

# Managing Research Contracts

*A Report for the Brunswick Group of Research Intensive  
Universities*

*October 2013*

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[Additional Appendices are made available to the Participating Institutions only]

## 1. Executive Summary

### 1.1. Background

The volume and complexity of research contracts handled within the UK higher education sector is rapidly increasing. In consequence, contracts staff in university research support offices have found themselves under increasing pressure, and delays in the handling of contracts have become a recurrent concern at some institutions.

This report arises from a project undertaken by Research Consulting to benchmark resourcing levels and identify best practice in the function of research contracts administration. Commissioned by the Brunswick Group of institutions, listed in Appendix 1, the project comprised a web-based questionnaire, fieldwork visits, and a half-day workshop. While the detailed findings are confidential to the participating institutions, the aggregate data and overall findings are being made available to the higher education sector at large by means of this report. Copyright on the report's contents vests jointly in the participating institutions.

### 1.2. Findings

The key findings can be summarised as follows:

- Research contract volumes are rising steadily, with volume growth of 8% a year between 2010/11 and 2011/12, well above growth in research income levels of 3% (section 3.1).
- Contracts are becoming increasingly complex, due to a broad range of factors including more collaborative projects, increased industry engagement, legislative changes, the growing complexity of the clinical research environment and changing funder expectations (section 3.2).
- In response, many contracts functions are seeking to increase resourcing levels to accommodate rising workloads. On average the participating institutions spent £348k (0.31% of their research income) on the research contracts function in 2011/12 (section 3.3).
- The average cost of staff time per contract was £284, and a typical institution employs 9 full-time equivalent staff members in its contracts function, each handling approximately 200 agreements per annum – roughly one per working day (section 3.3).
- At the level of individual institutions there is substantial variation in resourcing levels, reflecting factors such as institutional size, functional structure, contract complexity and disciplinary focus (section 3.3).
- Contracts functions are becoming increasingly professionalised, with a growing proportion of staff holding a legal qualification (section 3.4).
- Training and professional development arrangements for contracts staff are highly variable, with insufficient opportunities for networking and information sharing across institutions (section 3.5).
- There is significant scope for institutions to co-operate more effectively in the development and use of template and framework agreements. However, the fragmented nature of the research contracts community means there is little consensus on how this might best be achieved (section 3.5).
- There is a high level of dissatisfaction with the IT solutions currently used to manage contracts activity, and many institutions are currently engaged in projects to upgrade or replace their software (section 3.6).

- 40% of institutions make regular use of metrics to manage the contract function, and this is an area of growing interest and focus for others (section 3.6).
- There are significant variations in the remits of contracts teams across the institutions surveyed, most notably in relation to enterprise activities, European Commission agreements, clinical research and costing and pricing (section 3.7).
- 75% of the contracts staff surveyed believe their approach to risk is highly or reasonably pragmatic, but many find that the value of what they do is poorly understood within their institutions (section 3.8).

### 1.3. Conclusions and Recommendations

The project found strong evidence to support the perception that contracts function workloads are rising rapidly. In some institutions there are clear indications that functions are inadequately resourced to handle this increase, and many are responding by seeking to recruit additional qualified staff. However, contracts function are also adapting to the changing environment by a number of other means, including:

- Providing greater training and career progression opportunities for existing staff;
- Developing closer working relationships with NHS trusts;
- Using more junior staff to handle low-risk agreements and provide administrative support;
- Decentralising some contracts activity to faculty-based teams;
- Investing in more effective IT systems;
- Sharing templates and best practice between and across institutions.

It is hoped that this report will provide an opportunity for institutions to benchmark their own resourcing levels and practices, and improve sharing of good practice across the sector.

The detailed recommendations made to the Brunswick Group of institutions are outlined in section 4, but can be summarised as follows:

1. To develop a network of contracts professionals, in conjunction with existing professional associations.
2. To establish a working group to lead on further template development.
3. To improve adoption of template agreements for university to university interactions.
4. To pursue more effective dialogue with public funders of research on contractual terms.
5. To conduct a trial implementation of electronic signature software.
6. To undertake a follow up review to assess progress in 12-18 months.

## 2. Introduction

### 2.1. Background

A research contract can be defined as a legally binding agreement that sets out the rights and obligations of the parties concerned, and forms the basis of a relationship around a particular research programme, exchange of information or materials, or other collaboration. In recent years, the need for universities to put in place such contracts has grown rapidly, as research has become more complex, interdisciplinary and collaborative, and interactions with industry have multiplied. The expectation that an agreement is needed to govern research funded by industry is of course longstanding. Today, though, even grant-funded research can require a range of collaboration agreements and subcontracts to govern the activities of different partners. Meanwhile, memoranda of understanding, confidentiality agreements and material transfer agreements have become an unavoidable part of the research process in many disciplinary areas.

Responsibility for putting all such agreements in place typically falls to contracts staff based in a university's research support office or equivalent function, who have come under significant pressure as volumes have increased. This is exacerbated by the fact that the value of a robust contract is often poorly understood by academic and other administrative staff within the institution, with the negotiation and review process seen as little more than an impediment to the conduct of the research itself.

In response to these concerns, Research Consulting was commissioned to undertake a benchmarking study of research contracts by the members of the Brunswick Group (comprising senior research support staff from 20 of the UK's leading research-intensive universities). A list of the participating institutions can be found at Appendix 1.

### 2.2. Terms of Reference

The overall aim of the project was to benchmark resourcing levels and identify best practice in the function of research contracts administration. The objectives were to:

1. Benchmark overall volume levels relating to contract activity and its complexity against the level of FTE resource deployed (e.g. volume and type of different contract types), and allowing for size and shape of the organisation and organisational structure where possible.
2. Benchmark resourcing levels for the contracts functions at participating institutions, using relevant measures such as staff costs, salary grades and FTEs, and the proportion of professionally qualified versus qualified by experience contracts staff.
3. Ascertain the current availability and usage of process metrics for the research contracts function.
4. Consider overall scope of responsibilities of staff dealing with contracts and workflows used within offices.

5. Identify variations in the roles and responsibilities of University Research Offices for contracts administration, consider how these fit into the overall research office functions, and assess any implications for process efficiency and service quality.
6. Highlight areas of good practice and document case studies that can be drawn on by institutions seeking to improve the performance of their contracts functions.
7. Review the interface between research, consultancy and commercial service contracting to understand overall workload of the contracts function.

### 2.3. Methodology

The project was undertaken by Rob Johnson of Research Consulting. It comprised a web-based survey, completed in May 2013, following by fieldwork visits to the participating institutions in June and July 2013. Data was collected on a number of quantitative and qualitative aspects of research contracts management, across the following areas:

- **Structure of the contracts function** – including physical location of staff, line management arrangements, relationships with other university legal services, and relationships to partner NHS trusts.
- **Staffing levels and costs** – including full-time equivalent staff numbers by job role and salary levels, headcount by job role and qualification/experience, salary costs of the function and use of temporary staff.
- **The role of the research contracts function** – covering responsibilities of the contracts function and its interaction with other research support functions.
- **Contract activity levels** – comprising data on numbers of new agreements and contractual amendments for the academic years 2009/10, 2010/11 and 2011/12. Institutions were also asked to provide a split of these numbers by three discipline areas: Science and Engineering; Medicine; and Arts, Humanities and Social Sciences.
- **Contract complexity and risk** – covering the institution's use of template or model agreements, an assessment of complexity levels by type of agreement, changes in complexity and institutional attitudes to risk.
- **Systems and reporting** – comprising the information systems used by an institution to manage its contracts activity, and details on any process metrics collected and used in this area.

Following submission of all parties' data, one-day fieldwork visits to each institution were used to discuss the survey findings as they related to the institution in question, and to gain further contextual information.

The preliminary findings and recommendations of the project were presented to the Brunswick Group in July 2013. While the detailed results, case studies and institutional profiles arising from the study are confidential to the participating institutions, the aggregate findings are being made available to the UK higher education sector at large and other interested stakeholders by means of this report.

