

Departmental Funding Guidelines 2024-25

The Departmental Funding Model

1. A revised model for funding of non-staffing expenditure in Academic Departments was approved by the Academic Planning & Resources Committee in the 2008-09 session.
2. The model consists of eight elements:
 - Core Departmental Funding
 - Student Hospitality
 - Special Factors
 - Premium Fee Allocation
 - Moodle Maintenance Funding
 - Staff Research Fund
 - Funding for Replacement of IT Equipment within Academic Departments
 - Add-ons for specific programmes
 - Emeritus Research Fund
3. These funds continue to be administered and applied at the discretion of the Head of Department, albeit spend must be against agreed nominal codes as set out below.
4. The model has the following benefits:
 - allows Departments to fund non-staffing costs that arise throughout the year;
 - it is an equitable, predictable and transparent method of allocating departmental funds.

Appendices

5. Appendix 1: Departmental guidelines and parameters used in the funding model

6. Appendix 2: Staff Research Fund guidelines
7. Appendix 3: Funding for Replacement of IT Equipment within Academic Departments
8. Appendix 4: Emeritus Research Fund guidelines

Contact Details

9. If you have any queries about the departmental funding model or the underlying data used in the calculations, please contact Gary Barclay in the Planning Division via email (g.j.barclay@lse.ac.uk)
10. All queries concerning financial transactions and departmental budgets should be addressed to your Financial Planning and Analysis Managers in the Finance Division, please click on <https://info.lse.ac.uk/staff/divisions/Finance-Division/Financial-Planning-and-Analysis> and then click on 'Please click here to see who looks after your Department or Division' to find out who that is for your department.
11. The model and the special factors will be revisited periodically.

Departmental Guidelines and Parameters Used in the Funding Model

Annual Timetable:

- July – Allocations for Departmental Funding to all Departments, including Staff Research Fund, transferred by Finance Division.
- Late November / early December – Student hospitality, Premium fee allocations, the research student element of the Replacement of IT equipment within Academic Departments and add-ons for specific programmes rebalanced to take into account the actual levels of student recruitment as at 31st October.

Descriptors below are split into: Core Departmental Funding; Student Hospitality; Special Factors; Premium Fee Allocation; Moodle Maintenance Funding; Add-ons for specific programmes; and the School's policy with regard to contingency and carry forward of funds.

For many codes there is an eligible internal School equivalent (in the nominal range 39100 to 39136) which would also be allowable. These have been indicated below.

1. Core Departmental Funding

Core Departmental Funding (Account code: 10.0.1000.xxxx.xxxxx)

The total budget available for the core funding in 2024-25 is £1.17m.

Allowable Expenditure: This allocation is intended to cover general service costs (associated with reprographics, stationery, telecommunications, postage and consumable office supplies) for departmental staff and administrative and research only staff in Departments who are not part of an independent Research Centre and must be charged to the eligible nominal codes set out below:

- 34403 Telephone and Mobile Call Charges
- 36201 Printing (also recharge code of 39124)
- 36203 Photocopying (also recharge code of 39125)
- 36205 Postage (also recharge code of 39119)
- 36211 Stationery (also recharge code of 39123)

Assuming that the costs of general services have been budgeted for, this allocation can also be committed to the following eligible nominal codes:

- 31101 Conference Attendance - Home
- 31105 Learning and Development
- 32005 Prizes
- 33017 Other Travel - Home
- 33021 Hospitality - Home
- 34005 IT Equipment (also recharge code of 39130)
- 34104 IT Systems Software
- 36301 Marketing & Advertising Expenses

- 36404 Event and Exhibition Costs (also recharge code of 39116)
- 36507 Teaching and Research Materials
- 36514 Subscriptions to Organisations
- 37205 Furniture

2. Student Hospitality

Student Hospitality (Account code: 10.0.1000.xxxx.xxxxx)

The 2024-25 student hospitality allocation is calculated at a flat rate of £75 per FTE student (including First Degree, General Course, Taught Postgraduates and Research Postgraduates) based on programme ownership. The allocation is initially based on total target FTE student numbers and then replaced with actual FTE student recruitment numbers as at 31st October in the November rebalancing process.

