropriately estimate the cost of activities or equipment slated to be purchased, sometimes years from the award date. This expertise typically lies in a combination of well supported and resourced professional services teams, and senior academics with capacity to share their learning.

Overall, the growth in research support was intended to increase the likelihood of successful bids by identifying and matching research with opportunities, training staff, and investing in bid development. The degree to which universities can be proactive in supporting researchers to apply for specific grant schemes varies, with the default position being responsive to researchers' requests for support.

2.3. Mentoring, review, and demand management

Pre-award services are generally provided by dedicated research support staff, and while the costs are invisible to those outside of an individual institution, they are trackable within institutions, although not at a project-by-project level. Where pre-award support is provided by academic members of staff, it can be more difficult to quantify. While some specific roles and responsibilities attract workload hours, other forms of support are expected under the broader banner of time allocated for 'research' or 'scholarship'. For example, academic mentoring is often provided in collaboration between research support teams and more experienced faculty members. This type of support is often described as informal, designed to pair grant applicants with others in the department or school who have previously been awarded grants in the same or similar schemes. The degree to which mentoring and other informal support can be leveraged as a strategy depends on the scheme and the depth of the pool of suitable mentors available at any given time, and so this approach is not always feasible. Internal peer review of grant applications is a common practice across universities that also generates costs that are difficult to quantify because they are not part of formal workload allocations, although is often a role expected of academics as part of their internally funded research allocation. It is not that internal peer reviewing is not costed, but it forms part of a wider range of duties undertaken by research academics. As one participant noted:

"[Peer review is] largely done through goodwill. We don't assign particular hours for that at this point. So, it's expected that people will do that and generally people are willing to do that but obviously it has been increasingly difficult as people don't have as much time anymore" (TRAC Group B).

In some institutions, an allowance for peer review is designated within an individual's workload allocation, although in other institutions it is expected under the broader banner of time allocated for 'research' or 'scholarship'.

While there was a universal recognition as to the importance of these mentoring, peer review, and other pre-award support activities, there is considerable variation within and across institutions as to if and how such activities are recognised and rewarded. However, it is also important to acknowledge that the various forms of formal and informal support provided represent a resource burden that may be significant, which is not always easily identifiable or equitably distributed.

Demand management stipulations by UKRI tend to increase costs to universities associated with the selection and submission of funding applications because implementation requires more formalised review panels and internal award vetting processes. Several universities reported that they had implemented demand management procedures that included standard forms and standing panel meetings

in anticipation of rolling selection processes. These can help UKRI to reduce their administrative costs associated with funding calls, but this transfers the burden of work from the funder to the applying institution. As one TRAC A group respondent commented:

“it’s very time consuming as a process. It takes; we estimate about 30% of an FTE of a senior grade per week” (TRAC Group A).

However, most universities were unable to estimate costs as precisely due to the same issues related to peer review discussed above; inclusion in broad based workload categories and/or reliance on goodwill.

2.4. Costs of compliance

Several institutions noted the introduction of new schemes as increasing the cost and administrative burden around funding applications and reporting. The Trusted Research and the Foreign Influence Registration Scheme have significantly increased administrative burdens, with export control licenses also cited as a recent resource-intensive requirement. Generally, these schemes require additional layers of compliance and reporting checks, both pre- and post-award. To comply, institutions have responded by investing, or where resource-constrained, diverting resources to create roles and convene committees to design and implement processes to ensure compliance. In some cases, the additional requirements associated with Trusted Research status were leading to staffing re-allocations:

“I’ve had to rob Peter to pay Paul, so I’ve had to take away from one contract person to put as a trusted research officer to ensure that we then become compliant as an institution. So, I think one of the real hidden costs is around compliance and the regulations that we have to ensure that we maintain. And it’s difficult, actually” (TRAC Group A).