## 2.4. Limitations in the Scope of Work

While the project sought to obtain a balanced picture of institutions' approaches to the management of research contracts, the following limitations on the scope of work should be noted:

- The accuracy of the data submitted as part of the survey phase of the project remains the responsibility of the participating institutions, and Research Consulting Limited can accept no responsibility for errors in institutional submissions.
- The scope of work did not include an assessment of the quality of service provided by the contracts function to internal stakeholders (typically academic staff) or to third parties (such as industrial sponsors of research). In consequence, it was not within the scope of this exercise to establish a causal relationship between resourcing levels and service quality.
- Though anecdotal evidence suggests larger institutions are likely to handle a greater proportion of high value and complex agreements, it was not possible to quantify the impact of this on resourcing levels or volumes of agreements handled per FTE.

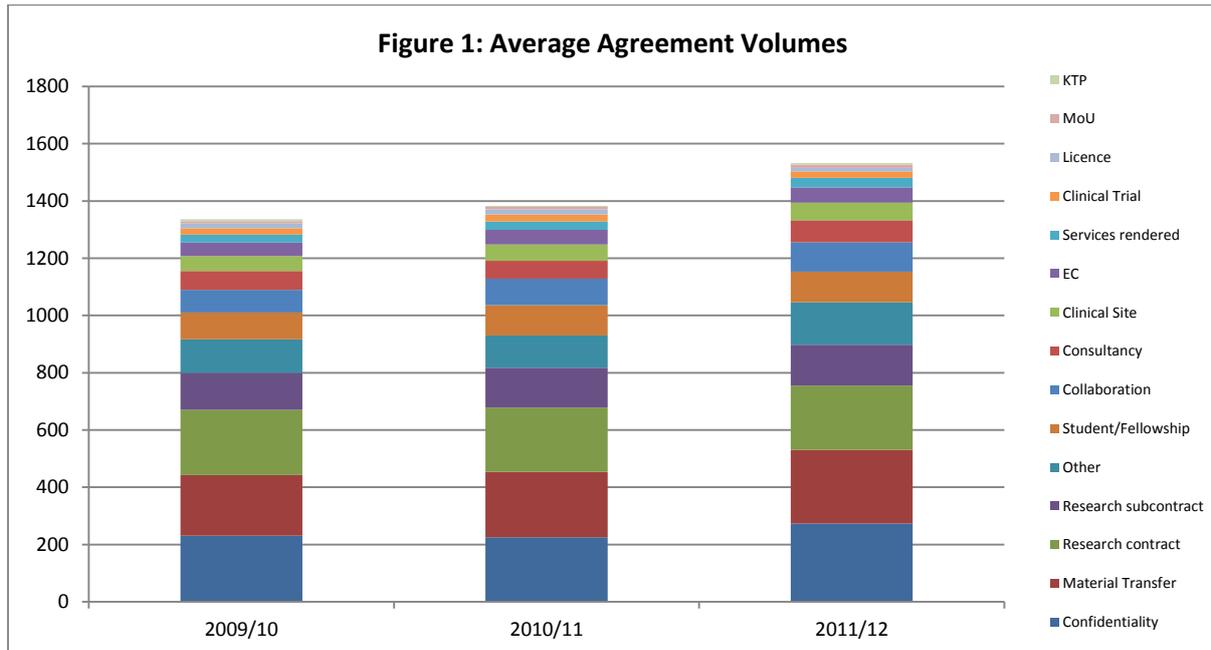
## 2.5. Acknowledgements

The support and assistance of contracts and research office staff at the participating institutions (see Appendix 1) in the project has been invaluable in the preparation of this report. Particular thanks are due to the project steering group members for their guidance and input throughout the project.

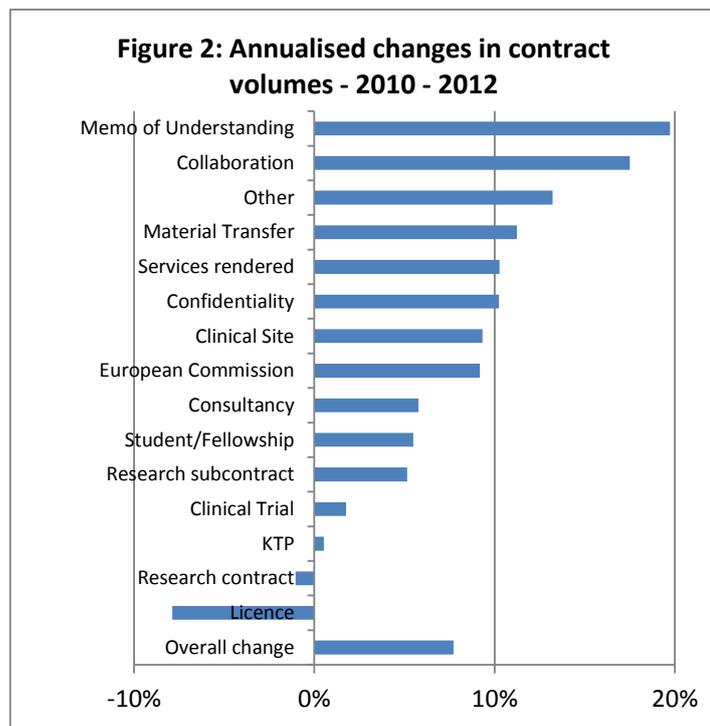
### 3. Findings

#### 3.1. Contract Volumes

18 of the 20 institutions were able to supply data on the volume of new agreements handled in the period 2009/10 to 2011/12. Agreement volumes rose from an average of 1,335 per institution to 1,530 over this period (see Figure 1). The rate of growth accelerated from 4% per annum between 2009/10 and 2010/11, to 8% per annum by 2011/12. All indications are that this rate of growth has continued into the 2012/13 year and beyond.