Allowable Expenditure: This allocation is intended to cover expenditure on student hospitality and must be charged to the eligible nominal code set out below:

- 33050 Student Hospitality

3. Special Factors

Special Factors (Account code: xxxxxx.O.000.1010.xxxx.xxxxx)

The Academic Planning and Resources Committee (APRC) has agreed special factor allocations for some Departments to cover costs such as language training, travel associated with double degrees, field trips and laboratory expenses. Special factor allocations can only be used for the purposes for which they have been specifically allocated and must be charged to eligible nominal codes only. Departments will be notified of any special factor allocations ahead of the coming budget year along with the eligible nominal codes.

4. Premium Fee Allocation

Premium Fee Allocation (Account code: xxxxxx.O.1009.xxxx.xxxxx and xxxxxx.O.1782.xxxx.xxxxx)

These additional allocations have been agreed to improve the student experience on the specified programmes and are thus subject to review through Annual Monitoring on a periodic basis, especially where a low level of student satisfaction is evident.

The following principles were established for the fee “premium fee allocation” element of the Departmental Funding Model at the APRC meeting on 8 October 2019:

- Programmes charging the standard Premium fee continue to receive a standardised per FTE student allocation to provide an improved student experience. The Premium fee allocation is

limited to programmes charging the standard Premium fee.

- Programmes already charging a Special or Super Premium fee above that of the Premium rate which receive the difference between the Premium fee and the rate charged will not receive the standard Premium fee allocation on top.
- Programmes charging a Special/Super Premium fee that is higher than the Premium fee can submit a case to the Student Numbers and Fees (SNAF) Group to receive a proportion of the fee differential. The case must be robust, specifying what the income will be spent on in line with the Departmental Funding Model guidelines, and provide assurance that there is no duplication with existing budget lines. If no allocation has been agreed or the agreed proportion of the fee differential is lower than the Premium fee allocation would be, these programmes will receive the standard Premium fee allocation.
- Departments should communicate to the SNAF Group for consideration any substantive changes to the case for which the income was allocated. Analysis should be undertaken of the spend against the allocation to ensure that funds are being utilised in line with the amended Departmental Funding Model guidelines.

The standard Premium fee allocation is calculated at a rate of £474 per student FTE in 2024-25.

The Department of Finance receives, as agreed by the APRC, the difference between the Premium and Super Premium fee levels for their programmes charging those higher fees. For MSc Finance (Full Time version only) and MSc Finance and Private Equity this is adjusted to 74% of the difference to reflect as agreed in 2019-20 by the Pro-Director for Planning and Resources and the Department that a percentage will be retained by the School. This also reflects that from 2021-22 onwards the amount received (i.e. the allocation and the cash equivalent deducted) was reset to 90%.

The Department of Finance receives, as agreed by the APRC in January 2023, 70% of the difference between the Premium fee and the fee for the MSc Risk and Finance.

The Department of Management receives, as agreed by the APRC in October 2019, the difference between the Premium fee and the fee for the MSc in Management (12 month programme). From 2021-22 onwards the amount received was reset to 90%.

The School of Public Policy receives, as agreed by the APRC, 54% (from 2021-22 onwards - originally 60% but reset to 90% of that) of the difference between the Premium fee and the fee for the Master of Public Policy.

Provisional amounts are reflected in the model and are adjusted according to actual levels of recruitment at 31st October in the November rebalancing process.

Allowable Expenditure: The Premium fee allocations can be used for any activities which benefit the students on Premium fee programmes. This can include field trips, residential courses, course packs, furnishing student space, student hospitality and staff costs (where the staff are specifically involved with improving the offering to Premium fee students), on the following eligible nominal codes:

- 30201 Salaried Support Staff
- 30602 Hourly Teaching Only (Graduate Teaching Assistant)
- 30604 Hourly Support Staff
- 30803 Honoraria
- 31003 Self Employed Suppliers and Consultants

- 31101 Conference Attendance – Home
- 32005 Prizes
- 33017 Other Travel – Home
- 33021 Hospitality – Home
- 34005 IT Equipment (also recharge code of 39130)
- 34104 IT Systems Software
- 36201 Printing (also recharge code of 39124)
- 36203 Photocopying (also recharge code of 39125)
- 36205 Postage (also recharge code of 39119)
- 36211 Food Safety Systems
- 36404 Event and Exhibition Costs (also recharge code of 39116)
- 36507 Teaching and Research Materials
- 36514 Subscriptions To Organisations
- 37205 Furniture

5. Moodle Maintenance Funding

The 2024-25 Moodle Maintenance funding has been increased by 2.5%.