Given the non-trivial costs associated with compliance, some institutions questioned the need to demonstrate compliance pre-award, instead favouring a commitment to comply post-award. Other institutions raised whether support for Trusted Research status should be an eligible cost recovered through UKRI grants, given the costs incurred. Grant management is always a dynamic proposition and consistency would reduce uncertainty:

“I think we’re going to have to do due diligence post -award, because that’s when the risk materialises when going to conferences. Other people are coming onto the project. It moves; it changes. It wouldn’t be research if it didn’t. We’ve been talking about the possibility of applying for trusted research managers against very specific large projects... [this being part of the requirements would be]

helpful to universities for us to specify that in particular calls we can say to our researchers, you need to have this” (TRAC Group B).

An interesting suggestion was made by one institution to minimise the related burdens on universities:

“It would be really helpful if there was some kind of overarching repository coordination function whereby actually these checks have been done or we’re all adding to a database because we must be duplicating effort across all organizations... if you’ve got that label and you’ve known to have that label and it’s renewed on a rolling basis, then people should be able to have confidence in” (TRAC Group D).

The use of blockchain and other advance technologies could be better employed to create efficiencies for researchers and institutions in the design and delivery of funded research, while also ensuring compliance. Where there are opportunities to automate the collation of information that enable efficiencies in the application process this was regarded as desirable.

3. Post award

A point noted by some universities was that if an award is made, it is often used as leverage in the HEI sector – either for promotion or to change institutions. In the case of the former, if promotion is awarded based on the grant award, then the implication is to reduce the cost recovery that was stated based on salary costs at the point of application. In the case of the latter, where people move institutions during the course of the award, the new institution effectively benefits from the pre-award work conducted at their previous university. In this respect, the pre-award resource invested in developing a successful application, which would otherwise be in part recovered through estates and indirect costs, is lost.

Following the award of a grant, institutions typically hand over from pre-award to post-award teams, and initiate processes associated with delivery, monitoring and reporting. There was considerable variation between institutions about how proactive and comprehensive the post-award support available was, but it ordinarily includes meetings with PIs to establish project milestones, timelines, and reporting requirements, as well as check-ins and collaboration with HR for recruitment and Finance for invoice processing. The wrap-around support provided by post-award teams is typically beyond what is directly supported by UKRI funding itself. In the case of larger investments where a project manager is employed, they often serve as a key interface that reduces the administrative burden associated with the delivery

of the investment, working closely with the post-award and wider professional services teams.

In the current financial climate, several institutions were restructuring their research support to both improve services and find efficiencies. In some institutions, post-award research support sat within research services, which included research finance and reporting teams. However, in other institutions, often with less capacity to provide post-award research support, research finance and reporting sat with central finance teams. These costs are not directly associated with project management and delivery, but are the back-office services provided to academics holding grant funding. These functions are funded by a combination of the dual support funding and indirect costs associated with grant delivery, although the increase of this cost base has necessitated a review in many institutions. Furthermore, this has become more complicated as pre- and post-award requirements blur:

“The post award piece is run out of our centralised research finance function ... they’re doing the financial claims and expenditure side of things. But then we’ve got HR ... we’re seeing more and more of our pre-award support being pulled into post-award because post-award is becoming more complex and more difficult to deliver” (TRAC Group A).

Another area experiencing increasing administrative burden associated with UKRI funding are finance teams. Several interviewees reported increasing complexity to ensure compliance (e.g., invoicing, auditing, etc.), with many institutions having developed dedicated post-award research finance teams. There was a sense from the interviewees of a growing expectation from UKRI that the lead institution on larger grants was responsible for ensuring the compliance of partner institutions. In practice, this was tantamount to expecting universities to adopt an almost ‘real-time audit’ in assessing the eligibility of partner spending, which increased both the burden of risk and workload of grant-holding institutions.

