

Pricing policy for research projects from 2025

Sponsor	Pricing Policy minimum	Flexibility
UK Research Councils	80% of fEC for grants and fellowships (or scheme rules if different from this). Scheme rules for studentships.	No
Charities - open competition	Directly incurred costs only (some will pay investigator and estates costs)	No
Charities - commissioned research/non-open competition	Minimum 100% of fEC	Yes
Central and Local Government	Minimum 100% of fEC Innovate UK, DoH/NIHR minimum is 80% fEC (seek approval for NIHR schemes less than 80% fEC) KTPs - 10% of averaged academic time, estates costs for associate in proportion to time on campus (if over 20%), 50% of indirect costs per associate	Possibly No No
European Commission schemes	Horizon Europe - 25% overheads on direct costs (including investigator time) Horizon Europe - Marie Curie - per scheme rules EIT Food - 25% overheads on direct costs (including investigator time). Co-funding of 25% of total grant value	No No No
Industry	120% of fEC as the minimum starting point for negotiation	Yes
Overseas (other than EU)	Minimum 100% of fEC, with increases over and above fEC dependent upon the type of activity being undertaken.	Possibly
Other Sources (sponsors not included above)	Minimum 100% of fEC, with increases over and above fEC dependent upon the type of activity being undertaken.	Yes

For all lab project for all sponsors where rules allow, 5% of pool technician time should be included for the duration of the project to cover the lab and reagents preparation provided by Technical Services

Please note - 'in kind' and cash contributions will be included as part of the FEC and therefore these may cause projects to fall below the standard pricing policy.

Pricing policy for studentships

Cost	Pricing Policy	sponsors applicable to
Student Stipend	All sponsors should cover this cost. The minimum Research Council stipend rate for 2025/2026 will be £20,780 per annum from 1 October 2025.	All
Composition Fees	All sponsors should cover this cost. The full-time home student rate for 2025/2026 will be £5,006 from 1 October 2025. Overseas and part-time fees should be charged as applicable and the figures are available on the University Doctoral and Researcher College website.	All
Consumables	All sponsors should cover general and lab consumables relevant to the project. Research councils, charities and government awards tend to set a maximum rate per annum.	All, if sponsor rules allow
Research Training Support Grant (RTSG)	All sponsors should cover this cost, which is an allocation of funds towards conferences and training support. Various sponsors set a maximum rate. Research Councils usually allow between £750 per annum for arts based projects and £5,000 per annum for science-based laboratory projects.	All
Equipment and/or Other Costs	The majority of sponsors will cover specific costs if they are deemed essential costs of the Studentship. Examples could include, PC, recruitment, publication costs.	All, if sponsor rules allow
Overheads	Overheads should be charged where sponsor rules allow. The fee varies by area and below is a suggested minimum that should be charged: Arts and Humanities projects £1,600 per annum; Henley Business School projects £2,000 per annum; Science Schools (classroom/office based project): £4,200 per annum; Science Schools (laboratory based project): £6,000 per annum; Investigator time can also be charged if this is more acceptable to the sponsor than overheads.	Sponsors excluding RCs, Government or open competition charities

Please note that UKRI are updating the standard terms and conditions of training grants for the 2025-26 academic year.

Pricing Policy Requirements

University as Charity

The University of Reading is an independent corporation with Charitable Status. As such, University Council is required to ensure the University conducts its activities in line with its charitable purposes as laid out in the University Charter and in compliance with charity law generally. This includes protecting and using University assets appropriately and operating sufficient financial controls.

Pricing of research and enterprise activity

In dealing with an external organisation to deliver research or carry out other such funded activities on their behalf, it is a clear principle under charity law that the University must not use its funds or resources to subsidise activity or make up a funding shortfall unless satisfied it would be within its charitable purposes and in the interests of the University and its beneficiaries to do so.

This requires that the University both maintains an accurate understanding of the full cost of its activities and sets prices for work appropriately.

The Full Economic Costing (FEC) methodology used by all universities in the UK meets the first of these requirements. The Pricing Policy recommended annually by the University's Costing & Pricing Group sets benchmark pricing rules to inform the second requirement. The Pricing Policy allows for general exceptions (such as pricing for RCUK funded projects) where standard terms of funding clearly support the University in meeting its charitable purposes.

The University is occasionally asked to enter into funding agreements (outside of pre-approved exceptions) where the negotiated price falls below the full recovery of costs.

In such cases, good governance requires that before entering such agreements there should be a senior level evaluation of the non-financial benefits arising from the work in terms of meeting our charitable purposes weighed against the level of income/ shortfall implied.

In the current University planning and funding model, the external charity governance obligation to make and record such evaluation still remains. Accordingly, so does the need for a cost-based pricing policy to be maintained and used to inform any decision to subsidise the price of research and enterprise projects by using University resources.

Clear delegated responsibility must therefore be established for undertaking such evaluation, and the individuals concerned properly and effectively briefed as to the responsibility they are undertaking on behalf of the University as a charitable body.

Applications and contracts priced below the pricing policy for research projects and studentships

If any research application or directly negotiated research contract falls below the pricing policy (including where contributions are to be made), then permission to proceed must be obtained from Head of School (HoS) in consultation with the Finance Business Partner (FBP).

Investigator time on research grants and contracts

- All investigators should estimate the time they think they will spend over the life of a project in hours. The time estimated should be total time and need not be profiled across the life of the project (although it can be if effort will vary a lot during different phases of the project)
 - All direct research time such as project management time, supervision of research assistants, time spent preparing and presenting conference papers, writing project reports and papers should be included
 - Time spent training and supervising postgraduate research students funded by the project should be included if sponsor rules allow. Research Councils and government departments will not fund supervision time. Commercial sponsors will.
 - Time should be the time of the staff carrying out the work on the project and not that for replacement teaching.
 - Time spent preparing the grant application should be excluded

Estimating time

- The average number of hours to be spent each week on the project should be estimated. This should take account of the relative demands of the project on the academics time such as whether they are principal or co-investigator; the number and experience and number of the research assistants, the number of investigators, the number of reports to be written, the sponsors administrative requirements, previous experience with this type of project and the techniques involved.
- The average number of hours per week should be multiplied by the number of weeks available on the project. This will not be 52 per annum. At least 8 weeks should be deducted for leave and sickness leaving 44 weeks in a year. Allowance should also be made for any other time unavailable on the project such as attendance at conferences and other leave and commitments.
- An allowance should be made for writing up at the end

Minimum time

- For PIs who are directing research and supervising staff, we would not expect to see less than 10% of time to be committed
- For Co-Is who are not supervising staff, we would not expect to see less than 5% of time to be committed

Any proposal with less than the recommended minimum above will be referred to HoS for approval.