Moodle funding is allocated to Departments who can then decide how to spend it on Moodle Maintenance.

6. Add-ons for specific programmes

(Account code: xxxxxx.S.000.1783.xxxx.xxxxx)

These additional fees have been agreed to improve the student experience on the specified programmes and are thus subject to review through Annual Monitoring on a periodic basis, especially where a low level of student satisfaction is evident.

The following principles were established for the fee “add-on” element of the Departmental Funding Model at the APRC meeting on 8 October 2019:

- Programmes should only charge an “add-on” fee to cover specific programme-related activities where it is deemed appropriate that the cost should be passed on to the student. The Departmental Funding guidelines should clarify which types of activities would be eligible to charge an ‘add-on’ fee.
- The activity should be advertised to students upfront as part of the programme’s prospectus entry; it should be made clear to students that the fee charged will cover the cost of the activity.
- Departments wishing to submit a proposal to charge an add-on fee on top of a programme’s agreed fee level should submit a case to the SNAF Group. All fees are approved by APRC and Council. The case should include details of the cost of the specific activity that the add-on will be used to fund. Departments should ensure there is no duplication with existing budget lines.
- Premium fee charging programmes also charging an ‘add-on’ will be entitled to receive the

standard Premium fee allocation to support student-related activities.

- The Planning Division should contact each Department/programme offering an 'add-on' to check whether historical arrangements remain in line with recommendations (i) to (iii). Where an inconsistency arises, the Department will be invited to put forward a new proposal under the principles outlined in the revised Departmental Funding guidelines.
- Departments should communicate to the SNAF Group for consideration any substantive changes to the case for which the income was allocated. All fees are approved by APRC and Council. Analysis should be undertaken of the spend against the allocation to ensure that funds are being utilised in line with the amended Departmental Funding Model guidelines.

Add-ons are calculated for specific programmes based on the add-on rate multiplied by the student FTE. The student FTE is initially based on the target FTE student numbers for the specific programme and is replaced with actual student recruitment figures as at 31st October for the November rebalancing process.

The following add-ons are included for 2024-25:

- Health Policy: £232,000 (£72,000 for MSc in Global Health Policy: £2,000 per student FTE to employ a senior research/public engagement manager to support the programme and to fund other activities such as seminars, conferences and publications; £160,000 for MSc in International Health Policy: £2,000 per student FTE for project placements).
- Management: £253,848 (£84,672 for MSc in HR and Organisation (HRM specialism): £1,008 per student FTE for project placements; £75,000 for Global MSc in Management – Year 1 only: £1,000 per student to support the student experience, e.g. two week pre-sessional and a number of value added activities such as a day at RADA; £72,000 for MSc in Social Innovation and Entrepreneurship: £1,500 per student for a field trip associated with the programme; and £22,176 for MSc in HR and Organisation (IER stream): £1,008 per student for project placements).
- Social Policy: £39,800 for MSc in International Social and Public Policy: £200 per student FTE for off-campus workshops – Cumberland Lodge.

Allowable Expenditure: Nominal codes will be established by the Planning Division as part of the current review of these add-ons.

7. Contingency and carry forward

A contingency will not be held back from individual departmental allocations and the default position is that Departments will be permitted to carry forward unspent balances. This situation is reviewed and subject to confirmation annually in line with financial regulations and the prevailing financial position of the School.

Departmental Funding – Appendix 2

Staff Research Fund Guidelines

Staff Research Fund (Account code: xxxxxx.S.000.1006.xxxx.xxxxx)

1. The purpose of the Staff Research Fund (SRF) is to encourage and support research activity by academic staff.
2. Departments are to inform relevant staff of the amount available.

Calculation

3. Figures are based on the total monies available for SRF divided by total FTE of eligible staff for the current year (Departments should note that there can be no guarantee that this figure will be available for future allocations).

