

ESRC Project Co-Leads from UK Business, Third Sector or Government Organisations Policy

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Summary of recent updates

- Project Co-Leads from third sector organisations can claim for overheads and other indirect costs on staff costs. Overheads will be paid at 20% of the third sector organisation's directly incurred staff salary costs.

Eligibility

UKRI is introducing new role types for opportunities being run on the new Funding Service from 22 May 2023. For full details please visit [Eligibility as an individual](#).

To be eligible for this Project Co-Lead (PcL) role applicants must be employed or contracted by established UK business, third sector or government organisation. There is no requirement for a PcL from UK business, third sector or government organisations to hold a PhD or equivalent qualification. On receipt of the application, eligibility of the business, third sector or government organisation will not normally need to be checked if it is reasonably clear that they are appropriate to conduct the work. Where there is doubt checks will be carried out should a positive funding decision be taken.

PcLs from a UK business, third-sector or government organisation will assist with project leadership and management. However they are not eligible to take over the leadership of a project as the organisation would not meet the [organisational eligibility criteria](#) for a Project Lead (PL).

Project Co-Leads from UK business, third sector or government organisations can only claim certain costs depending on their organisation type. Applicants should carefully check each organisation type's eligible costs to make sure that only allowable costs are requested. (See Table 1 under eligible costs below). Guidance on whether your organisation falls within the category of a Third Sector Organisation can be found at Annex B.

UK business, third sector or government collaborators are also eligible to be listed as a PcL if they have secured their own source of funding. Where this is the case, details of their organisation and funding source should be provided in the Resources and Costs Justification section of the application.

Applicants based at [UKRI eligible organisations](#) may apply as Project Leads or Project Co-Leads. This includes higher education providers; research institutes; NHS bodies; Public Sector Research Establishments (PSREs); Independent Research Organisations (IROs); research and technology organisations. These applicants are not subject to the requirements and restrictions set out in this policy but will be funded under standard Full Economic Cost (FEC) rules (i.e. 80% FEC).

Applicants must ensure that the name of the company, third sector organisation or

government department is clearly stated in the application. Where any Project Partners are included in the application, the name of their company or organisation must also be provided.

UK Subsidy Control Framework

Applications which include PcLs from the UK business sector or from third sector organisations must ensure that the involvement of these organisations comply with the UK [Subsidy Control Act 2022](#). This Act regulates how public funding is used to manage any advantage which threatens to or actually distorts competition in the United Kingdom and/or any other country or countries (“[UK Subsidy Control Regime](#)”).

Both businesses and third sector organisations may be within the scope of the act as the test is whether the organisation is engaged in economic activity.

The Guidance to the Subsidy Control Act states that “For the purposes of the subsidy control regime, economic activity entails the offering of goods or services on a market...The activity in question does not have to generate profits in order to constitute an economic activity.”¹ Further advice can be found on the [UK Governments Subsidy Control Regime](#) website.

Under UKRI grants terms and conditions RGC 2.3.1, it is the responsibility of the Research Organisation to ensure their use of the grant complies with relevant legislation and any breach of the UK Subsidy Control Regime (or EU State Aid law if applicable) may require UKRI to recover some or all Grant funding, together with interest. For further information please refer to the [UK Subsidy Control Regime](#) and [UK Subsidy Control Statutory Guidance](#).

Introduction to the UKRI Funding Service

UK Research and Innovation are introducing a new grants system, the UKRI Funding Service, to replace the Joint Electronic Submission (Je-S) system, as part of the [Simpler and Better Funding Programme](#). ESRC will develop opportunities via the Funding Service rather than Je-S as part of this transition. Details of the ESRC transition to the Funding Service can be found on [our website](#). During this transition, Je-S and Funding Service submissions will run simultaneously as the number of opportunities using the Funding Service increase.

Applicants must consider the submission mechanism used for the specific funding opportunity and follow the guidance provided.

Further guidance on the Funding Service can be found on [our website](#) alongside details of [how applicants use the UKRI Funding Service](#).

¹ ‘ For the purposes of the subsidy control regime, economic activity entails the offering of goods or services on a market. A person’s (or group of persons’) status as an enterprise for the purposes of the subsidy control rules is based solely on the activities that such person or persons are engaged in. The activity in question does not have to generate profits in order to constitute an economic activity. Therefore, public, or private bodies that operate on a voluntary or non-profit basis, such as charities, can also constitute an enterprise, where they offer goods and services on a market. Where a person engages in both economic and non-economic activities, it will be considered to be an enterprise only in relation to those activities which are economic in nature. [UK Subsidy Control Statutory Guidance](#) Section 15.13 to 15.19

Registering Project Co-Leads from UK business, third sector or government organisations with the Funding Service

PcLs do not need to have a Funding Service account for an application to be submitted. PcLs will receive an email notification when the Project Lead has entered their details into the system. PcLs are able to create an account by verifying their details or selecting the 'Start Application' button on the Funding Finder opportunity. This will allow them to view and read the application. Contact the helpdesk for information and support using the Funding Service by email (support@funding-service.ukri.org) or telephone (+44 (0)1793 547490).