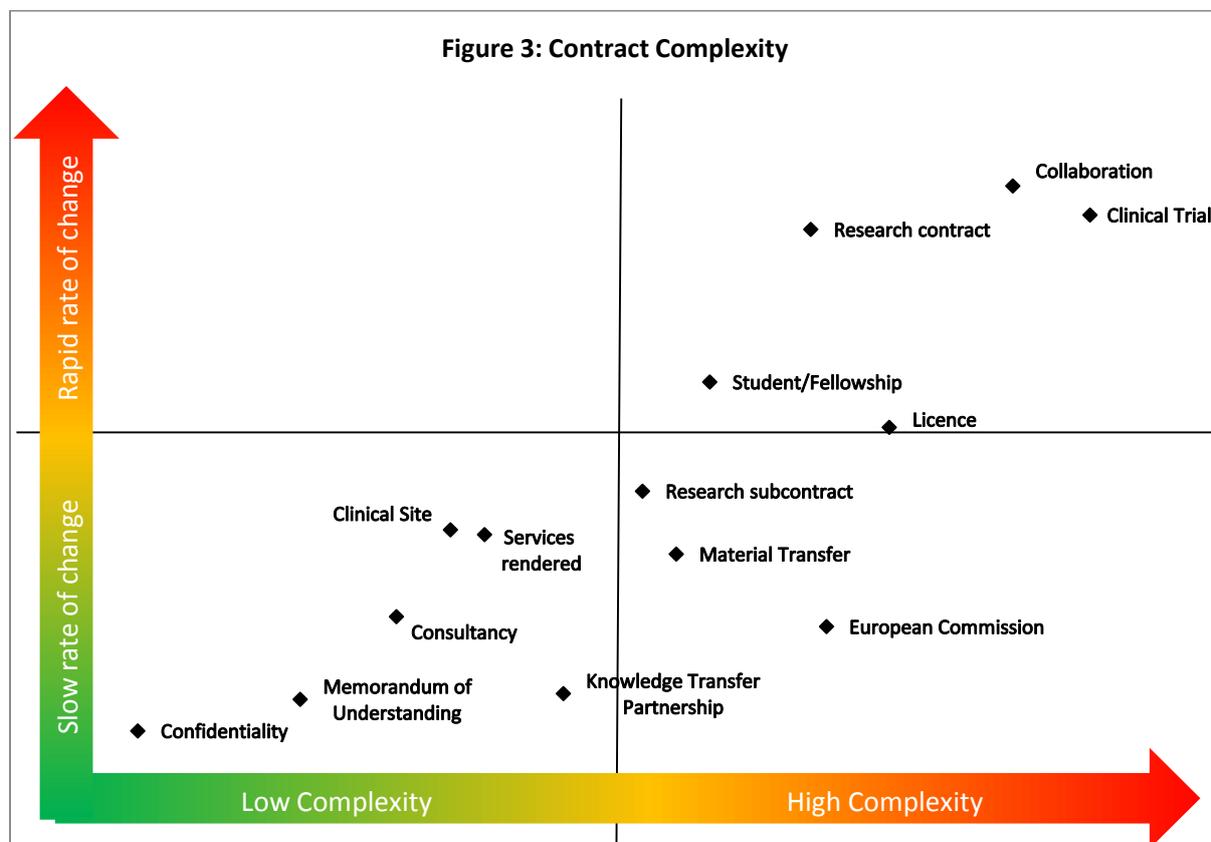


The majority of this growth has come in the form of non-financial agreements, arising in particular from the trend towards increased collaboration and greater engagement with industry and overseas partners (see Figure 2). As a consequence, contracts team workloads are rising substantially faster than levels of research income, which on average rose by less than 2% in 2010/11 and 3% in 2011/12.



### 3.2. Contract Complexity

It is clear that agreements are becoming longer and more complex, resulting in more protracted negotiations. Figure 3 presents the aggregate view of the institutions surveyed on agreement complexity by type, and the extent to which those agreements are becoming more complex over time. The rate of change is most rapid in the case of intrinsically complex collaboration agreements, clinical trial agreements and research contracts. These agreements typically require input from senior members of staff, and while templates may be used as a starting point for negotiation, bespoke changes are likely to be required to reflect individual project circumstances and the changing external environment. In contrast, agreements for confidentiality or consultancy are significantly less complex and not subject to the same rate of change. They can often be prepared by more junior staff using existing templates.



The key drivers of the overall increase in complexity were found to be:

- **Growth in collaborative research** – As research involves an ever-broadening mix of organisations, disciplines and funding bodies, so agreements must become more complex to accommodate this (cited by 11, or 55%, of the 20 institutions surveyed).
- **Increased industry engagement** – Closer relationships with industry are being actively promoted by government, funders and universities themselves. These relationships benefit both parties, but the difficulty of balancing the interests of commercial partners with universities' charitable objectives can result in lengthy negotiations. This is a particular challenge in relation to studentship agreements, where a partner's desire to secure the

outcomes of research for commercial purposes can conflict with the student’s need to publish and retain copyright on their thesis (50%).

- **Ongoing impact of changes in the legislative environment** – Examples cited include the Freedom of Information 2000, the Bribery Act 2010, the Data Protection Act 1998, the recent removal of the VAT exemption for research and the Human Tissue Act 2004. While many of these pieces of legislation are several years old, their impact is still being felt by universities and their collaborators (40%).
- **Growth in the volume and complexity of clinical research** - Clinical trials can now involve multiple drug suppliers, specialist trials units, drug distributors, third party clinical research organisations, GP practices, and multiple sites both in the UK and overseas, resulting in highly complex contractual relationships. Many institutions also find it difficult to put in place effective contractual arrangements with NHS Trusts, with university contracts functions often finding they must go beyond their remit and draft agreements on Trusts’ behalf (35%).
- **Changes in funders’ expectations** - More prescriptive terms and conditions and increased expectations and reporting requirements from public funders of research (especially Research Councils UK and the National Institute for Health Research) further add to contract complexity. At the same time, funders are felt to be less prescriptive in relation to the obligations of commercial partners in publicly-funded research, leaving universities to handle difficult negotiations over IP ownership (35%).
- **Higher levels of overseas engagement** - The increasingly international nature of university research can result in complex negotiations around governing law arrangements, coupled with differences in local custom and practice and the risk of issues being lost in translation (30%).
- **Changing attitudes to risk** – There is now greater awareness of risk within universities themselves, with more professional legal expertise in-house, together with a growing tendency to draw on external lawyers for some aspects of contracts activity (30%).

### Working with the NHS – Newcastle University

Newcastle University is one of only five institutions in the survey to operate a Joint Research Office (JRO) with an NHS Trust, the others being University College London, the University of Liverpool, the University of Oxford and Imperial College London. Newcastle’s JRO is a partnership with Newcastle upon Tyne Hospitals NHS Foundation Trust, and was formed following an initial move to co-locate staff from the University Research Office with NHS R&D staff. The JRO now handles all contractual activity within the University’s Faculty of Medical Sciences, and is considered to have been instrumental in promoting a closer and more effective working relationship with the NHS Trust. Staff have also derived benefits from being more accessible to clinical academics and Faculty management, with one contracts manager explaining: ‘We get support from senior management by being local and seen as “theirs” rather than a central service.’

### 3.3. Resourcing Levels

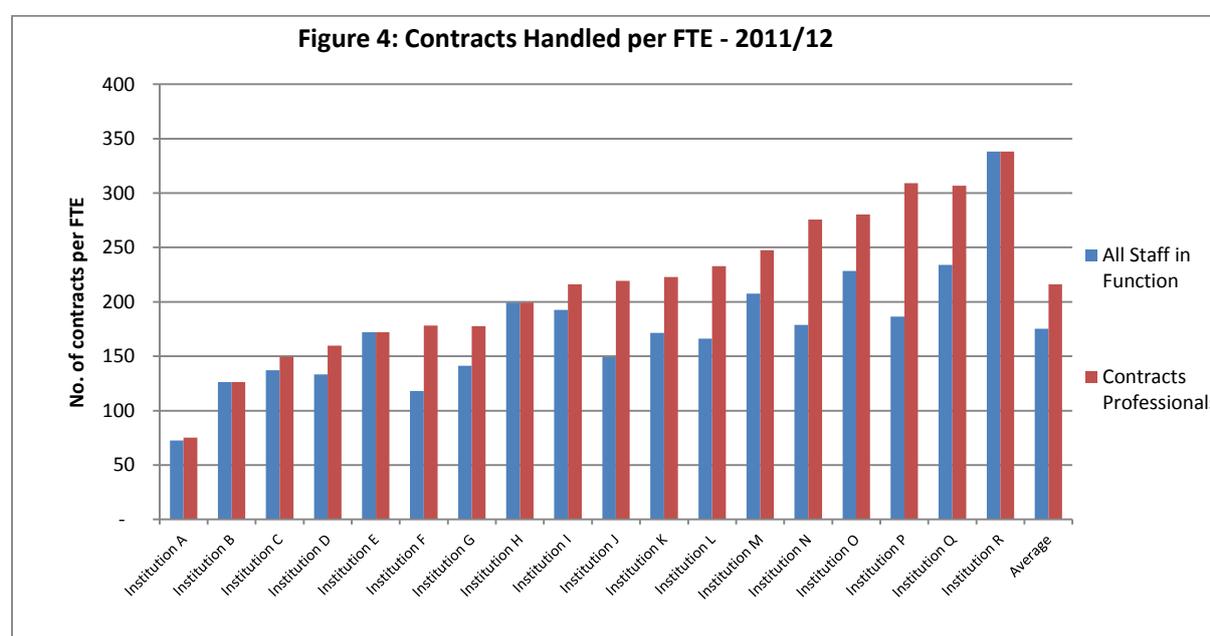
As a result of the growth in contract volumes and complexity outlined above, staff in many contracts functions feel under increasing pressure. Often they are faced with a difficult choice between accepting unfavourable terms in order to get contracts completed, and allowing a large backlog to develop. Several institutions have increased resourcing levels within their contracts functions in recent years, while others are currently recruiting. Despite this, in most cases institutions feel workloads are rising significantly faster than resourcing levels.

#### 3.3.1. Expenditure on the Contracts Function

On average the institutions surveyed employed just under nine full-time-equivalent staff members in their contracts function in 2011/12, at a cost of £383k<sup>1</sup>. This equated to 0.31% of institutional research income, with a typical cost per contract of £284. Wide variations were found between institutions, with expenditure as a proportion of research income ranging from as low as 0.1% to as high as 0.7%, and cost per contract from £177 to £656.