A major issue raised was the role of legal and contracting. During several interviews, there was a sense that an industry has proliferated around university-university as well as university-business contracts, which represented a growing invisible cost. In several cases this has led some universities to increase staffing to respond effectively. The issue here is not in contracting with UKRI or because of UKRI terms and conditions but is the product of legal teams amending what could be boilerplate contracts or universally approved agreements. One respondent reflected that:

“I think just because the increasing complexity we get means that we’ve had to grow the team. So, it’s a complexity and almost then a compliance issue that you’re dealing with as much as it is the complexity and compliance has led to the

growth. ... it's just that complexity of the grants now has got to that point where you need to make a team" (TRAC Group C).

Template agreements already exist in the sector and would not need to be provided by UKRI, but could be endorsed as a means of reducing contracting costs associated with UKRI grants.

While certain post-award support costs, such as compliance, legal, and HR, are factored into the indirect cost associated with UKRI grants, a number of the institutions interviewed considered that these costs have continued to increase in a way that undermines their recovery – even if partly resourced through the dual support system. This may be seen to relate to the increasing complexity of research governance, heightened regulatory expectations, and the growing administrative burden associated with managing collaborations, data, ethics, reporting, and assurance. Institutions noted that these requirements have expanded significantly over the past decade, often without corresponding adjustments to funding mechanisms, resulting in a widening gap between the true cost of post-award support and the level of resources recoverable.

Akin to the changing criteria associated with applications, another frustration captured in the interviews related to reporting. While it was recognised that there have been improvements and harmonisation across UKRI, there were noted to be issues associated with other schemes. One frequently cited example was Impact Acceleration Accounts, which have been partially harmonised. However, reporting on Impact Acceleration Accounts has not been harmonised and for institutions holding investments from different research councils found this to create an unnecessary administrative burden around reporting.

4. Discussion

The existence of hidden and invisible costs to develop and deliver UKRI-funded projects is not new, although in the current financial climate have come under greater scrutiny. As set out above, the costs associated with attracting and undertaking UKRI research are incurred both pre- and post-award. The increasing cost of this support is recognised as a necessary investment by institutions to attract UKRI-funded research and is recognised as a sunk cost where applications are not successful. That said, the investment is not entirely lost since the support academics receive is tantamount to professional development and will serve them well in developing future grant applications.

Some of the different forms of pre- and post-award research support are directly linked to the application for and delivery of funded research. The study found that the size of teams providing research support was broadly commensurate with the volume of research being undertaken. However, the financial challenges facing universities continue to see a trend of research support being restructured and consolidated to deliver savings and efficiencies. For some institutions, this represented a tension, especially where there was insufficient capacity to service demand, and as a result, institutions are becoming more targeted in what applications they can and strategically want to support. The need for UKRI-funded projects to draw on existing services within their institutions, such as legal services and HR, represents a marginal additional cost. However, where institutions are resource-constrained, this can put strains on already limited capacity, and existing services do not always have the specific knowledge and capabilities to meet the specific needs of UKRI-funded projects.

The decision to fund pre- and post-award support is a question of institution strategy, with different institutions investing at different levels, in different ways, and from different sources. Therefore, it is not the case that research support is not funded, although through the interviews, it is apparent that the costs are increasing. Incurring these costs is seen as necessary if institutions are to effectively support academic staff to apply for and attract UKRI funding. Those institutions able to invest in higher levels of research support are typically in TRAC groups A and B, which represents an advantage over those in other TRAC groups. This could have the potential effect of driving the specialisation of research in universities identified in the Post 16 Education Skills White Paper (DFE, 2025), although it could equally serve to make such research specialisms unviable.

In both more and less research-intensive institutions, the challenge in providing higher-quality pre- and post-award research support is the same. The increasing costs mean that either the indirect and estates costs recovered have to go further, or that there is an expectation that other institutional funding needs to bridge the gap. The consequence of not investing in the invisible and hidden costs associated with supporting research is likely to see the capacity to apply for and support research funding applications decline. The aim of this study was to provide an insight into the invisible and hidden costs associated with the application for and delivery of UKRI research-funded projects.