Registering Project Co-Leads from UK business, third sector or government organisations with Je-S

UKRI is introducing new role types for opportunities being run on the new Funding Service. Project Co-Leads are equivalent to Co-Investigators in Je-S.

The Project Lead will be unable to add a Co-Investigator from a UK business, third sector or government organisation to a Je-S application unless they have first registered with Je-S. To do this, the Co-Investigator will need to go to the [Je-S website](#), select 'Create an Account', and complete their details.

If, when they reach the organisation screen, their Organisation details are not listed, the Co-Investigator will need to contact the Je-S helpdesk (email jeshelp@je-s.ukri.org or telephone 01793 444164) and provide details of the project with which they wish to be associated (reference number, title, Project Lead). It is important that the name of the Organisation (the Co-Investigators company, third sector organisation or government department) is included in the registration details. Once the details are complete the Je-S Helpdesk will register the Co-Investigator, allowing the Project Lead to add them to the application.

Applicants should ensure that, if they are submitting an application to a closed call (ie working towards a specific deadline after which time the call will close and further submissions will not be possible), the Co-Investigator applies for registration with Je-S as soon as possible, and no later than seven working days prior to the date of submission.

Eligible costs

When a Project Lead includes a PcL from a UK business, third sector or government organisation on their application, they must ensure that all associated costs are fully justified within the Resources and Costs Justification section of your application. ESRC will fund 100% of eligible costs, see **Table I** below, where these have been sufficiently justified. However, the project costs associated with these types of PcL contributions must not exceed 30% of the overall cost of the grant (at 100% FEC).

It is important to note that **combined** costs for project co-leads (international) not on the [OECD DAC list](#) (plus any based in organisations in India and China), and project co-leads from UK business, third sector or government organisations, on an application cannot be more than 30% of the total full economic cost (FEC).

Applicants **please note:**

- All costs associated with PcLs from UK business, third sector or government organisations must be included in the submission form.
- Costs associated with a PcL from a UK business, third sector or government organisations contribution to a project (regardless of how many PcLs are included) must never exceed 30%, of the overall cost of the grant at 100% of FEC and would normally be lower than this.
- Where an application includes PcLs from UK business, third sector or government organisations and International PcLs not on the [OECD DAC list](#) (plus any based in organisations in India and China), the combined costs of **all** Project Co-Leads must not exceed the 30% maximum limit.
- PcLs from UK businesses or government organisations cannot claim overheads and other indirect costs on any element of the grant.
- For PcLs from UK businesses the combined time commitment of all research staff for the duration of the project (this includes the PcL, Research and Innovation Associates, Research Assistants, Postdoctoral Research Associates etc.) must not exceed the equivalent of 1 year FTE. This limit applies per business organisation, i.e. each business may apply for up to 1 year of research staff time. No salary costs will be covered for PcLs from government organisations.
- PcLs from third sector organisations can claim for overheads and other indirect costs on staff costs. Overheads will be paid at 20% of the third sector organisation's directly incurred staff salary costs. There is no limit to their research staff time commitment on a project.
- Third sector organisations which are deemed to be receipt of a Subsidy (see [UK Subsidy Control Regime](#)) will be awarded costs in line with the costing rules governing PcLs from business organisations, i.e. overheads and indirect costs will not be funded and the combined time commitment of all research staff for the duration of the project will be limited to the equivalent of 1 year FTE.
- Travel and subsistence costs will be allowable for UK business, third sector or government organisation PcLs where these are fully justified.
- Administrative support and fieldwork costs may be permissible, where appropriately justified in the Resources and Costs Justification section of your application, for third sector PcLs and exceptionally for business PcLs. In the Je-S system, Administrator salary costs and other staff related costs e.g. fieldwork or travel and subsistence should be entered in the 'Other DI' Section as exceptions and marked as Co-Investigator costs. In the UKRI Funding Service these costs should be entered as exceptions.
- Virement between Project Co-Lead costs and other directly incurred costs requires prior permission from ESRC and must not result in the Project Co-Lead costs exceeding 30% of the overall cost of the grant.
- All costs associated with the PcL from UK business, third sector or government body organisations will be assessed in the context of the application as a whole and the Resources and Costs Justification section of your application.
- Please see the table below for a summary of eligible costs,

Table 1: Eligible costs for PCLs from UK business, third sector or government organisations

	Business & third sector in receipt of a Subsidy*	Third sector	Government
Staff - Salary	Yes	Yes	No
Staff - NI/Superann	No	Yes	No
Total Research Staff - FTE Limits	1 year FTE	No FTE limit	No
T&S	Yes	Yes	Yes
Other Direct Costs	No	Yes	No
Overheads	No	Yes	No
Rules/Constraints	Costs must be less than 30% of total application costs		

* Where an application is recommended for funding, ESRC will carry out checks on any third sector PCL organisation which is engaged in economic activity to assess if a Subsidy has been given, in line with the UK [Subsidy Control Act 2022](#). Where it is deemed that a Subsidy has been given the costs awarded to the third sector PCL organisation will be in line with the costing rules governing PCLs from business organisations.