#### 3.3.2. Agreements per FTE

The average volume of agreements handled per full-time equivalent staff member (FTE), per annum was found to be 216. When administrative staff, assistants and temporary staff within the function are included, this falls to 175. Figure 4 illustrates that again there is substantial variation between institutions, with volumes ranging from only 75 agreements per contracts professional to as many as 338, with inevitable implications for the speed and quality of the service provided.



<sup>1</sup> The expenditure figures quoted in this report represent the salary costs of those staff dedicated to the preparation and negotiation of research contracts, inclusive of on-costs, in the 2011/12 academic year. Cost per contract is calculated by dividing this salary cost figure by the number of contracts handled per annum. Cost figures do not therefore reflect the full economic cost of contracts handling, which would also need to account for non-pay and overhead costs associated with contracts staff, and the cost of time spent by academic or other administrative staff in negotiating contracts, which may be significant. These elements were excluded from the study due to the difficulty of determining these costs on a reliable and comparable basis.

### 3.3.3. Disciplinary Differences

At a disciplinary level, the volume of agreements handled by a contracts professional per annum was found to be broadly similar across medicine and science/engineering, at 229 and 239 respectively. Typically this volume would include a large number of confidentiality agreements, material transfer and subcontract agreements on largely standard terms. Volumes are notably lower in the Arts, Humanities and Social Sciences, at 165 agreements per FTE, reflecting the more bespoke nature of agreements in this area.

### 3.3.4. Contract Complexity

The mix of agreement types handled by an institution was used as a proxy measure for the complexity of agreements handled, with a weighting attached to each type (eg 1 for a confidentiality agreement, and 5 for a clinical trial agreement). This identified a handful of instances where particularly high volumes of clinical research activity did appear to correlate with a reduced volume of agreements per full-time equivalent staff member, and an increased cost per agreement. Otherwise, all institutions were found to handle a wide mix of agreements, and inconsistencies in the quality of data at this level meant it was not possible to draw further conclusions.

### 3.3.5. Institutional Size

The study found strong evidence of a relationship between institutional size and overall expenditure on contracts, with larger institutions generally able to spend a significantly lower proportion of their research income on the contracts function (see Figure 5). The cost per contract also falls rapidly with an increase in research income levels, before increasing again at institutions with research income of over £150m per annum.

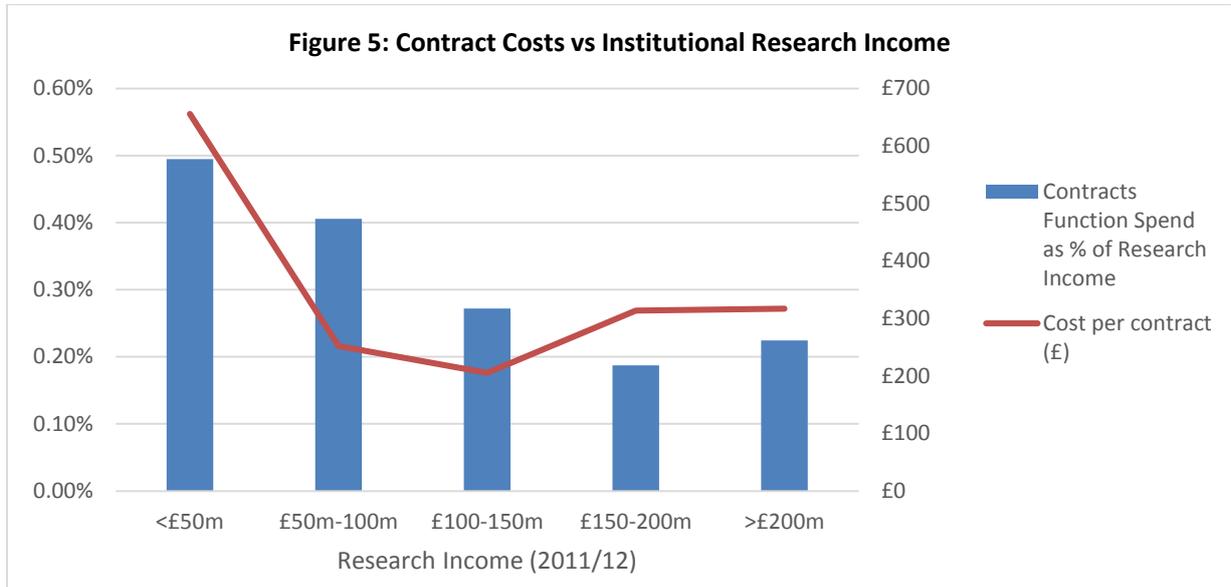
The increase in cost at the larger institutions can be accounted for as follows:

- Two of the three institutions in the £150m-£200m range have small central teams working in conjunction with faculty-based research support staff. Neither the cost of these staff nor the volume of agreements handled at faculty level are reflected in the figures. This results in a low overall cost of the function, but a high cost per agreement, as only the more complex agreements are referred to the central team.
- Two of the four institutions in the £200m range have multiple faculty-based teams. Intrinsicly this more decentralised model is likely to result in some additional cost, but in addition the closer link between contracts staff and their “customers” was considered to have aided these institutions in securing additional resource.

### Managing Resourcing Levels – University of Oxford

The University of Oxford has three teams providing research services to the divisions of Science, Medical Sciences and Humanities & Social Sciences respectively, plus a clinical trials and research governance team within a Joint Research Office. In contrast to the centrally-funded model employed by most universities, Oxford operates a resourcing model whereby academic divisions (and their constituent departments) are charged directly for grants, contracts and research governance support. This gives departments a high degree of ownership over resourcing levels, meaning they actively engage with Research Services to secure additional support where it is required. Oxford’s Deputy Director of Research Services explained that this results in a function that is resourced to deliver genuine value to researchers: ‘We get to understand what the academics want to do and the interactions they’ve got, which means we can structure our contracts in a much better manner to meet the purpose. Our academics appreciate that, and they usually come to us early because we have a close relationship.’

- Larger institutions typically receive bigger, more complex research awards than the smaller institutions, resulting in additional work and higher costs on a per contract basis.



### 3.3.6. Organisational Structure

Figure 6 shows the range of organisational structures adopted by the institutions surveyed, and also provides an indication of the staffing mix within the contracts functions.

**Figure 6: Organisational Structures (anonymised)**

	Central contracts team	Central team + specialists in other teams	Faculty-facing multi-skilled teams	Central team interfacing with Faculty Research Offices	Faculty-based contracts teams
 <p>Predominantly qualified lawyers</p> <p>Predominantly generalists</p>	Institution A	Institutions D and M		Institutions I and L	
	Institutions G, K and T		Institutions F and J	Institutions N and Q	
	Institution P	Institution R	Institution E		Institutions B and C
			Institutions H and S	Institution O	
<b>Total number of institutions</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>2</b>

Several institutions have recently adopted a more decentralised approach to research support, often allied to a general devolution of support service functions from the centre to faculties. However, efforts to devolve general contracts activities to faculty-based teams have often met with only limited success, due to:

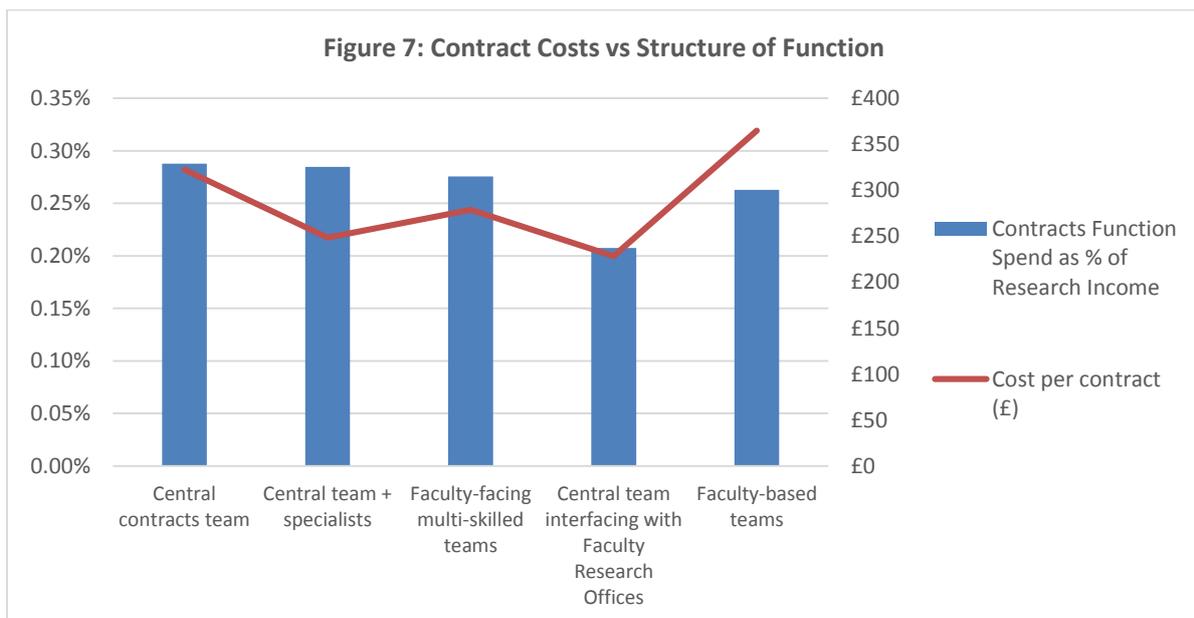
- The relatively small size of contracts teams in all but the largest institutions, meaning devolution of this role to faculties can result in expertise being spread too thinly.
- A tendency for institutions to overestimate the proportion of agreements that can be handled on standard terms without reference back to a contract specialist.
- A tendency to underestimate the level of central resource needed to develop and promote consistent institutional policies and provide training within a devolved structure.

### Contracts in a Devolved Administration – University of Southampton

The University of Southampton underwent an institutional restructure in 2011, with over 20 academic schools consolidated into 8 faculties, and many central administrative functions devolved to faculty teams. Within each faculty, research development, commercialisation and partnerships are now handled by Collaboration Managers. A team of Research Support Officers (RSOs) provides the principal point of contact for academic staff for proposal preparation and administration, including contracts. Complex agreements and negotiations on terms are referred on to a small team of Major Contracts Managers (MCMs) within a central Research and Innovation Services Hub, with European Commission agreements also handled centrally within a dedicated EU Office.

Key to managing the transition to this devolved structure has been the development of detailed guidance and standard procedures to govern interactions between faculty based and central staff. Both groups have found it helpful to adopt consistent terminology for referrals between teams, distinguishing between ‘alerts’, ‘enquiries’, and ‘handoffs’. Significant effort has been invested in the development of ‘fast track’ templates (especially for studentships), heads of terms, framework agreements and ‘approved company templates’ in order to allow RSO teams to progress agreements and reduce the need for referral to the central Hub.

Institutions have met with more success in passing responsibility for clinical research agreements, material transfer agreements and European Commission consortium agreements to specialists in these areas. Institutions who had co-located their contracts support for clinical research with their partner NHS Trusts typically found this had contributed to more effective working relationships.



While the relationship between functional structures and resourcing levels is inevitably not clear-cut, some broad trends can be discerned, as shown in Figure 7.

This indicates that a single, central contracts team represents a relatively costly approach to managing contracts (as do devolved Faculty teams), but suggests that some efficiencies can be gained through both specialism and multi-skilling. As previously noted, a central team interfacing with Faculty Research Offices offers the lowest overall cost, but this is likely to be due to the fact work is simply being shifted elsewhere in the organisation. The underlying data also shows some correlation between the proportion of legally qualified staff and the overall cost of the function, reflecting the salary premium attached to these individuals.

### 3.4. Staffing and Workflows

A key finding of this study is the trend towards greater professionalisation of the research contracts function. Historically, the contracts management role was frequently undertaken by generalists, who might come from a postgraduate research or general administrative background. As Figure 8 illustrates, while the majority of contracts staff continue to fit this description, a significant proportion of staff now hold a professional legal qualification. In part this reflects a recognition by universities of the value of having legal expertise in the function, but also the fact that university salaries and benefits are now an attractive option for qualified individuals in private practice or industry, particularly in the recent economic climate.

#### Reshaping the Contracts Team - University of Sheffield

The University of Sheffield has reshaped its contracts function in recent years, moving from a predominantly flat structure to teams comprising contracts managers, contracts officers and assistant contracts officers. This allows the time of the contracts managers to be focussed on high-risk and complex agreements, while more straightforward contracts can be handled by contracts officers and assistant contracts officers, with template agreements populated by contract coordinators. A second review process is used to ensure quality is maintained, and to support the development of less experienced staff.

The University's Pricing & Contracts Manager explains: 'We tend to take on graduates on fixed term contracts, sometimes they move on, but generally we've been able to offer people more responsibility and development.' Several of the University's Contracts Managers have completed the University's Leadership Development Programme and taken on additional line management responsibilities within the team. Meanwhile, the University's cost per agreement is significantly below average, reflecting the financial savings that can be achieved from delegation of low-risk agreements to more junior staff.

Traditionally, a single contracts manager might handle all the agreements for a faculty or group of schools/departments, and many institutions continue to operate on this basis. Others, though, are creating contracts teams where work may be undertaken by staff at different levels depending on its risk and complexity. Several universities have adopted a triage process, whereby standard or low-risk agreements are handled by faculty-based or non-specialist staff, and only complex, negotiated agreements are referred to central contracts specialists. As noted above, there is a growing trend towards European Commission agreements being handled within a dedicated EU function.



### 3.5. Training, Professional Development and Knowledge Sharing

Research contracts professionals obtain training, development and support from a patchwork of different associations and bodies, including the Association of Research Managers and Administrators (ARMA), the Association of University Legal Practitioners (AULP), the Association for University Research and Industry Links (AURIL) and PraxisUnico. Training arrangements within institutions themselves are highly variable, but tend to follow a formal programme only in large and/or highly devolved contracts teams. There was a general consensus that the one day contracts course offered by ARMA provided a good introduction to research contracts, and the three day training course from PraxisUnico was invaluable for those with slightly more experience. Beyond this, there is generally only limited support within institutions and the sector at large for ongoing professional development and networking of experienced contracts professionals.

#### Supporting Professional Development – University of Manchester

Manchester is unusual in having supported a number of its contract staff in undertaking the Legal Practice Course (LPC) and/or qualifying as solicitors. Training is handled in conjunction with the University's School of Law, and a member of the School's academic staff acts as the Training Principal. In return, members of the contracts team do pro bono work in the University's legal advice centre, which allows them to gain exposure to a wide range of legal work. This emphasis on continuing professional development is considered to be helpful in retaining staff, and has allowed staff joining the function from a general administration or research background to marry this expertise with a legal qualification.

Arrangements for sharing of information and developments relevant to research contracts staff are similarly inconsistent. Universities greatly value the existing Brunswick templates, along with other templates such as DESCA for European Commission projects, the Russell Group studentship agreement, Lambert templates (despite reservations in some quarters over their continued relevance) and the National Institute for Health Research's commercial clinical trial and site agreements. There is nevertheless concern that use of the Brunswick agreements and other templates is not as widespread as it could be, and that unnecessary variations of approach persist both across and within institutions.