As with the previous study, there are interventions that could be made by UKRI to help manage and mitigate these invisible and hidden costs through endorsing and incentivising good practice, as well as providing greater clarity and consistency across funding programmes. At the same time, there is a continued need for universities to improve the efficiency of research support by reducing duplication and streamlining the delivery of support. As in any resource-constrained environment,

and in accordance with the Post-16 Education and Skills White Paper, there is a need to prioritise strengths and specialise. However, there is a need to ensure that the consequences of specialisation on the research and innovation (and education) system are considered.

There are already examples of cooperation and coordination in the provision of research support across institutions, but there is scope to extend this through new and enhanced arrangements. While the provision of doctoral training across institutions has become relatively common place, there is relatively less evidence of such collaborations in the delivery of research support. This could also be extended across other areas of professional services, as evidenced by the collaboration and cooperation identified in Scotland with the use of agreed template contracts for business-as-usual activity.

The findings highlight that universities across all TRAC groups incur costs associated with pre- and post-award research support. There was also a broad consensus that institutions had invested in this capability over a number of years, although there was now greater scrutiny of these costs, with many institutions imposing a freeze on vacant posts and or restructuring provision. While the provision of research support is a question of institutional strategy, the extent to which augmented research support has impacted success rates or increased the margin recovered on research, remains under-evidenced. While the costs of research support may not be directly recovered within UKRI grants, the return on investment may also be realised through increased QR if the benefits are captured through the REF return, for example. It is crucial that the nature of research support within universities is sustainable, just as the levels of research need to be sustainable. After a period of increasing research support, there is evidence that the sector is now scaling back support.

Almost all of the universities consulted referred to their strategic appetite for quality over quantity in terms of funding applications. This has seen many institutions focusing on higher value applications from blue ribbon funders, such as UKRI, which also includes the recovery of indirect and estate costs. There has also been a shift away in some institutions from funders that do not cover staff costs, indirect costs, and estate costs, as such applications effectively limit the return on investment associated with the augmented research support. There was recognition that academics need to gain experience and credibility as they climb the funding ladder, attracting larger grants that are associated with higher levels of recovery. However, a tension exists where the institutional focus on larger grants is not shared by academic staff, who continue to consider small awards as important in sustaining their research. The strategic challenge for universities is to ensure that the dual support model is used to promote research excellence in a way that is sustainable, which needs to be underpinned by a realistic cost recovery model and is not contingent on cross-subsidisation from international student fees. While the

increased investment of institutions in research support aims to improve bid quality, the outcome serves to intensify competition for funding. The prospect of better funding applications that propose better research and innovation projects is good for the R&I ecosystem, yet UKRI are working with constrained budgets and do not have additional funding to invest. Effectively, the bar for funding is getting higher. The challenge for the sector is to ensure that the focus remains on the excellence and impact of research as opposed to the race for funding. The dilemma is that the most research-intensive institutions with the resources to invest in augmented research support attract funding, but this should not be to the detriment of those institutions specialising in niche areas at less research-intensive institutions.

Without rehearsing the challenges of standard approaches to funding application evaluation via peer review, there is a genuine question about implementing alternative, more inclusive approaches to applying for funding and developing proposals. While not suggesting a wholesale change, there is an opportunity for UKRI to iterate and innovate on the application process. For example, this may include the use of video applications, two-stage application processes, and resourcing the development of shortlisted applications. Given the constrained budgets, there is a need to accept that fewer projects may receive funding if the objective is to increase cost recovery, but the costs recovered also need to be understood at an institutional and system level and not on a project-by-project basis.

5. Implications, Actions, & Next Steps

This report, alongside the previous research (Vorley et al., 2025) sets out a comprehensive overview of the challenges associated with recovering the full economic cost of undertaking research. The hidden pre- and post-award costs are beginning to bite in universities. Universities are responding to this in a multitude of ways from constraining internally funded time for research to scaling back the support for applicants and award holders, which has implications for the support available to develop applications (i.e., pre-award) or managing the grant and reporting (i.e. post-award). The consequence of reducing the former may reduce the quality of applications, while the latter increases the burden of work on researchers and research teams. For universities, the challenge is finding a financially sustainable balance of appropriate support that does not unduly burden administrative on academic staff.