Inputting costs using the Funding Service

Applicants must consider the submission mechanism used for the specific opportunity during the grants system transition from Je-S to the new Funding Service. This section details guidance using the Funding Service.

When completing the application form, the Project Lead must clearly show which costs will be incurred by UK research organisations and which will be incurred by PCLs from UK business, third sector or government organisations.

The budget limits on grant applications refer to the total cost of the research project - this is known as the Full Economic Costs (FEC). For UK Research Organisations the FEC cost is not the actual cash contribution paid by the ESRC. The actual cash contribution, known as the 'ESRC contribution', is 80% of the FEC. ESRC will fund 100% of all eligible and justified costs relating to PCLs from UK business, third sector or government organisations.

PcLs must be added to the system as a 'Core Team member' including their name, email and organisation. The PcLs organisation will show in the 'Resources and Costs' section. The organisation staff section must be completed with full economic costs (FEC) for PcLs and demonstrated in the breakdown of costs 'Exceptions'.

Other Research Staff costs related to the PcL organisation should be entered under their organisation in the organisation staff section with full economic costs (FEC) and demonstrated in the breakdown of costs 'Exceptions'.

Other related costs whether, fieldwork or travel and subsistence should be included under the 'Exceptions' heading in the application.

Applicants are reminded that the costs for PcLs from UK business, third sector or government organisations (regardless of the number) must not exceed 30% of the full 100% FEC cost of the grant.

It is essential that all UK and business, third sector or government organisations involved in the grant application are named in the application form (this does not mean that they will necessarily need to be registered on the system unless they are the research organisation of the Project Lead or the partnering organisations of the PcLs).

For all costs included in your application a statement justifying the resources requested to undertake the research project is required in the Resources and Costs Justification section of your application. Where you do not provide sufficient justification for any item it is likely to be cut from any award made. All costs must be entered in pounds sterling (£).

Inputting costs using Je-S

Applicants must consider the submission mechanism used for the specific opportunity during the grants system transition from Je-S to the new Funding Service. This section details guidance using Je-S. UKRI is introducing new role types for opportunities being run on the new Funding Service. Project Co-Leads are equivalent to Co-Investigators in Je-S.

When completing the Je-S application form, the Project Lead must clearly show which costs will be incurred by UK research organisations and which will be incurred by Co-Investigators from UK business, third sector or government organisations.

The budget limits on grant applications refer to the total cost of the research project - this is known as the Full Economic Costs (FEC). For UK Research Organisations the FEC cost is not the actual cash contribution paid by the ESRC. The actual cash contribution, known as the 'ESRC contribution', is 80% of the FEC. ESRC will fund 100% of all eligible and justified costs relating to Co-Investigators from UK business, third sector or government bodies.

Co-Investigator salary costs should be entered via the 'Co- Investigator' section and marked as 'Exception' to identify that these should be paid at 100 per cent. Detailed instructions of how to complete the Co-Investigator section in Je-S is at **Annex A**.

Other Research Staff costs related to the Co-Investigators organisation should be entered on the Je-S application under Staff – Researcher and marked as an ‘Exception’ cost.

Other related costs whether, fieldwork, equipment or travel and subsistence should be entered in the ‘Other DI’ Section as exceptions and marked as Co-Investigator costs.

Applicants are reminded that the costs for Co-Investigators from UK business, third sector or government organisations (regardless of the number) must not exceed 30% of the full 100% FEC cost of the grant.

It is essential that all UK and business, third sector or government organisations involved in the grant application are named in the application form (this does not mean that they will necessarily need to be registered on Je-S unless they are the research organisation of the Project Lead or the partnering organisations of the Co-Investigators).

For all costs included in your application a statement justifying the resources requested to undertake the research project is required. Where you do not provide sufficient justification for any item it is likely to be cut from any award made. All costs must be entered in pounds sterling (£).

Consultants

In principle, partners from UK business, third sector and government organisations can be added as consultants, rather than PCLs. However, inclusion of consultants would be expected to be subject to competitive purchasing requirements.

Reimbursement of Project Co-Lead from UK business, third sector or government organisation costs

Payments on all grants are made in arrears in accordance with a specific payment schedule, as agreed with the ESRC at the time the grant is awarded. In all cases, funds are transferred to the Project Leads Research Organisation in the first instance. It is then the responsibility of that institution to disburse funds to the business, third sector or government organisation. Particular attention should be paid in the Case for Support to the management and communication protocols in place to enable this to happen smoothly.