The eligible staff numbers for the SRF are based on data extracted from the HR staff database. Data is adjusted to include new appointments and known leavers (i.e. those known to be leaving by the start of the 2024-25 academic session) at the start of the academic year and the FTE is adjusted to reflect any periods of unpaid leave taken, or changes of FTE, during 2024-25. It is then circulated to Department Managers for approval and signoff.

A list of eligible staff for each Department is available from the Planning Division. Any queries relating to staff included on these lists can be addressed to Gary Barclay in the Planning Division.

The SRF allocation for eligible members of staff (Professors/Professors in Practice/Professorial Lecturers and Associate Professors/Readers/Senior Lecturers/Senior Lecturers in Practice/Associate Professorial Lecturers/ Assistant Professors/Lecturers/Assistant Professorial Lecturers) per FTE in 2024-25 is £3,000.

Eligibility

4. The following staff based in an Academic Department are eligible:
 - Professorial staff (including Professorial Lecturers and excluding centennial and visiting professors), Associate Professors/Associate Professorial Lecturers, Readers, Senior Lecturers, Assistant Professors/ Assistant Professorial Lecturers and Lecturers including 'In Practice' roles.

Further Notes to Eligibility

5. Subject to staff satisfying the eligibility criteria set out in point 4 above, the following additional notes are supplied to help determine eligibility.
 - 5.1 Staff are eligible based on their FTE value; FTE is adjusted in line with the second paragraph of 3 above.
 - 5.2 Where staff share their time between two or more Departments the SRF allocation is split proportionately between Departments or as agreed between the Planning Division and Department Managers.
 - 5.3 The rule is one SRF per POST.

- i. If two staff share a post they must share the SRF.
 - ii. Replacements or temporary cover do not get a SRF allocation, i.e. those covering eligible staff who leave during the year, or are on maternity leave; sabbatical leave or special buyout leave or are covering for academic role holders, i.e. the Pro Vice-Chancellors and the Deans of Graduate and Undergraduate Studies. In such cases it is expected that Department Managers will adjust individual allocations for the post being covered accordingly.
 - iii. Staff who are on unpaid leave for the whole year, i.e. covering the period 1 August 2024 to 31 July 2025, are ineligible for a SRF allocation. However, if their replacement is SBA1 or above then a SRF can be claimed for the replacement.
- 5.4 Emeritus staff (including those remaining at the School on teaching only contracts) are ineligible for SRF but Emeritus Professors can receive an allocation from the Emeritus Research Fund (ERF) if they are retiring from 1 August 2024.
- 5.5 New appointments whose start date is after 31 January 2025 will not be eligible for a SRF allocation in 2024-25.
- 5.6 RQIF appointments in receipt of a research allowance as part of their contract are ineligible for SRF.

Expenditure

- 6.1 Allowable Expenditure: Any of the following costs incurred while undertaking research or to aid research through the hiring of hourly paid occasional research assistants are permissible; eligible nominal codes are:
- 30301 Salaried Research Only (note: hourly paid only) (also recharge code of 39101)
 - 31003 Self Employed Suppliers and Consultants
 - 31101 Conference Attendance – Home
 - 31102 Conference Attendance – Overseas
 - 31105 Learning and Development
 - 33017 Other Travel – Home
 - 33018 Other Travel – Overseas
 - 33021 Hospitality – Home
 - 33022 Hospitality – Overseas
 - 34001 IT Hardware, 34005 IT Equipment (also recharge code of 39130), 34101 IT Application Software, and 34104 IT Systems Software - *note for expenditure on items/programs over £200, this must be purchased through DTS's own IT procurement procedures. Please contact tech.support@lse.ac.uk for further information.*
 - 34403 Telephone and Mobile Call Charges
 - 36201 Printing (also recharge code of 39124)
 - 36203 Photocopying (also recharge code of 39125)
 - 36205 Postage (also recharge code of 39119)
 - 36211 Stationery
 - 36301 Marketing & Advertising Expenses
 - 36507 Teaching and Research Material
 - 36514 Subscriptions to Organisations
 - 37205 Furniture - *note this must be purchased via DTS' catalogue in OneFinance or invoiced directly to LSE for tax purposes. Furniture purchased by an individual seeking subsequent expense reimbursement will incur additional benefit in kind tax charges.*
- 6.2 Non-Allowable Expenditure: Purchase and maintenance of equipment for individual benefit or

ownership. All equipment purchased from School or research funds must be retained and administered through the Department and 'etched' and insured through the School.