While UKRI does not have sole responsibility in ‘fixing’ the issues of hidden and invisible costs in the system, the leadership role of UKRI in the R&I ecosystem means it is well placed to identify and support actions, both independently and collaboratively. In the current climate, the focus is rightly on the financial health of universities, and ensuring the sustainability of world-class research is fundamental to

the future strength and reputation of the sector. Based on the insights from the research informing this report, a series of possible actions and interventions from UKRI could include:

1. Given the challenges associated with **costing and cost recovery**, UKRI could develop a submission checklist and declaration to ensure that projects are costed to be sustainable and avoid bids being under costed. This is currently implicit but could be made an explicit requirement to be acknowledged by the Principal Investigator and host university.
2. The recent Post-16 Education and Skills White Paper highlighted the need for greater specialisation of research in the sector. Also, as stated in UKRI's Corporate Plan¹, there is a need to ensure the sustainability of the R&I system with improved **cost** recovery. The outcome will be fewer accurately costed applications funded, and this could be openly stated, although this should not advantage or disadvantage institutions by group, but rather continue to be based on excellence.
3. While it is recognised that **demand management** (i.e., a cap on applications) has become commonplace in UKRI funding calls, there is a need to ensure that the burden of work and associated reporting does not fall on universities in a way that unintentionally increases the cost base. Criteria setting is important to ensure that the number and quality of applications meet the agreed quotas and thresholds. Where universities fail to meet quality thresholds, UKRI could reduce number of submissions eligible in future competitions.
4. There are examples, sector-wide, of institutions providing **support and development for research staff** looking to make applications for UKRI funding. This has seen a proliferation of cottage industries within and across institutions at significant cost. UKRI, and other funders, are well-positioned to incentivise institutions to work in consortia to deliver support to applicants to leverage economies of scale in ways akin to how doctoral training has come to be delivered.
5. While the importance of new schemes such as **Trusted Research** and the **Foreign Influence Registration Scheme** are recognised, there is an opportunity to review where the burden of work in compliance sits in the application-award process. By mandating declarations on known issues in the applications but shifting the documentation requirement to later in the process

¹ <https://www.ukri.org/who-we-are/our-vision-and-strategy/corporate-plan/>

would reduce the burden of work for applications that will ultimately not be funded.

6. The report highlighted issues of costs and challenges around **legal and contracting**, with a particular focus on agreements and contracts across consortia members. UKRI is well-positioned to influence the types of contracts and agreements to be used which could considerably reduce the burden of contract work and negotiations on a contract-by-contract basis and reduce the associated costs. This could streamline contracting without UKRI needing to provide template agreements.
7. The perception that grant-holding institutions are responsible for ensuring the **eligibility of costs incurred by partner institutions** was raised, as this was considered to shift the burden of work and risk from UKRI to the grant-holding institutions. This is effectively a compliance challenge, although UKRI has the ability to mandate that all costs at all partners are eligible and that this is not the responsibility of the grant-holding institution alone.
8. Related to the eligibility of costs, there is the possibility of reducing the **cost and impact of audits** conducted by UKRI. Through the adoption of commercial audit practice, there is scope for more streamlined communication and risk-based prioritisation towards audits, as well as the potential of greater automation moving forward.
9. The use of **common application and reporting systems and processes** was identified as a both efficient and effective. While this has become commonplace in UKRI, it was noted that institutions engaged with DSIT, and other government departments felt that inconsistent if not idiosyncratic approaches added to the cost base and bureaucratic burden.

Now that you have read our report, we would love to know if our research has provided you with new insights, improved your processes, or inspired innovative solutions.

Please let us know how our research is making a difference by completing our short feedback form [via this link](#).

You are also welcome to email us if you have any questions about this report or the work of the IRC generally: info@ircaucus.ac.uk

Thank you

The Innovation & Research Caucus

References

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