Project Co-Leads from UK business, third sector or government organisations in cross-council applications

In the case of cross-council schemes, each participating council will be consulted over the inclusion or exclusion of PCLs from UK business, third sector or government organisations. Please refer to the call specific guidance for further information. Further information may be found in the [ESRC Research Funding Guide](#).

Annex A

Project Co-Leads from UK business, third sector or government organisations entry on Je-S

UKRI is introducing new role types for opportunities being run on the new Funding Service. Project Co-Leads are equivalent to Co-Investigators in Je-S. When a Co-Investigator is added to the Je-S form, the cost type of that new entry defaults to 'Directly Allocated' cost type. For Co-Investigators from UK Business, third sector or Government organisations the '**Exception**' cost type must be ticked. Costs under the Exceptions cost type are paid at 100% FEC. Please note that salaries cannot be claimed for government sector Co-Investigators.

The screenshot shows the 'Co-Investigator' form in the Je-S system. The 'Cost Type' section is highlighted with a red circle, showing three options: 'Directly Allocated', 'Directly Incurred', and 'Exception'. The 'Exception' option is selected with a radio button. Other visible fields include 'Name' (Professor Marius Smuts), 'Post will outlast project?' (Yes), 'Total number of hours to be worked on the grant over duration of the grant' (244), 'Start Date' (01/07/2020), and 'Duration Months' (24).

The following details must be entered on Je-S:

Select Name	The Co-Investigators name and organisation from the database. All applicants must have a Je-S Account that allows them to be included within the application as either 'Primary Investigator', 'Co-Investigator or 'Researcher Co-Investigator'
Will the post outlast the project	Answer should be 'Yes'
Total Number of Hours to be <u>worked</u> on the grant:	Maximum hours per year cannot exceed 1,650
Select Exception	The Exception option is applicable to Co-Investigators from UK business, third sector and government organisations. Salaries paid under the Exceptions cost type are paid at 100% FEC.

	NOTE: salaries cannot be claimed for government sector Co-Investigators
Start Date	The Date will default to the current date. To amend this click on the calendar icon or enter the date in the DD/MM/YYYY format
Duration Months	The period, in whole months to be spent working on the Project
FTE %	This is the percentage of time that the post holder will spend working on the project based on a full-time post. This does not relate to the contracted working hours of the post holder. For example, someone that is contracted to work at their organisation for 50% of full time and will be spending the whole of this time devoted to this project should put 50% as the FTE
Scale	Enter the pay scale. This can be alpha or numeric
Effective Date of Scale	The date on which the scales used came into use. Increment Date: The Date will default to the proposed project start date. To amend this click on the calendar icon or enter the date in the DD/MM/YYYY format
Starting Salary	Annual salary when starting on the project. Enter zero for government sector Co-Investigators
London Allowance	If in receipt of London Allowance include the £ Value (numeric). Enter zero for government sector Co-Investigators
Other Allowances	If applicable
Super Ann and NI	Superannuation and National Insurance costs over the duration of the project (numeric). NOTE: Superannuation and National Insurance costs cannot be claimed for business or government sector Co-Investigators
Total Costs	Enter the total cost of the Post over the period of the project (numeric). Enter zero for government sector Co-Investigators

Annex B

Is my organisation a Third Sector Organisation?

There is no definitive definition of what constitutes a third sector organisation. However, the following guidance may be helpful in identifying if your organisation falls within this category.

“‘Third sector organisations’ is a term used to describe the range of organisations that are neither public sector nor private sector. It includes voluntary and community organisations (both registered charities and other organisations such as associations, self-help groups and community groups), social enterprises, mutuals and co-operatives.

Third sector organisations (TSOs) generally:

- are independent of government. This is also an important part of the history and culture of the sector;
- are ‘value-driven’. This means they are motivated by the desire to achieve social goals (for example, improving public welfare, the environment or economic well-being) rather than the desire to distribute profit; and
- reinvest any surpluses generated in the pursuit of their goals. For this reason TSOs are sometimes called ‘not-for-profit organisations’. A better term is ‘not-for-personal-profit’. In many cases, TSOs need to make surpluses (or ‘profits’) to be financially sustainable.

TSOs can take a number of legal forms. Many are simple associations of people with shared values and objectives. Many have company status but with a not-for-personal-profit approach. Very many have charitable status or are community interest companies, industrial and provident societies or co-operatives.” *From The National Audit Office [Successful Commissioning Toolkit](#).*

Third sector organisations include:

- Charities
- Voluntary and community organisations
- Community Interest Companies (CICs)
- Social enterprises and cooperatives
- Think tanks and private research institutes (this does not include universities and colleges)