Departmental Funding – Appendix 3

Funding for Replacement of IT Equipment within Academic Departments

IT Equipment (Account code: 10.0.1000.xxxx.xxxxx)

The 2024-25 allocation has two elements that have both been uplifted by 2.5% : (i) the academic staff element; (ii) the research student element that pro-rates the total amount available for this element according to target research student FTE as at 31st May.

The research student FTE is initially based on total target FTE student numbers and is replaced with actual research student recruitment figures as at 31st October for the November rebalancing process.

Of the overall 'IT allocation' available 80% is allocated to Academic Departments and 20% is retained by DTS. The sum retained by DTS will still be spent on Departmental IT provision, but at the discretion of DTS – principally to purchase expensive items of software which cannot be accommodated within the allocation of an individual Department, where spend needs to be co-ordinated across Departments (e.g. when aggregating demand for specific items) or as a contingency for unplanned expenditure (e.g. if the latest version of a specific required item of software cannot be accommodated on the then 'standard' recommended or installed hardware base).

The following set of rules / principles will apply to this funding:

- DTS will monitor IT assets in use by Departments and their need for replacement or upgrade, in liaison with Departmental Managers and IT Representatives, to make sure all staff have a device that is 'fit for purpose' and fully functional. Departments will be strongly encouraged to replace such devices (principally PCs, laptops, and tablets) when they are no longer 'fit for purpose' e.g. they are not powerful enough to run the latest version of a piece of installed software or they are proving expensive or problematic to maintain or support.
- DTS reserves the right to insist that a device is upgraded or replaced if it is no longer 'fit for purpose' – they cannot 'support the unsupportable'. Any device must be replaced if it is 'end of life' as defined by DTS and evidenced by the agreement of the supplier of the device.
- Departments may purchase an item that is higher than the required or recommended specification (e.g. to 'future proof' it against the requirements of later software releases), or more expensive (e.g. because they want to buy an 'Apple' device rather than a 'Windows' device), but they will not receive any additional money to do so. They must be able to demonstrate that such a purchase represents value for money for the LSE.
- Departments will only procure IT equipment via DTS and any hardware or software purchased will be acquired, managed, and disposed of in line with Financial Regulations.

- The 'IT Allocation' forms part of a Department's 'supplies' budget and their ability to carry any 'unused' element forwards to a subsequent financial year, or otherwise manage it locally, will be undertaken in line with Financial Regulations.
- During the Spring Term, DTS will meet Departments to discuss the use of any remaining budget to purchase IT equipment for new starters from August 1st, or additional IT items to benefit their Department.
- DTS expect Departmental Managers and IT Representatives to be the key points of contact for managing and discussing use of the devolved budgets within their Department, the points of escalation for resolving any issues and for communications. They will meet their respective DTS Support Manager at least termly.
- If Departments are not maintaining the minimum expected level of spend on refreshing or upgrading their IT assets (which will be tracked via the use of specific nominal codes), this will be brought to the attention of the Director of DTS for discussion with the relevant Departmental Manager and Head of Department.
- Departments will not be allowed to procure or manage servers without liaison with DTS as the implementation of a secure, zoned network requires decisions about their management (and both logical and physical locations) based on knowledge of the services to be provided by these servers and the proposed users of such services.
- DTS will continue to be responsible for the support, patching, maintenance and administrative accounts of IT assets.
- In relation to (i) personal financial rewards (PFRs) (including teaching buy-out) for academic staff and (ii) research infrastructure and investment funding (RIIF) for departments and centres. There is a clear expectation that these schemes will be used to support those IT needs of Research Centres or Departmental Research Units that are not directly funded via Grants, but maximum use should be made of Grants for such purposes. The devolved 'IT allocation' budgets are not intended to fund the IT needs of Research Centres.
- These arrangements will be reviewed after 18 months and will also be implemented across Professional Service Divisions once they have 'bedded down' within Academic Departments.