Individual interviewees cited a number of opportunities to develop template agreements and improve consistency of working practices, including:

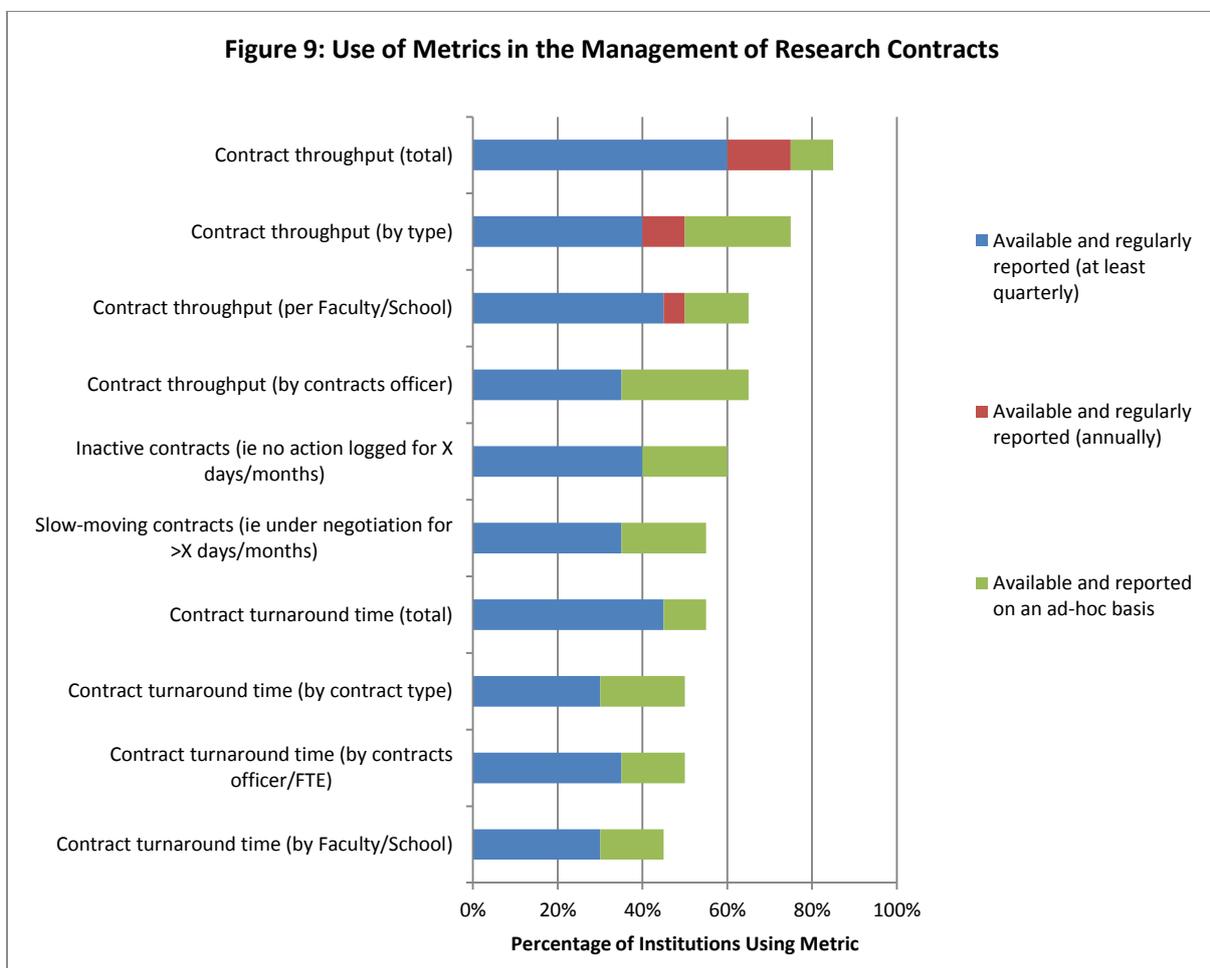
- Developing a set of principles governing industrial studentships that could be shared with partners at the outset of a negotiation.
- Agreement of a set of overarching principles for research contracting by Russell Group institutions.
- Improving dialogue with Research Councils UK (RCUK) on use of collaboration agreements, and determining 'reasonable expectations' for IP ownership by industrial partners.
- Developing standard sub-contract/collaboration agreements (or principles) for passing National Institute for Health Research (NIHR) funding between institutions.
- Developing standard confidentiality and material transfer agreements for use by third party organisations seeking to work with Russell Group universities.

However, there was little consensus between different institutions on these areas, and others were sceptical as to the benefits of further development of templates and framework agreements. The wide range of opinions is reflective of the fragmented nature of the research contracts community at present, and suggests there is a need to improve informal networking and knowledge-sharing before real progress can be made.

### 3.6.IT Systems and Process Metrics

At present there is a relatively even split between institutions using off-the-shelf software (30%), in-house solutions (40%) and spreadsheets or databases (30%) to track and manage contracts activity. Few research contract teams consider that their IT systems adequately meet their needs, and a significant proportion of institutions surveyed are implementing or preparing to implement new research management systems, with a preference for off-the-shelf software. Only a handful of institutions use electronic document management (typically using Microsoft Sharepoint) and to date none of the institutions surveyed had adopted dedicated software to support electronic signatures.

In total, roughly 40% of institutions use a range of metrics on a regular basis within the contracts function (see Figure 9), though several institutions anticipate a need to develop them in response to changing institutional expectations of professional service departments. 55% of institutions are able to monitor contract turnaround time in some form, but the lack of an agreed definition for this measure means it is not possible to benchmark institutions on a comparable basis<sup>2</sup>.



<sup>2</sup> The most common approach is to monitor the time elapsed from the point a contracts team are first notified of a potential agreement to its execution (ie signature by all parties). However, a significant minority of institutions take different approaches, such as measuring turnaround from the date contracts staff have sufficient information to commence a negotiation in earnest, to the date a contract is cleared for signature, or has been set up in the institution's finance system. Some also measure turnaround in calendar days, others in working days.

Many of the individuals spoken to were sceptical as to the value of a metrics-driven approach to contracts management, which it is felt could easily distort behaviour in unhelpful ways, and runs counter to both the increasing professionalisation of the function and the need to consider agreements in context.

Where institutions are using metrics successfully this is not seen primarily as means of monitoring the performance of individual staff members. It was considered essential to consult contracts team members themselves to identify measures that correspond to how they manage their own work (for example many track the days elapsed since the last action taken to process an agreement, or total time an agreement has been under negotiation). Metrics and data can then be utilised to support the case for additional resource, identify pressure points, market the contracts function internally, evaluate the impact of changes in process or practice, and rebut anecdotal criticisms and concerns.

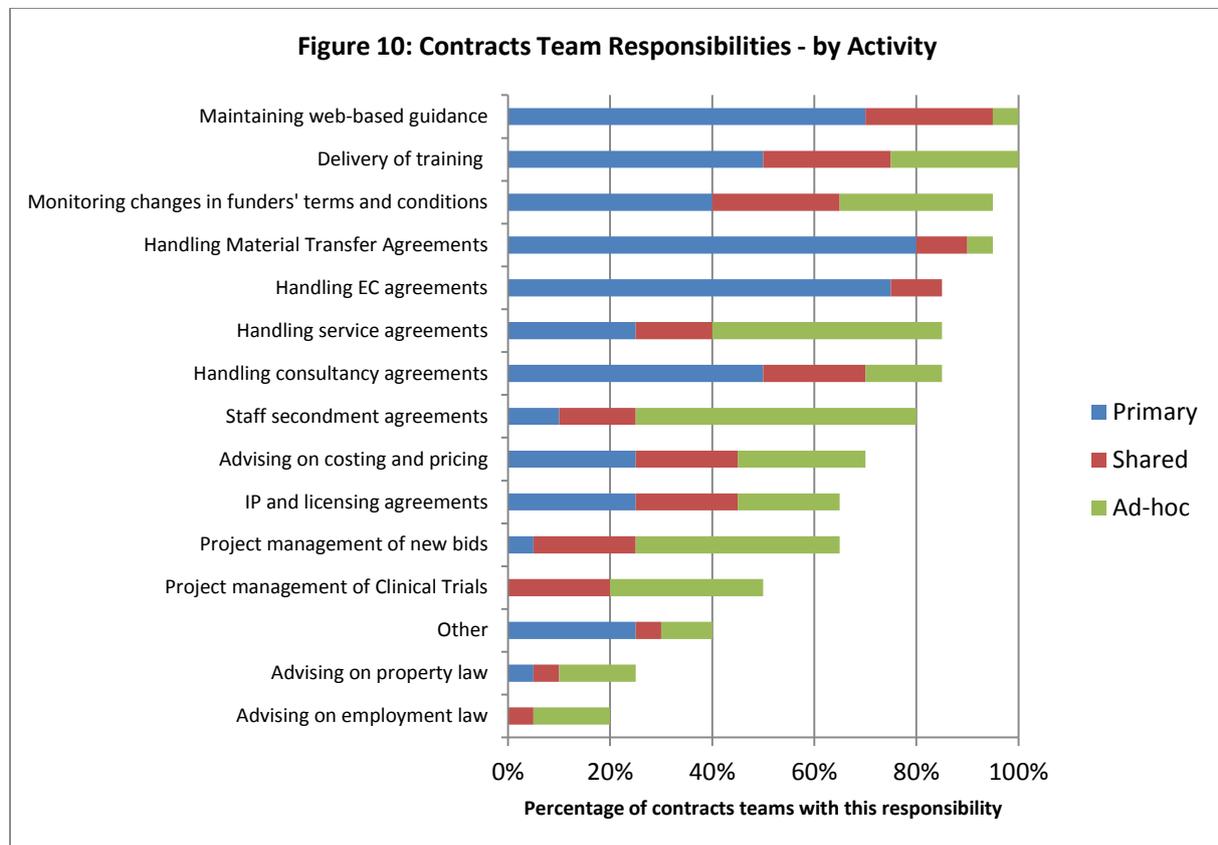
## Using IT to Support the Contracts Process - University of Warwick

Unable to identify existing software in the marketplace that would meet its needs, the University of Warwick is currently engaged in the first UK implementation of the Ideate research management system, in partnership with Tribal. With a target implementation date of mid-2014, the system is intended to deliver an electronic workflow that incorporates risk and financial assessment, dashboard reporting on grants and contracts activity at a granular level, and drag and drop storage of electronic documents, with version control.

The system's adoption is expected to allow the University to further develop its use of IT to improve efficiency and visibility within the contracts process. The University already tracks the status of agreements at each stage of the contracting process, with reports available on the volume of agreements at each point, and the average time taken to progress between stages. This data is used to monitor the impact of changes in process, workload and resourcing levels, with the Director of Research Support Services explaining, 'I knew we were making progress when concerns over workloads were identified internally before a complaint was raised by a Head of School.'

### 3.7.Responsibilities and Interfaces

While virtually all contracts functions are responsible for handling and negotiating research contracts, collaboration agreements, confidentiality agreements and research subcontracts, Figure 10 shows the extent to which responsibilities vary for other activities.



The most significant variations in the responsibilities of contracts teams relate to:

- Differing levels of responsibility for ‘enterprise’ activities (consultancy, services, IP and licensing). While 67% of contracts teams have primary or shared responsibility for consultancy agreements, this falls to 45% for IP and licensing, and 40% for non-research service agreements.
- Responsibility for European Commission grant and collaboration agreements, which are handled by specialist EU teams in a small but growing minority of institutions.
- Support for clinical research, and the extent to which contracts teams provide broader support in relation to governance, insurance and project management of trials, with 50% having some role in the latter.
- Varying levels of responsibility for pricing negotiations. In the majority of institutions (55%), contracts staff have little or no direct involvement in this area, and in only 25% of cases was this considered a primary responsibility. This frequently results in a price being agreed with external parties without reference to the contractual terms governing IP ownership, warranties and indemnities.

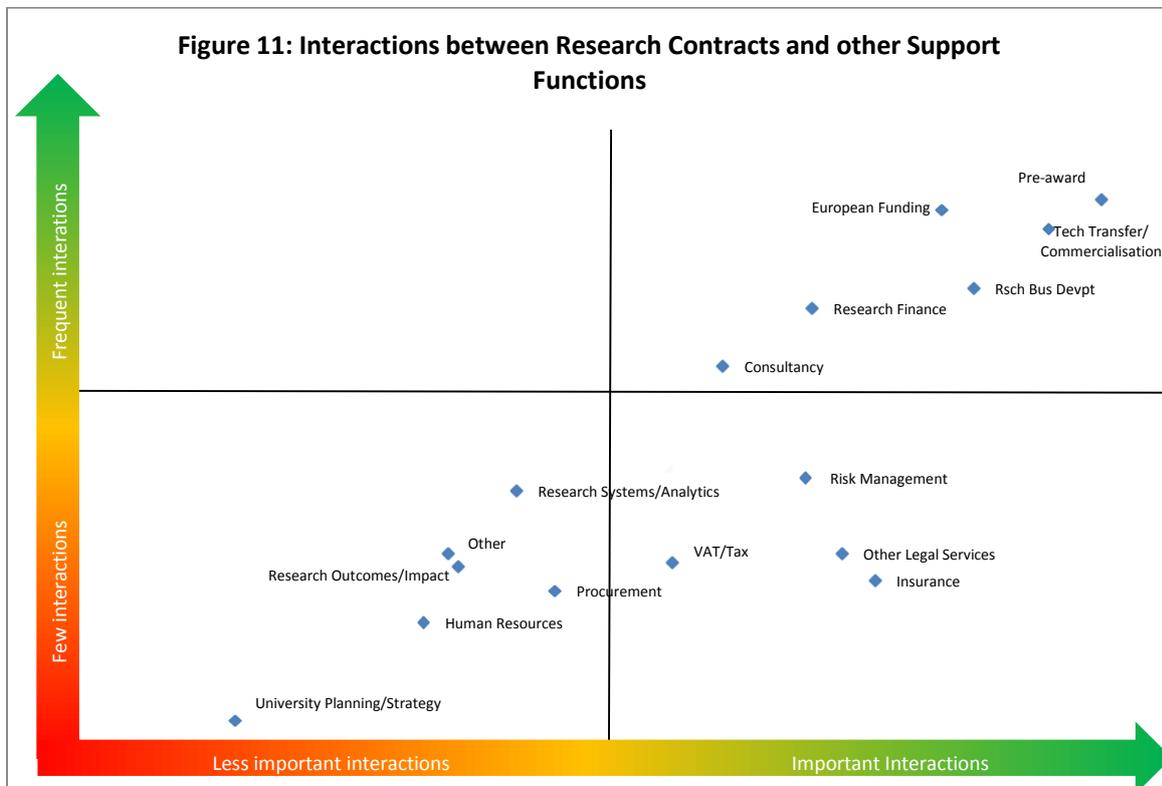
The survey also asked respondents to consider the frequency and importance of interactions between the contracts function and other support functions associated with research. Figure 11 shows that the most important and frequent interactions occur with pre-award and commercialisation staff, closely followed by business development and European funding teams.

A lack of clarity in the remit for contracts functions was found to be a significant concern in discussions with some institutions. This was a particular issue in cases where universities do not have an in-house legal function, which often resulted in contracts teams being asked to comment on various forms of agreement only loosely associated with research.

### Ownership of the Contracting Process – King’s College London

In many institutions responsibility for costing and pricing is divorced from the contractual negotiation process, and contracts teams may only receive notification of the need for an agreement once a price has been determined. At King’s, Research Grants and Contracts Associates are instead responsible for all aspects of the contractual negotiation, including pricing. These staff are mostly campus-based and operate with an appropriate degree of autonomy. This allows them to liaise directly with academic staff to develop effective working relationships and guide them through the contracting process.

The Director of Research Grants and Contracts sees the value of this approach in developing staff and giving them a breadth of expertise. He also believes it benefits both his staff and the academics themselves: ‘Explaining things to the academics is really important, it’s all about how you do what you do. Academics appreciate guidance through the process... we’re not treating our staff as automatons, we rely on having good people.’