Allowable Expenditure: The Funding for Replacement of IT Equipment within Academic Departments must be charged to the eligible nominal codes set out below:

- 34005 IT Equipment (also recharge code of 39130)
- 34104 IT Systems Software

Departmental Funding – Appendix 4

Emeritus Research Fund Guidelines

Emeritus Research Fund (Account code: xxxxxx.S.000.2097.xxxx.xxxxx)

1. The Emeritus Research Fund (ERF) is a £3,000 per annum special allowance, on a discretionary basis, for the first three years after full retirement for Emeritus Professors, Emeritus Professorial Research Fellows, Emeritus Professorial Lecturers and Emeritus Professors in Practice (salary bands SB10/SBA3). In 2024-25 year 3 allocations will be given to those staff who received a year 1 allocation in 2022-23 and year 2 allocations will be given to those staff who received a year 1 allocation in 2023-24 (subject to confirm that they have opted in to active Emeritus status).
2. Departments will notify Planning Division of staff who are fully retiring in the coming year (i.e 2024-25) via the exercise carried out to confirm departmental Staff Research Fund lists (see Appendix 2). With regard to those staff who received ERF in a previous academic year, Planning will be confirming with the relevant departments/HR that they have opted in to 'Active Emeritus status' in the year for which the funding is being allocated as set out in the School's Emeritus Policy.
3. Finance Division will allocate the ERF as part of the annual departmental funding exercise to be administered by their Department, Institute or Centre.
4. Both unspent Staff Research Funds (SRF) and Personal Outside Funds (POF) can be carried forward to the ERF at the point when the faculty member is appointed as an Emeritus Professor. The same principle applies to unspent ERF at the end of the three-year term both if the original term is extended and if staff leave but subsequently return to the School.
5. Any unspent ERF balance will carry forward to the next year unless the Emeritus Professor does not renew their Emeritus status.
6. If an Emeritus Professor resigns their position during their three-year term, the ERF balance returns to the School.
7. Departments are required to transfer funds to cover any overspend on ERF balances.
8. Further detail on the policy can be found in the School's 'Emeritus Professors Policy'.

Review schedule

Review interval	Next review due by	Next review start
Twice yearly (late July and late November)	31 July 2025	24 July 2025

Version history

Version	Date	Approved by	Notes
1.0	31/7/18	PDPR / Director of Planning	Finance Division also contribute to the approval process via the fortnightly planning meetings at which this funding is discussed.
1.1	13/11/18	N/A	Amended to reflect rebalancing.
1.2	19/11/18	N/A	Formatting and text corrections
1.3	19/7/19	N/A	First annual review for 2019-20. Also updated to Finance nominal codes and related text corrections
1.4	21/11/19	N/A	Amended to reflect rebalancing and new principles for premium fees and add-ons.
1.5	24/1/20	N/A	Amended first paragraph of 2. Student Hospitality to make clear that the allocation is based on programme ownership
1.6	14/08/20	Director of Planning	First annual review for 2020-21.
1.7	10/12/20	Director of Planning	Second review for 2020-21
1.8	30/07/21	N/A	First annual review for 2021-22.
1.9	8/12/21	N/A	Second annual review for 2021-22.
1.10	4/8/22	N/A	First annual review for 2022-23. Includes a new section (Appendix 4) on the Emeritus Research Fund [ERF].
1.11	28/11/22	N/A	Second annual review for 2022-23, includes expanded section (Appendix 4) on the Emeritus Research Fund [ERF].
1.12	7/3/23	N/A	Section 3. Special factors updated to reflect revised Sociology special factor

1.13	27/7/23	Director of Planning	First annual review for 2023-24.
1.14	13/9/23	Director of Planning	Section 4. Premium Fee Allocation updated regarding super premium fee allocation related text.
1.15	27/11/23	Director of Planning	Second annual review for 2023-24.
1.16	13/2/24	N/A	Clarification added to 6.1, Appendix 2 about the policy regarding how to order equipment, furniture and the potential tax impacts.
1.17	29/7/24	N/A	First annual review for 2024-25.
1.18	29/11/24	N/A	Second annual review for 2024-25.

Contacts

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Communications and Training

Will this document be publicised through Internal Communications?	No
Will training needs arise from this policy	No
If Yes, please give details	