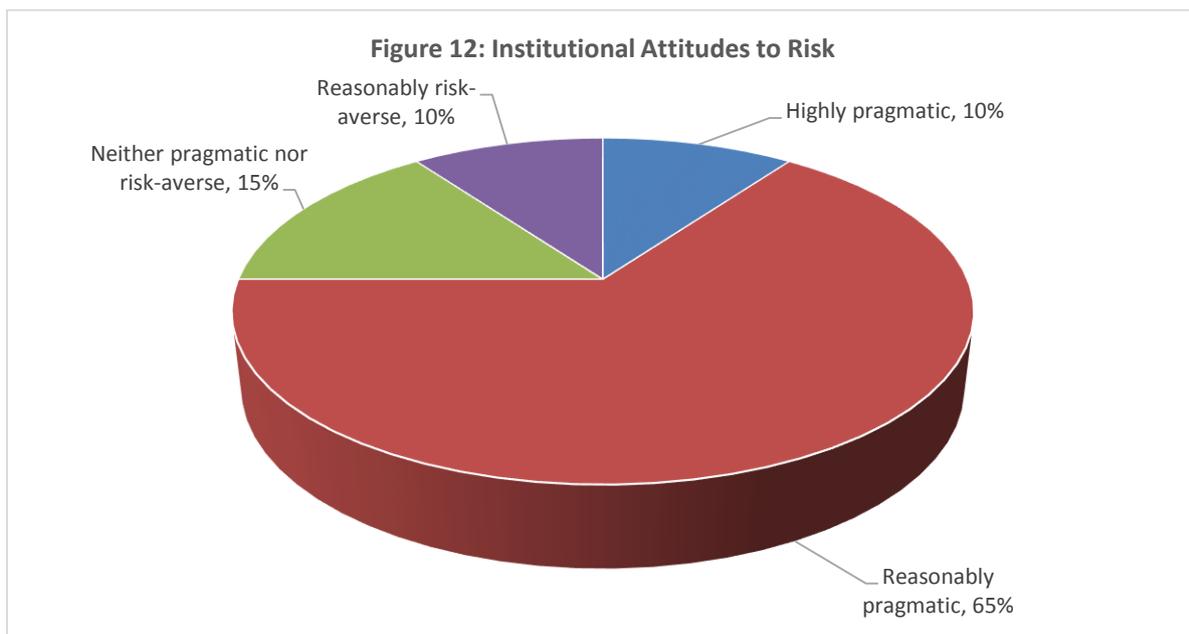


### 3.8. Institutional attitudes to risk

The 20 participating institutions self-assessed their attitude to risk on a five-point scale ranging from highly risk-averse to highly pragmatic. The results of this assessment are shown in Figure 12, and indicate that three-quarters of contracts teams already consider their approach to be highly or reasonably pragmatic. Many of the staff interviewed expressed frustration that this was not recognised more broadly within their institution, and that too often negotiations necessary to protect an institution or researcher’s core interests were perceived as obstructive or unnecessary. There was frustration, too, that the value of the contracts function is often judged solely on the speed with which contracts are processed, and that contracts team are often asked to ‘be more pragmatic’, without adequate guidance on the additional risks or compromises they are being authorised to accept.

#### Managing Risk – Imperial College London

With three separate faculty-based teams handling contract negotiations, Imperial College recognised the need to have a consistent institutional position on risk. An ‘Operational Framework for Contracts Negotiation’ was therefore developed, which articulates the College’s approach to key contractual terms covering areas such as publication and IP ownership. Approved by the College’s Management Board, this framework sets out the College’s preferred position and the deviations from this that may be accepted by a contracts practitioner. Deviations outside of these parameters are escalated for approval to the Research Office, and must be justified in the context of the risk involved, with the rationale documented in the College’s contracts management system. A Contracts Manager explained the benefits of this approach as follows: ‘It’s been really helpful to have an understanding of what the College is willing to do... it gives us a good pathway to determining the level of risk we are prepared to accept.’



Many institutions are working to improve alignment between their research contracts functions, in-house legal teams and commercialisation/technology transfer functions in order to more effectively facilitate research. A further opportunity arises from the tendency for institutions to appoint dedicated business engagement/development staff in recent years. Clear definition of the respective roles and responsibilities of these individuals and research contracts teams is a key step in streamlining institutional engagement with industry and commerce.

## 4. Conclusions and Recommendations

This project arose from a concern amongst the participating institutions that contracts functions are frequently under-equipped to handle the volume and complexity of agreements they are now expected to handle. In some cases this has proven to be an accurate perception, with teams struggling with inadequate resourcing levels, inappropriate structures, outdated and inflexible IT systems, and poorly defined remits. These challenges are compounded by the limited opportunities contracts professionals have for networking and professional development, and an ad-hoc approach to raising sector concerns over contractual terms with key public funders of research such as RCUK and NIHR.

Many contracts professionals struggle to raise awareness of their role and value amongst the academic community. Nevertheless, most could cite examples where their role in safeguarding an investigator's right to publish, to continue research in a particular area or to retain rights to intellectual property and future applications of new inventions was greatly valued and appreciated. Furthermore, there is widespread evidence of innovation and good practice in the sector's approach to research contracts management. While some examples have been cited in this report, many other institutions are also pursuing improvements in the following areas:

- As contracts staff increasingly view themselves as professional advisors rather than administrative gatekeepers, institutions are taking steps to support their professional development.
- Contracts teams are being progressively restructured to provide greater administrative support for senior staff and improved career progression for junior ones.
- Institutions are embarking on projects to replace ageing in-house databases with sophisticated third party solutions, and paper based filing with electronic document management systems.
- More effective working relationships are being built with NHS Trusts through co-location of staff, adoption of overarching agreements for clinical trials and development of Joint Research Offices.
- Metrics are being used to monitor and improve team performance and quality of service, and as an early warning system to identify pressure points.

Templates are being shared and adopted between institutions and beyond through the work of the Brunswick group, the N8 Research Partnership and the University Technology (UT) initiative in Scotland, among others.

The implications of this report for individual HEIs will vary depending on their size, current resourcing level of the contracts function, maturity of research management systems and organisational structure. Nevertheless it is hoped that the data and findings made available within this report will provide a sound basis for contracts function to review and reassess their existing resourcing levels and working practices.

The following recommendations are made to the Brunswick Group, as the representative body commissioning this report:

1. **Develop a network of contracts professionals** - A network of research contracts professionals should be created, with a dedicated mailing list, annual or bi-annual meetings and an on-line repository to facilitate more effective sharing of template agreements and best practice. The

potential for an existing professional association such as ARMA or Praxis-Unico to host, support and promote the network should be explored.

2. **Establish a working group to lead on template development** – The project identified a number of opportunities where templates could be developed collectively and adopted across the sector, including subcontracting of NIHR funding and a set of principles to govern industrial studentships. A sector working group should be formed to progress projects of this nature, including representatives from a Scottish institution and an N8 institution to promote consistency with existing regional initiatives.
3. **Improve adoption of template agreements for university to university interactions** – Negotiation of agreements between institutions represents a significant area of inefficiency. Research Office Directors and Heads of Contracts should pursue more consistent adoption of the existing Brunswick agreements, with changes to these agreements being restricted to substantive issues only.
4. **Pursue dialogue with public funders of research on contractual terms** – There is concern over the excessively complex and onerous contractual requirements imposed on institutions by public funders. Institutions and sector bodies should pursue more effective dialogue with public funders, particularly RCUK, and NIHR to raise and address these issues.
5. **Conduct a trial implementation of electronic signature software** – There would be value in an institution or group of institutions trialling the use of electronic signature software (solutions are available from Docusign, Adobe and RightSignature among others). The results of this trial and the potential for such solutions to streamline the processing of low-risk agreements or documents should be shared with the group at large.
6. **Undertake a follow up review in 12-18 months** - The completion of a follow up exercise in 12-18 months would be valuable as a means of reviewing progress against these recommendations and developing an evidence base of efficiency savings and service improvements achieved by institutions as a result of the project.

## Appendix 1 – Participating Institutions

The participating institutions in the project were:

Cardiff University  
Imperial College London  
King’s College London  
London School of Economics\*  
Newcastle University\*  
University College London  
University of Cambridge\*  
University of Birmingham\*  
University of Bristol  
University of Edinburgh  
University of Glasgow  
University of Leeds\*  
University of Liverpool  
University of Manchester  
University of Nottingham  
University of Oxford  
University of Sheffield  
University of Southampton  
University of Sussex  
University of Warwick

\*Denotes Project Steering Group member